



ASHOK LEYLAND

Koi Manzil Door Nahin

DRIVE THE FUTURE



ANNUAL REPORT 2025



HINDUJA GROUP

FORWARD-LOOKING STATEMENT

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

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

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

* * * * *

CHAIRMAN'S MESSAGE

Dear Shareholders,

It is with immense pride that I reflect on the past year, a period that stands as a defining chapter in Ashok Leyland's journey. The accomplishments we achieved together not only underscore our team's resilience, ingenuity, and unwavering dedication, but also set new benchmarks for our organisation.

Reflections on a Landmark Year

Our performance this year was exceptional. We reported record revenues, for a third consecutive year, of ₹ 38,753 crores, marking a 1% increase over last year. Our EBITDA margin strengthened to 12.7%, totalling ₹ 4,931 crores, while Profit After Tax surged by an impressive 26% to ₹ 3,303 crores. Notably, we transitioned from a net debt of ₹ 89 crores the previous year to a net cash position of ₹ 4,242 crores—a testament to our robust financial discipline and operational excellence.

Demonstrating robust operational performance, we achieved a near-record volume of 1,95,097 Commercial Vehicles, including an all-time high of 21,253 M&HCV domestic buses. Exports rose by 29% to 15,255 units—a significant milestone. Our Power Solutions and Defence divisions also exhibited strong growth, with Defence executing major contracts and maintaining a healthy order pipeline. We retained our leadership position, ranking #1 in the addressable M&HCV bus segment. Furthermore, our dealer network's excellence was reaffirmed as we secured the top spot in the FADA Dealer Satisfaction Survey for the second consecutive year.

Our product portfolio expanded meaningfully, introducing new models like the EComet Star 11T CNG, EComet Star 1615 Tipper, the AVTR series of Tippers and MAVs, as well as the BOSS Electric and AVTR 55T Electric, deliveries of which have already commenced. We further strengthened aftersales support with the launch of the Uptime Solution Centre, a state-of-the-art facility utilising advanced diagnostics and analytics. In the SCV category, the launch of BADA DOST i5 increased our addressable LCV market share to 53.6%.

Internationally, despite challenges in key regions, we were recognised as India's No.1 CV exporter in Q3FY25. Our Power Solutions Business surpassed ₹ 1,000 crores in revenue for the second consecutive year, while our Defence division continued to deliver on critical contracts. We made significant strides in alternative propulsion technologies, led by Switch Mobility in electric vehicles and further advances in LNG and Hydrogen solutions.

FY25 marked our third consecutive year of sustainable cost reduction, improved delivery timelines and enhanced product reliability and quality. Keeping talent at the forefront of our business, we continue to focus on building a robust leadership pipeline for the future. On the ESG front, Ashok Leyland consistently ranked #1 or #2 across multiple ESG Risk Ratings, reflecting our steadfast commitment to sustainability. We are advancing determinedly toward carbon neutrality by 2030, and our RTS/RTL programs have now benefitted nearly half a million children and won many CSR awards.

Looking Ahead

The commercial vehicle and mobility sectors are undergoing profound transformation, shaped by several emerging global and industry trends. Electrification is accelerating, even as alternative propulsion technologies such as LNG and hydrogen-powered vehicles are moving from concept to commercial reality. Sustainability is no longer peripheral but is central to our corporate strategy. Market dynamics, especially in India, are shifting with urbanisation, infrastructure development, and evolving logistics patterns are fuelling demand for versatile product portfolios, including light commercial vehicles and innovative mobility solutions. Digitalisation and connectivity are reshaping fleet management, aftersales service, and the entire customer experience. Advanced analytics, telematics and real-time diagnostics are driving new standards for reliability and uptime, enabling predictive maintenance and data-driven decisions. On top of this, global trade and supply chains are being re-shaped. Supply chain diversification places additional emphasis on operational agility and resilient sourcing strategies.

To navigate and capitalise on these trends, Ashok Leyland will adopt a multifaceted and proactive approach. Continued investment in research and development will accelerate the rollout of electric, LNG, and hydrogen-powered vehicles, ensuring new offerings meet rigorous standards of reliability, safety, and performance. By forging strategic alliances with technology partners and start-ups, we aim to remain at the forefront of innovation, seamlessly integrating advanced telematics, connectivity, and predictive analytics into our product lineup.

Fortunately, India's growth outlook remains a positive factor and many of our country's policies are oriented to enhance self-reliance and global competitiveness. Ashok Leyland is well poised to contribute to this trajectory.

Looking to the future, our growth in international markets, particularly across the Middle East, Africa, and ASEAN regions, holds immense promise. These territories are experiencing robust economic growth, rising infrastructure investment, and increasing demand for advanced, reliable commercial vehicles tailored to local conditions. Initiatives in diversification and sustainability are also spurring interest in electric mobility. With a range of products in light, medium and heavy segments in both bus and truck applications, our strategy will focus on further deepening local engagement, leveraging regional manufacturing and supply chains, and positioning innovative, sustainable mobility solutions.



CHAIRMAN'S MESSAGE

The defence sector in India is witnessing robust growth, fuelled by a greater focus on indigenisation and modernisation, for both tactical and logistics vehicles. The demand for technologically advanced, reliable, and mission-ready mobility solutions is accelerating, presenting Ashok Leyland with significant opportunities to expand its defence portfolio. Strategic investments in R&D and participation in government initiatives such as 'Make in India' and 'Atmanirbhar Bharat' position us as a trusted partner for the armed forces.

To thrive in this dynamic landscape, Ashok Leyland will remain focussed on its quest to be an agile, innovation-driven organisation embracing digital transformation, fostering cross-functional collaboration, and investing in continuous skill development. We are committed to deepening our leadership pipeline, nurturing a culture of adaptability, and forming new partnerships to accelerate technological adoption. Through these measures, Ashok Leyland will remain responsive to market dynamics, resilient amid global disruptions, and positioned at the forefront of sustainable mobility.

Our Vision

By relentlessly driving innovation, expanding our global footprint, exploring new defence opportunities, and upholding an unwavering commitment to customer value and sustainability, Ashok Leyland is on track to realise its vision to become the industry leader in India and secure a place among the world's top 10 commercial vehicle manufacturers.

In conclusion, this past year has been marked by extraordinary achievement and strategic foresight. My sincere thanks go to each of our employees, partners, customers, and shareholders for their enduring trust, commitment, and support. I am confident that, together, we will shape the future of mobility and set new standards of excellence worldwide.

Yours sincerely,

Dheeraj G Hinduja
Chairman

July 9, 2025

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dheeraj G Hinduja, Executive Chairman
Jose Maria Alapont
Saugata Gupta
Manisha Girotra
Sanjay K Asher
(appointed w.e.f. August 14, 2024)
Shom Ashok Hinduja
Dr. V Sumantran
(appointed w.e.f. May 24, 2024)
Thomas Dauner
(appointed w.e.f. June 4, 2024)
Shenu Agarwal, Managing Director & Chief Executive Officer
Gopal Mahadevan
Sven Christoph Ennerst
(appointed w.e.f. June 1, 2025)

CHIEF FINANCIAL OFFICER

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

COMPANY SECRETARY

N Ramanathan

SENIOR MANAGEMENT

Alok Verma
Amandeep Singh
Amar H Shah
S Ganesh Mani
Mahesh Thakar
Raja Radhakrishnan
Rajesh Mani
Sanjeev Kumar
Dr. N Saravanan
G. Vinod

STATUTORY AUDITOR

Price Waterhouse & Co Chartered Accountants LLP

COST AUDITOR

Geeyes & Co

SECRETARIAL AUDITOR

B Chandra & Associates

BANKERS

Axis Bank Limited
Bank of Baroda
Central Bank of India
Citi Bank N.A.
DBS Bank India Limited
The Federal Bank Limited
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
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), Hosur and Vellivoyalchavadi (Technical Centre), 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: einward@integratedindia.in

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A HISTORICAL PERSPECTIVE OF THE COMPANY

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

₹ in Crores

Particulars	2015-16	2016-17	2017-18**	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Sales Volume										
Vehicles (numbers)	1,40,457	1,45,066	1,74,873	1,97,366	1,25,200	1,00,725	1,28,326	1,92,205	1,94,555	1,95,097
Engines (numbers)	15,551	16,491	18,751	21,859	20,359	23,923	20,944	22,925	32,374	32,930
Spare parts and others	1,273	1,694	1,950	1,880	1,766	1,703	2,033	2,578	3,469	3,978
Revenue (Gross sales)										
	19,993	21,453	26,633	29,055	17,467	15,301	21,688	36,144	38,367	38,753
Profit before tax	827	1,330	2,386	2,497	362	(412)	528	2,110	3,792	4,348
Profit after tax	390	1,223	1,718	1,983	240	(314)	542	1,380	2,618	3,303
Assets										
Property, Plant and Equipment, CWIP, Right-of-use asset, Goodwill, Tangible and Intangible Assets	4,868	5,177	5,971	6,272	7,398	7,422	6,795	6,437	6,153	6,270
Investments	1,980	2,002	2,451	2,637	2,720	3,069	3,522	3,892	5,311	5,654
Trade Receivables#	-	-	-	-	1	-	-	1	1	-
Loans and Other Financial assets	135	182	60	73	102	58	69	97	65	575
Income tax asset and other non-current assets	610	579	791	1,056	746	450	441	461	419	694
Non-Current Assets	7,593	7,940	9,273	10,038	10,967	10,999	10,827	10,888	11,949	13,193
Inventories	1,625	2,631	1,758	2,685	1,238	2,142	2,075	2,775	3,191	2,958
Investments	-	877	3,155	-	-	-	1,298	2,771	249	3,019
Trade Receivables	1,251	1,064	945	2,505	1,188	2,816	3,096	4,062	3,570	2,887
Cash and Bank balances	1,593	912	1,042	1,374	1,322	823	1,047	501	3,438	2,706
Loans and Other Financial assets	196	211	414	487	926	829	996	582	337	118
Other current assets (including Contract assets)	516	282	749	1,135	749	841	931	941	813	621
Current assets	5,181	5,977	8,063	8,186	5,423	7,451	9,443	11,632	11,598	12,309
Assets classified as held for sale	-	123	-	-	-	-	64	72	66	24
Total	12,774	14,040	17,336	18,224	16,390	18,450	20,334	22,592	23,612	25,526
Financed by										
Equity Share capital	285	285	293	294	294	294	294	294	294	294
Other Equity	5,123	5,841	6,953	8,039	6,970	6,683	7,043	8,132	8,517	11,225
Equity	5,408	6,126	7,246	8,333	7,264	6,977	7,337	8,426	8,811	11,519
Borrowings, Lease liabilities and other financial liabilities	1,995	1,194	514	333	1,431	2,625	2,914	1,820	1,182	946
Deferred tax liability - Net	329	127	298	249	265	171	144	504	556	548
Other Non-current liabilities and provisions (including Contract liabilities)	152	172	459	520	431	403	391	769	1,008	1,082
Non-current liabilities	2,476	1,493	1,271	1,102	2,127	3,199	3,449	3,093	2,746	2,576
Borrowings, Lease liabilities and other financial liabilities	1,517	2,172	1,894	1,700	2,651	1,951	1,369	2,367	3,602	1,759
Trade payables	2,563	3,117	4,888	5,019	3,037	5,165	6,875	7,175	6,305	7,305
Other current liabilities and provisions (incl. Current Tax liabilities-net and Contract liabilities)	810	1,132	2,037	2,070	1,310	1,158	1,292	1,520	2,131	2,362
Current liabilities	4,890	6,421	8,819	8,789	6,998	8,274	9,536	11,062	12,038	11,426
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-	12	11	17	5
Total	12,774	14,040	17,336	18,224	16,390	18,450	20,334	22,592	23,612	25,526
Basic Earnings Per Share (₹)	1.37	4.24	5.87	6.76	0.82	(1.07)	1.85	4.70	8.92	11.25
Dividend per share (₹) (Face value ₹ 1 each)	0.95	1.56	2.43	3.10	0.50@	0.60	1.00	2.60	4.95@	6.25@
Employees (numbers)	10,352	11,906	11,865	12,133	11,463	10,758	10,101	9,603	9,607	9,695

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

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

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

@Interim dividend declared by the Board during the year.

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

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Seventy Sixth Annual General Meeting (AGM) of Ashok Leyland Limited will be held on Thursday, August 14, 2025 at 3.00 P.M. IST through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025, 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, 2025 together with the Report of Auditors thereon.
2. To confirm the 1st interim dividend of ₹ 2.00 per equity share and the 2nd interim dividend of ₹ 4.25 per equity share and consider the same as final dividend for the financial year ended on March 31, 2025.
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 resolutions as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, if any and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to receipt of such other approvals, consents and permissions as may be required, M/s. B. Chandra & Associates, Practicing Company Secretaries, Chennai (Firm Reg. No.: P2017TN065700) be and are hereby appointed as Secretarial Auditors of the Company for a term of upto 5(Five) consecutive years, to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of 81st (Eighty First) AGM of the Company to be held in the Year 2030, on a remuneration as agreed by the Board of Directors and the management, as detailed in the explanatory statement attached to the notice.

RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, things and to sign all such documents as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

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

"RESOLVED that pursuant to the recommendation of the Nomination and Remuneration Committee, applicable provisions of the Companies Act, 2013, ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Sven Christoph Ennerst (DIN: 10942860), who was appointed as an Additional Director of the Company by the Board of Directors with effect from June 1, 2025, in terms of Section 161 of the Act and in respect of whom the Company has received a notice in writing from a member as required under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER that pursuant to the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company, and pursuant to the provisions of Sections 149, 152 and its related and applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Mr. Sven Christoph Ennerst, who meets the criteria for appointment as an independent director as provided in Section 149(6) of the Act, read with the rules made thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect for a term of five years commencing June 1, 2025 to May 31, 2030, not liable to retire by rotation, be and is hereby approved."

By Order of the Board

Chennai
May 30, 2025

N Ramanathan
Company Secretary

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

NOTES:

1. The Board of Directors had declared an interim dividend of ₹ 2/- per share on November 8, 2024, which was paid to the shareholders on December 5, 2024. Further, the Board of Directors had declared the 2nd interim dividend of ₹ 4.25/- per share on May 16, 2025, which was paid to the shareholders on June 12, 2025. With this, a total dividend of ₹ 6.25/- per share has been declared for the year. The Board of Directors have not recommended any final dividend.
2. The Ministry of Corporate Affairs ('MCA') has vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020, December 28, 2022, September 25, 2023, read with circular dated September 19, 2024 (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC/OAVM.
3. The relevant Explanatory Statement pursuant to Section 102 of the Act, setting out material facts in respect of businesses under item nos. 4 and 5 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.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

NOTICE TO SHAREHOLDERS

5. Institutional/Corporate Shareholders (i.e., other than Individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG format) of its Board or governing body resolution/authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said resolution/authorisation shall be sent to the Scrutinizer by e-mail at their registered e-mail address to scrutiniserbc@gmail.com with a copy marked to evoting@nsdl.co.in.
6. Members are requested to note that, dividends if not encashed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). Further, shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more are liable to be transferred to the IEPF Authority. In view of this, Members/claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. The Members/claimants can file only one consolidated claim in a financial year as per the IEPF Rules.
7. In compliance with the MCA Circulars, SEBI Circular dated October 3, 2024 and SEBI Listing Regulations, Notice of the AGM along with the Annual Report for the FY 2024-25 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 2024-25 is also available on the Company's website www.ashokleyland.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL – www.evoting.nsdl.com.
8. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before August 04, 2025 through e-mail to secretarial@ashokleyland.com. The same will be replied by the Company suitably.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available, electronically, for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for inspection from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to secretarial@ashokleyland.com.
10. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 72 of the Act, read with the Rules made thereunder are requested to send the prescribed Form SH-13 to the Corporate/Registered Office of the Company. Any change or cancellation of the nomination already given is to be submitted in Form SH-14. Form SH-13 and Form SH-14 are available on the Company's website in the Investors Section for download.
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number, ECS mandate, nominations, power of attorney, bank account details, etc., to their Depository Participant(s), in case shares are held by them in electronic form and to Integrated Registry Management Services Private Limited ('RTA'), 'Kences Towers', 2nd Floor, No. 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017, in case shares are held by them in physical form.
12. Members holding shares in physical mode, who have not registered their above particulars are requested to register the same with the Company/RTA in prescribed Form ISR-1. Any clarifications in this regard may be addressed to the RTA at csdstd@integratedindia.in.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company/RTA for consolidation into a single folio.
14. As per Regulation 40 of SEBI Listing Regulations, all requests for transfer of securities including transmission and transposition, issue of duplicate share certificate; claim from unclaimed suspense account; renewal/exchange of share certificate; endorsement; sub-division/splitting of share certificate; consolidation of share certificates/folios shall be processed only in dematerialized form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form.
15. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM, i.e., Thursday, August 14, 2025.
16. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
17. SEBI has through the Circular SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 2, 2025, informed that for physical share transfer requests which were originally lodged prior to April 1, 2019, but were rejected / returned due to documentation deficiencies, a special window is now made available from July 7, 2025 to January 6, 2026, for re-lodgement of these physical share transfer requests. Please note that such shares shall be issued only in demat mode upon verification of all related documents and successful processing. Shareholders who wish to avail this opportunity are requested to contact the Company's Registrar and Share Transfer Agent viz., Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, 1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai-600 017, Tel- +91 44 28140801/03, Fax- 91 44 2814 2479, Email: einward@integratedindia.in.
18. The details as required under Regulation 36(3) of SEBI Listing Regulations and the Secretarial Standard on General Meetings ('SS-2'), issued by the Institute of Company Secretaries of India is provided in the Annexure to this Notice.
19. Voting and joining AGM through electronic means:
 - (i) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and Regulation 44 of the SEBI Listing Regulations, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM.

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

NOTICE TO SHAREHOLDERS

- (ii) The 'cut-off date' for determining the eligibility for voting through electronic voting system is fixed as Thursday, August 7, 2025. The remote e-voting period commences on Monday, August 11, 2025 at 9.00 a.m. IST and ends on Wednesday, August 13, 2025 at 5.00 p.m. IST. During this period, a person whose name is recorded in the Register of Members or in the Register of Beneficiary Owners maintained by the Depositories, as on the cut-off date, i.e., Thursday, August 7, 2025 shall be entitled to avail the facility of remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, Thursday, August 7, 2025.

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

Step 1: Access to NSDL e-voting system

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

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 advised to update their mobile number and email Id in their demat accounts in order 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. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. ii. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. iii. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iv. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. v. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  

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Individual Shareholders holding securities in demat mode with CDSL	- Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. - After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. - If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. - Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

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

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

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

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in

credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- 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***

- Password details for shareholders other than Individual shareholders are given below:

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

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- 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' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email 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, 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'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. 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 are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
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 also "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 shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutiniserbc@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.
2. It is strongly recommended not to 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 at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 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 shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email einward@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) einward@integratedindia.in. If you are an Individual shareholders 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 for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for **'Access to**

NOTICE TO SHAREHOLDERS

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.

- 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.
- 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.
- 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 August 5, 2025 (9:00 a.m. IST) to August 8, 2025 (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:

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

- 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., Thursday, August 7, 2025, may obtain the User ID and password by sending a request to einward@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., Thursday, August 7, 2025 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.

- 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.
- 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.
- 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.

General:

Shareholders holding shares in dematerialized mode, are requested to update their records such as tax residential status, permanent account number (PAN), registered email addresses, mobile numbers and other details with their relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to furnish details to the Company's registrar and share transfer agent.

Members are requested to note that SEBI vide circular dated November 3, 2021 and subsequent circulars has mandated that Members holding shares in physical mode are required to update the following with the Company/RTA: PAN; KYC details containing address, mobile number, e-mail address, bank account details; Nomination details.

Also, pursuant to the above SEBI Circulars, with effect from April 01, 2024, in case of non-updation of PAN and KYC details except "choice of nomination", the shareholders holding shares in physical form shall be eligible for the following only after furnishing KYC details:

- to lodge grievance or avail any service request from the RTA
- to receive any payment of dividend through electronic mode in respect of shares held in the folio 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 the prescribed Forms i.e. ISR-1, ISR-2, ISR-3 or SH-13 / SH-14 at the earliest. Any clarifications in this regard may be addressed to the RTA at HYPERLINK "<mailto:einward@integratedindia.in>" einward@integratedindia.in.

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 5 of the accompanying notice.

NOTICE TO SHAREHOLDERS

Item No. 4

Pursuant to the amended provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Companies Act, 2013 ('Act') and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors at their meeting held on May 23, 2025 have approved and recommended the appointment of M/s. B. Chandra & Associates, Practicing Company Secretaries, Chennai (Firm Reg. No.: P2017TN065700) as Secretarial Auditor of the Company for a term of upto 5 (Five) consecutive years to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of 81st (Eighty First) AGM of the Company to be held in the Year 2030 on the following terms and conditions:

- a. **Term of appointment:** 5 (Five) consecutive years from the conclusion of this AGM till the conclusion of 81st AGM.
- b. **Proposed fees:** ₹ 3.5 Lakhs per annum plus applicable taxes and reimbursement of out-of-pocket expenses at actuals in connection with the secretarial audit for the financial year 2025-26. For the financial years 2026-27 to 2029-30 the fee shall be decided and agreed upon between the Secretarial Auditor and the Board of Directors basis the requirements and compliances that are needed to be reviewed and approved by the Secretarial Auditor as requested by the Company, in addition to the Secretarial Audit as mandated by SEBI. The Board of Directors and Secretarial Auditor, may alter or vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed. The fee revision if any shall be disclosed in the Annual Report of the Company for the relevant financial year, when the revision happens with requisite justification for the same.
- c. **Basis of recommendations:** The recommendations are based on the fulfilment of the eligibility criteria & qualification prescribed under the Act & Rules made thereunder and Listing Regulations with regard to the full time partners, secretarial audit, experience of the firm, capability, independent assessment, audit experience and also based on the evaluation of the quality of audit work done by them in the past.
- d. **Credentials:** M/s. B. Chandra & Associates, Practicing Company Secretaries, Chennai (Firm Reg. No.: P2017TN065700) ('Secretarial Audit Firm'), established in the year 2008 as a Sole Proprietorship and became a Partnership firm in 2017. M/s. B. Chandra & Associates is a reputed firm of Company Secretaries in Practice specialized in Secretarial Audit and other corporate law matters. The firm is registered with the Institute of Company Secretaries of India and has an experience of more than 17 years in providing various corporate law services. The Firm also holds a valid Peer Review Certificate. M/s. B. Chandra & Associates have given their consent to act as Secretarial Auditors of the Company and confirmed that their appointment (if made) would be within the prescribed limits under the Act & Rules made thereunder and Listing Regulations. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act & Rules made thereunder and Listing Regulations and that they are subject to peer review and hold a valid peer review certificate.

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 approval by the members of the Company.

Item No. 5

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors has recommended Mr. Sven Christoph Ennerst (DIN: 10942860) as an Additional Director and as an Independent Director, not liable to retire by rotation, for a term of five consecutive years from June 1, 2025 to May 31, 2030, subject to approval of the Members.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a member, proposing his candidature for the office of Director. The Company has received declarations from Mr. Sven Christoph Ennerst (DIN: 10942860) to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and not disqualified from being appointed as Director in terms of Section 164 of the Act. In terms of Regulation 25(8) of SEBI Listing Regulations, Mr. Sven Christoph Ennerst has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of the Board, Mr. Sven Christoph Ennerst fulfils the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as an Independent Director and that he is independent of the management of the Company. A brief profile of Mr. Sven Christoph Ennerst (DIN: 10942860) is given below:

Mr. Sven Christoph Ennerst aged 61 years and a German national, is a mechanical engineer from the Darmstadt Technical University and pursued an international management career of over 30 years at Daimler Truck AG, especially linked to commercial vehicles and operations in Asia. As a former management board member of Daimler Trucks, he has been responsible for Global Product Engineering, Global Procurement and in addition for Daimler Trucks business in China and has a broad experience in automotive business and innovation management as well as regarding CO₂ neutral technologies. He holds directorship in M/s. Valmet Automotive and M/s. IONCOR.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the appointment of Mr. Sven Christoph Ennerst (DIN: 10942860) as an Independent Director is being placed before the members for their approval.

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

Considering the expertise and experience especially in commercial vehicles, the Board feels that Mr. Sven Christoph Ennerst's appointment as Independent Director would benefit the Company and hence recommends the resolution set out as Item No 5 of this Notice for approval by the members.

By Order of the Board

Chennai
May 30, 2025

N Ramanathan
Company Secretary

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

NOTICE TO SHAREHOLDERS

ANNEXURE TO THE NOTICE

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

Name of the Director	Mr. Gopal Mahadevan	Mr. Sven Christoph Ennerst
Date of Birth and Age	May 20, 1966; 59 years	October 13, 1963, 61 Years
Date of Appointment	May 24, 2019	June 1, 2025
Qualifications	B.Com., FCA.,	Master's in mechanical engineering
Expertise in Specific functional areas	Mr. Gopal Mahadevan is a member of the Institute of Chartered Accountants of India and a qualified Company Secretary with over 36 years' experience in Finance function across a spectrum of industries. Mr. Gopal Mahadevan has worked in manufacturing, internet services, financial services and project companies. During his career, he has also been involved in restructuring and M&A. 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. He is a Member of the Board of several subsidiaries and associate companies of Ashok Leyland Limited. Earlier to Ashok Leyland Limited, he was Chief Financial Officer at Thermax Ltd and Amara Raja Batteries Ltd. Mr. Gopal Mahadevan has worked in diverse roles in Sanmar Group and was General Manager M&A at Sify Ltd. In one of the earlier organisations, Mr. Gopal Mahadevan had also handled HR and Strategy as additional responsibilities. Mr. Gopal Mahadevan has received several awards and recognitions including from the Institute of Chartered Accountants of India	Mr. Sven Christoph Ennerst, aged 61 years and a German national, a mechanical engineer from the Darmstadt Technical University and pursued an international management career of over 30 years at Daimler Truck AG, especially linked to commercial vehicles and operations in Asia. As a former management board member of Daimler Trucks, he has been responsible for Global Product Engineering, Global Procurement and in addition for Daimler Trucks business in China and has a broad experience in automotive business and innovation management as well as regarding CO₂ neutral technologies.
Board Membership of other Companies as on date of the Notice	- Hinduja Tech Limited - Hinduja Leyland Finance Limited - Hinduja Housing Finance Limited - Gro Digital Platforms Limited - Switch Mobility Automotive Limited - Optare Plc, U.K. - Lanka Ashok Leyland Limited (Listed) - Ohm Global Mobility Private Limited	- Valmet Automotive - IONCOR

NOTICE TO SHAREHOLDERS

Name of the Director	Mr. Gopal Mahadevan	Mr. Sven Christoph Ennerst
Chairmanship(s)/ Membership(s) of Committees of other Companies as on date of the Notice	1. Hinduja Tech Limited a) Audit Committee - Member b) Risk Management Committee - Member 2. Hinduja Leyland Finance Limited a) Audit Committee - Member b) Credit Committee - Member c) Asset Liability Management Committee- Member d) Capital Raising Committee -Chairman e) Risk Management Committee - Member 3. Hinduja Housing Finance Limited a) Credit Committee (Member) b) Risk Management Committee (Member) c) Corporate Social Responsibility Committee (Member) 4. Switch Mobility Automotive Limited a) Allotment Committee (Member) b) Audit Committee (Member) 5. Gro Digital Platforms Limited a) Capital Raising Committee (Member) Overseas Companies: Lanka Ashok Leyland Limited a) Audit Committee (Member) b) Related Party Transactions Review Committee (Member) 7. Optare Plc., U.K. a) Audit Committee (Chairman)	Nil

NOTICE TO SHAREHOLDERS

Name of the Director	Mr. Gopal Mahadevan	Mr. Sven Christoph Ennerst
Number of shares held in the Company (self and as a beneficial owner)	47,619 equity shares	Nil
Remuneration proposed to be paid	Being a Whole Time Director (WTD) his remuneration has already been approved by the shareholders and the Company will pay within the approved limit, till he holds the office as WTD	Sitting fees and such amount of commission as may be decided by the Nomination and Remuneration Committee / Board.
Remuneration last drawn	Refer Corporate Governance Report	NA
Terms and conditions of appointment	As mentioned in the resolution.	As mentioned in the Resolution
Relationship with other Directors or KMP of the Company	Nil	Nil
Number of meetings of the Board attended	Refer Corporate Governance Report	NA
Listed entities from which the Director has resigned in the past three years	Nil	Nil
Listed entities from which the Director has resigned in the past three years	Nil	Nil

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, 2025.

FINANCIAL RESULTS

(₹ in Crores)

	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenue from operations	38,752.74	38,367.03	48,535.14	45,703.34
Other Income	250.25	246.57	358.46	227.88
Total Income	39,002.99	38,613.60	48,893.60	45,931.22
Profit before tax	4,348.29	3,792.18	4,596.33	4,106.07
Less: Tax expenses/(Credit)	1,045.00	1,174.31	1,213.54	1,409.73
Profit after tax	3,303.29	2,617.87	3,382.79	2,696.34
Balance profit from last year	5,265.04	4,875.14		
Profit available for appropriation	8,568.33	7,493.01		
Appropriation:				
Dividend paid during the year	(587.29)	(2,216.87)		
Transition adjustment and other adjustment				
Other Comprehensive (Loss)/Income arising from re-measurement of defined benefit plan (net of tax)	(5.84)	(11.10)		
Balance of profit carried to Balance sheet	7,975.20	5,265.04		
Earnings per share (Face value of ₹ 1/-)				
- Basic (₹)	11.25	8.92	10.58	8.46
- Diluted (₹)	11.23	8.90	10.56	8.45

COMPANY'S PERFORMANCE

Your Company continues to benefit from the ongoing upcycle in the Commercial Vehicle (CV) industry in India, now in its fifth year. Overall, CV Total Industry Volume (TIV) dropped marginally by 1.2% year-on-year (YoY) after a flat FY24, where TIV grew by 0.6%. The Medium and Heavy Commercial Vehicle (MHCV) segment remained stable, with MHCV buses registering strong growth of 23.4%, while the Light Commercial Vehicle (LCV) segment declined by 2.0%. CV exports rebounded by 23.0% after two consecutive years of decline in TIV.

Your Company sold 114,793 M&HCVs in the domestic market (21,253 M&HCV Buses and 93,540 M&HCV Trucks including Defence vehicles), registering a degrowth of 1.1% over last year. LCV with sales of 65,049 vehicles dropped by 2.4% compared to previous year.

Your Company's sale in M&HCV Trucks segment (excluding Defence vehicles) in India declined by 5.2% to 91,960 units in FY25, compared to 96,995 units in FY24. Your Company's key product launches done in FY25 for MHCV – Trucks (Domestic) include Ecomet 1615 Tipper, 1916 FES, AVTR 3522 CNG. These have helped in consolidating market position in respective segments. Your Company's sale in M&HCV Bus segment (excluding Defence & EV vehicles) in India grew by 18.3% to 21,249 units in FY25, as compared to 17,956 units in FY24 driven by strong demand from STUs, Inter-city & mofussil segments. The key product launches done in FY25 for MHCV – Bus (Domestic) include Oyster Vi CNG & V Max NAC and Lynx Smart NA CNG chassis. Your Company added 108 new outlets and 706 bays during the year with 50% of new outlets from North & Central regions. On the customer service side, your Company is working to set up world class infrastructure and processes, launched multiple initiatives to enhance customer experience, transforming service workshop operations and enhancing our breakdown & at-site support.

In LCV, your Company achieved sales of 65,049 down 2.4% compared to last year. Your Company expanded its presence to 2-4T in SCV segment with the launch of BADA DOST i5 thereby increasing our addressable LCV market size to 53.6%. We continued to be the No. 2 player in 2-4T segment overtaking TML. We remain focused on being profitable, while delivering best-in-industry SSI/CSI, lowest defects per vehicle, best-in-class warranty and service retention. 12 dealerships and 81 secondary outlets were added taking the network coverage to a total of 160 primary & 665 secondary outlets. We launched SAATHI to upgrade sub 2T customers from our GARUDA platform. We upgraded and launched two new products under the existing DOST Platform – DOST XL & DOST+ XL and gave a new look to the existing DOST cabin with the launch of RT cabin in Jan'25. Similarly, your Company launched LNT version of BADA DOST i4.

In IO, your Company registered strong growth of 28.7% to 15,255 units in FY25, as compared to 11,853 units in FY24. Your Company prioritized focus in GCC region, appointed a new distributor in Central KSA in its efforts to diversify its customer base. Political turmoil in Bangladesh, forex challenges in Nigeria and Ghana contributed to decline in TIV. In South Africa, your Company entered into partnership with Hall Mark Group and 30 new touchpoints

BOARD'S REPORT

was established. Launch of the Leo model in Bangladesh allowed your Company to capture significant market share in the sub-2-ton segment. Notably, your Company achieved the milestone of becoming India's No. 1 commercial vehicle exporter in Q3FY25.

Your Company registered growth of 1.7% to 32,930 engines in PSB compared to previous year, mainly driven by growth in industrial and agricultural segment. Powergen segment remained subdued on account of CPCB4 emission shift since Jul'24. Your Company supplied 1,584 units of completely built-up units (CBUs) and 884 VFJ kits. Some highlights include delivery of 944 nos. FAT (TOPCHI) 4x4 and 263 nos. LRV 4x4.

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) had allotted 2,00,000 equity shares of face value ₹ 1/- each upon exercise of stock options granted under Ashok Leyland Employees Stock Option Plan 2016. Consequent to the above allotments, the paid-up equity share capital of the Company stands at ₹ 293,65,27,276/- divided into 293,65,27,276 equity shares of ₹ 1/- each.

BONUS ISSUE

The Board of Directors at their meeting held on May 23, 2025, have recommended Issue of Bonus equity shares in the ratio 1 : 1 i.e. 1 (One) equity shares of ₹ 1/- each for every 1 (One) full paid-up equity share of ₹ 1/- each held by the shareholders as on record date, subject to the approval of members through Postal Ballot thereby capitalizing a sum not exceeding ₹ 293.65 Crores out of capital redemption reserves and / or securities premium received in cash and / or free reserve and / or retained earnings of the Company, as may be considered appropriate.

DIVIDEND

The Board of Directors at their meeting held on November 8, 2024 had declared an interim dividend of ₹ 2/- per equity share for the financial year ended March 31, 2025 involving an outflow of ₹ 587.29 Crores. Further, the Board of Directors at their meeting held on May 16, 2025 declared a second interim dividend of ₹ 4.25/- per equity share for the financial year ended March 31, 2025 involving an outflow of ₹ 1,248.02 Crores.

With this, for the FY 2024-25 the Company has paid two interim dividends aggregating to ₹ 6.25 per share of face value ₹ 1/- each.

Having regard to the facts and circumstances, the interim dividends may be considered as final dividend.

The Dividend Distribution Policy framed in line with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is hosted on the Company's website in the link as provided in page no. 61 of this Annual Report.

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

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

TRANSFER TO RESERVES

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

FINANCE

Long term funding

(a) Non-Convertible Debentures (NCDs)

During the year under review, no fresh Non-Convertible Debentures (NCDs) were issued by your Company. No redemption of NCDs were made during the year.

(b) Rupee Term Loans

Fresh rupee term loans of ₹ 247 Crores were availed during the year. Your Company has repaid ₹ 305 Crores on due dates as per the repayment schedule and prepaid ₹ 95 Crores as permitted under the terms of the loan agreement.

(c) External Commercial Borrowings (ECBs)

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

As at March 31, 2025, long term borrowings stood at ₹ 1,286.11 Crores as against ₹ 1,771.31 Crores on March 31, 2024. Details pertaining to the credit rating of the debt instruments are provided in the Corporate Governance report.

HUMAN RESOURCES

At Ashok Leyland we continue to thrive with an agile, inclusive, and future-ready workforce aligned with the Company's vision and purpose. Our strategic focus revolved around 5 core pillars: Strengthening Organizational Culture, Building Strong Leadership Pipeline, enabling a Future-Ready Talent Ecosystem, creating an inclusive Environment, and Accelerating Digital HR Transformation to deliver outstanding employee experience and enhance our Company's brand.

Key initiatives:

In line with the continued roll-out of "The AL Way," we strengthened our culture-building efforts by embedding purpose and values across all employee touchpoints. We achieved significant milestones in diversity and inclusion, reaching our interim gender diversity target of 9.5%, and institutionalizing leadership accountability for DEI outcomes. This year we have recorded we touched 50% of diversity hiring. This milestone underscores our unwavering dedication to fostering a more inclusive, equitable, and diverse workforce. We launched a women-centric line at our Foundry unit in Sriperumbudur to celebrate and empower our women force.

On the talent front, - Learning & Development initiatives clocked over 2.27 lakh learning hours, enabling employees across levels to grow through customized journeys like Leadership Trails, Base camp, Situational Leadership, and other function-specific programs. We continued our emphasis on leadership development and succession planning to strengthen our internal pipeline. Bespoke programs were undertaken to groom talent for the future. Coaching based developmental approach was adopted for identified N-1/N-2 successors leaders to groom them for the targeted succession role. Eight executives, identified as successors for N-1 and N-2 roles, were assigned coaches. The process involved identifying development needs through a self-assessment tool, 360-degree feedback, manager inputs, and the formulation of development goals. These interventions are reviewed as part of the Talent Review by the leadership team.

To deepen our long-term talent pipeline, Business Leadership Program (BLP) was launched by identifying top Twenty-four executive using a structured and robust internal talent identification model. The focus

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of BLP is to develop future CXOs for the organization from a 3-5 year horizontal and ensure talent readiness to usher the business forward in the future. The developmental journey started in Q3 of FY 25 and will culminate in about 18 months with various experiences targeting whole person development (Mind-Body-Soul).

In parallel, Technology Leadership Program (TLP), developed in collaboration with IISc and IIM-Bangalore, is equipping our product development managers with essential techno-managerial capabilities, ensuring they are prepared to lead in a rapidly evolving technology landscape. 25 TLP executives graduated from TLP in Q4 of FY25.

With focus on agility and simplicity, the Performance Management framework was revamped ensuring clarity and impact for all stakeholders. Real-time data tracking and data-driven decision-making, was enabled through launch of live dashboards, fostering a culture of transparency and agility in decisions.

In line with our commitment to labour relations and employee welfare, we successfully concluded the wage settlement at our Sriperumbudur Foundry Division. Further, we signed an MoU with the Ministry of Skill Development, Uttarakhand to onboard 1000 apprentices annually at our Pantnagar Plant.

We have been recognised by NATCON- NIPM, EFSI and SICCI for outstanding and proactive IR Practices.

EMPLOYEE HEALTH & SAFETY (EHS)

In the journey towards building Safety culture, your Company embraced the Behavior Based Safety (BBS) Program which is a proactive and data-driven approach to enhance workplace safety by focusing on employee's action and behaviors. Training imparted to 108 master trainers covering all plants and functions who further train others for effective BBS implementation at the respective plant.

The "Manthan 3.0" initiative, initiated by your Company last year focusing on Operational Excellence Company-wide with the aim of 'Zero Harm' is progressing well with a reduction of Occupational injury by 46% in FY25 compared to FY24. Through this initiative, DE-RISK strategy were formed and programs were implemented to foster a safety culture across Ashok Leyland, resulting in reduction of risks and incidents of personnel injuries.

Your Company designates Monthly risk prevention theme to concentrate on effective safety communication. Daily EHS bite in three languages, based on the monthly theme, are disseminated across all manufacturing sites to bolster awareness. Additionally, tailored training is provided to relevant stakeholders aligning with the monthly themes.

It is noteworthy, to mention that one of the plants has been awarded under Platinum category, which is the highest on EHS process maturity excellence in the assessment carried out by M/s CII. Including the Platinum award, your Company has received 14 awards from M/s CII on EHS (Platinum-1, Gold-3, Silver-3 & Special category-7). AL Ennore was awarded the Tamilnadu Green Champion Award by Government of Tamilnadu. These awards not only elevate the public profile but also drive continual improvement by setting benchmarks against industry peers.

Your Company has instituted rigorous monitoring and review mechanism of EHS performance through the EHS council meetings on a monthly basis. The three distinct verticals—Environment, Health, and Safety—within our corporate EHS function harnessed management's vision, effectively tracked progress, and facilitated the achievement of our set targets. Environment Metrics in alignment with short term and long term goals aligned with SBTi has been framed. Health & Safety is monitored through tracking of leading and lagging indicators. Apart from taking the projects for implementation, your Company has shared the learnings and audit findings with all of its other plants for horizontal deployment.

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 Obligations and Disclosure Requirements), Regulations, 2015 (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's strategic journey from compliance to competitive sustainability underscores a commitment to responsible business practices and delivering meaningful outcomes through impactful initiatives. Embedded within this strategy is a bold ESG vision with ambitious targets—achieving carbon neutrality for operations and RE100 by 2030 and net-zero emissions by 2048.

Remarkable progress has been made in renewable energy, with the footprint rising from 61% in FY24 to 69% in FY25, driven by a 26 MW solar capacity addition in FY25, and is slated to reach 80% by FY26. Sustainable water initiatives have boosted rainwater utilization from 2% in FY24 to 14% in FY25, achieving 51% self-reliance. Your Company attained Platinum certification from M/s IRClass for achieving "Zero Waste to Landfill" and also met 100% compliance for Extended Producer Responsibility (EPR) targets, fulfilling 80% internally.

Futuristic vehicles showcased include India's first electric Port Terminal Tractor and Switch's category-leading 7.5T GVW LCV Truck at Bharat Auto Expo. Customer pilots with advanced BEVs, hydrogen fuel cell buses, and LNG trucks have accelerated decarbonization pathways. Life Cycle Assessment Pilots have further uncovered emission reduction opportunities. Plans for Registered Vehicle Scrappage Facilities (RVSF) reflect your Company's alignment with the circular economy.

The Road to School (RTS) program has transformed the lives of 2,76,584 children across 7 states. With the establishment of the Ashok Leyland Foundation, aspirations to impact 1 million children are within reach. Gender diversity goals are progressing, with representation rising to 9.52% in FY25, targeting 10% by FY26. Driver initiatives have trained 2.78 lakh drivers and placed 6,437 through comprehensive programs, while "Re-AL," the e-marketplace for used vehicles, onboarded 2,229 users and listed 1,978 pre-owned vehicles, offering greater transparency.

Sustainability reporting is aligned with value creation models, supported by robust disclosure frameworks alongwith assurance of BRSR Reports by M/s DNV. Your Company has also pioneered ESG data collection across top suppliers to support their decarbonization efforts well ahead of regulatory schedules to help drive their sustainability agenda. Achieved distinguished rankings and rated high by prestigious ESG rating agencies in India and globally in the Heavy Machinery and Trucks sector, affirms your Company's leadership.

Engaging with forums like C40, LeadIT, CII, TERI, CDP, FICCI, SIDBI, your Company is actively shaping the ecosystem for sustainability while driving

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transformative change. This approach underscores the impact and innovation inherent in your Company's sustainability journey.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

DNV Business Assurance India Private Limited ("DNV") has provided reasonable assurance on BRSR Core indicators. Assurance engagement has been carried out in accordance with DNV's VeriSustain protocol, which is based on their professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information. DNV's Verisustain Protocol has been developed in accordance with the most widely accepted reporting and assurance standards.

Reasonable level of assurance has been provided for the Core Indicators of BRSR while limited level of assurance has been provided for the other Non-Financial disclosures of BRSR.

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 39 Subsidiaries, 6 Associates and 4 Joint Ventures as on March 31, 2025. Hinduja Leyland Finance Limited ("HLFL") is a material subsidiary of the Company.

During the year under review, the Company, had invested a sum of ₹ 1 Lakh, in Ashok Leyland Foundation, a wholly-owned subsidiary of the Company.

During the year, the Company had invested a sum of ₹ 200 Crores in Hinduja Leyland Finance Limited (HLFL), thereby increasing its stake in HLFL to 61.12%.

During FY 2022-23, the Board of Directors of HLFL had approved the Scheme of Merger by absorption of HLFL into NXTDIGITAL Limited (currently NDL Ventures Limited), subject to the receipt of approvals from various statutory and regulatory authorities, respective shareholders and creditors, at a share exchange ratio of Twenty-five equity shares of face value of ₹ 10/- each of NDL Ventures Limited for every Ten equity shares of face value of ₹ 10/- each held in HLFL.

In this regard, HLFL has reapplied for necessary approvals from RBI, which is currently under process. After the approval of RBI, HLFL would seek necessary approvals from various statutory and regulatory authorities, respective shareholders for swap ratios and approvals from creditors.

During the year, the Company had invested an amount of ₹ 10 Crores in equity shares of Gro Digital Platforms Limited, a subsidiary, ₹ 5.09 Crores in equity shares of HR Vaigai Private Limited, an Associate and ₹ 3.20 Crores in the equity shares of Ashley Aviation Limited, a wholly owned subsidiary. On March 27, 2025, the Company had invested a sum of ₹ 498.76 Crores in Optare Plc., UK, thereby increasing its stake in Optare Plc., to 93%.

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies is provided in the notes to the consolidated financial statements. Pursuant to the provisions of Section 129(3) of the Act, read with Rule 5 of the Companies

(Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries, associates and joint ventures in Form AOC-1 is attached to the financial statements of the Company. Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of the subsidiaries are available on the website in the link as provided in page no. 61 of this Annual Report.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website in the link as provided in page no. 61 of this Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Based on the recommendations / approvals by the Nomination and Remuneration Committee and the Board of Directors at their meeting held on May 24, 2024 & Circular resolution dated June 4, 2024 the following were the changes made to the Board and Key Managerial Personnel:

- Re-appointed Mr. Dheeraj G Hinduja as Executive Chairman, liable to retire by rotation, for a period of two years with effect from November 26, 2024.
- Re-designated Mr. Gopal Mahadevan from Whole Time Director and Chief Financial Officer to Director - Strategic Finance and M&A, who shall be liable to retire by rotation, for a period of two years with effect from May 24, 2024. His term of office as Chief Financial Officer ceased on May 31, 2024.
- Appointed Dr. V Sumantran (DIN: 02153989) as an Additional Director (Non-Executive, Independent) of the Company with effect from May 24, 2024.
- Approved re-appointment of Mr. Saugata Gupta (DIN: 05251806) as an Independent Director for a second term of five years commencing from November 8, 2024.
- Appointed Mr. Thomas Dauner (DIN: 10642122) as an Additional Director (Non-Executive, Independent) of the Company with effect from June 4, 2024 for a term of five consecutive years.
- Appointed Mr. K M Balaji as the Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. June 1, 2024.

Appointment / reappointment of Directors as mentioned above were approved by the shareholders at the Annual General Meeting (AGM) held on July 25, 2024

Dr. C Bhaktavatsala Rao stepped down from the Board as Non-Executive Non-Independent Director with effect from July 31, 2024. During the year under review, Prof. Dr. Andreas H Biagosch (DIN: 06570499), Mr. Sanjay K Asher (DIN: 00008221) and Mr. Jean Brunol (DIN: 03044965) ceased to be Independent Directors with effect from the July 25, 2024, consequent to their completion of second term as Independent Directors.

The Board hereby places its profound appreciation for Dr. C Bhaktavatsala Rao, Prof. Dr. Andreas H Biagosch and Mr. Jean Brunol for their contribution to the Company during their term as Directors on the Board of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors vide circular resolution on August 14, 2024 had appointed Mr. Sanjay K Asher (DIN: 00008221) as Director (Non-Executive Non-Independent) of the Company, liable to retire by rotation, with effect from August 14, 2024 and his appointment was approved by the shareholders through Postal Ballot on October 23, 2024.

Mr. Gopal Mahadevan, Director retires by rotation at the forthcoming Annual General Meeting (AGM) and being eligible, offers himself for

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re-appointment. The resolution 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 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 Directors during the year.

In the opinion of the Board, the Independent Directors appointed are persons of high repute, integrity and possesses the relevant expertise, experience and proficiency. The terms and conditions of appointment of the Independent Directors are placed on the website in the link as provided in page no. 61 of this Annual Report.

The Company has disclosed the Director's familiarization programme on its website in the link as provided in page no. 61 of this Annual Report. During the year, Non-Executive Directors had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for attending meetings of the Company and corporate action entitlements in their capacity as Members of the Company.

Pursuant to the provisions of Section 2(51) and 203 of the Act, as on the date of this report, the Key Managerial Personnel of the Company are Mr. Shenu Agarwal, Managing Director and Chief Executive Officer, Mr. K M Balaji 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:

- in the preparation of the annual financial statements for the year ended March 31, 2025, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- for the financial year ended March 31, 2025, 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, 2025;
- 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;
- the annual financial statements have been prepared on a going concern basis;
- proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- proper systems devised to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

AUDITORS

Statutory Auditor:

The Board of Directors 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 5 (five) consecutive years from the conclusion of 73rd AGM till the conclusion of 78th AGM and was subsequently approved by the Members at the 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, 2025 does not contain any qualification, reservation, adverse remark or any disclaimer. During the year, there were no instances of fraud reported by the Statutory Auditors as per Section 143(12) of the Act.

Cost Records and Cost Auditor:

During the year under review, in accordance with Section 148(1) of the Act, the Company has maintained the accounts and cost records, as specified by the Central Government. The Board of Directors had appointed M/s. Geeyes & Co., (Firm Registration No.: 000044), as Cost Auditors of the Company, for conducting the audit of cost records for the financial year ended March 31, 2025. The audit is in progress and the report will be filed with the Ministry of Corporate Affairs within the prescribed period.

The remuneration of the Cost Auditors for the FY 2024-25 has been placed before the Members for ratification / approval through Postal Ballot.

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 8, 2024 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, 2025.

The Secretarial Audit report for the financial year ended March 31, 2025 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 the amended provisions of Regulation 24A of the SEBI Listing Regulations and Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have approved and recommended the appointment of M/s. B Chandra & Associates, Peer Reviewed Firm of Company Secretaries in Practice (Firm Registration Number: P2017TN065700) as Secretarial Auditors of the Company, for a term of 5 (Five) consecutive years from the conclusion of ensuing AGM till the conclusion of 81st (Eighty First) AGM of the Company to be held in the Year 2030, for approval of the shareholders at the ensuing AGM of the Company. Brief resume and other details of M/s. B Chandra & Associates, Company Secretaries in Practice, are separately provided in the explanatory statement to the Notice of AGM.

M/s. B Chandra & Associates have given their consent to act as Secretarial Auditors of the Company and confirmed that their aforesaid appointment (if made) would be within the prescribed limits under the Act & Rules and SEBI Listing Regulations. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act and SEBI Listing Regulations.

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

The Secretarial Audit of HLFL, the material subsidiary for the Financial Year 2024-25 has been duly completed. However, the Secretarial Audit Report

BOARD'S REPORT

is yet to be approved by the HLFL Board. HLFL has confirmed in writing that the Secretarial Audit Report does not contain any qualification or adverse remarks.

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, 2025 is available on the Company's website in the link as provided in page no. 61 of this Annual Report.

OTHER LAWS

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, your Company has constituted an Internal Complaints Committee to consider and resolve all sexual harassment complaints. Your Company has framed a policy in this regard to ensure a free and fair enquiry process on complaints received from employees about Sexual Harassment, also ensuring complete anonymity and confidentiality of information. During the year under review, there were 4 complaints received / filed pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and all the complaints have been resolved after following the due process as required under the policy / Act.

DISCLOSURE UNDER FOREIGN EXCHANGE MANAGEMENT ACT, 1999

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

BOARD MEETINGS HELD DURING THE YEAR

During the year, 6 (Six) 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 recognising the interests of Company's stakeholders.

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

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act is available on the Company's website in the link as provided in page no. 61 of this Annual Report.

PARTICULARS OF EMPLOYEES

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

ASHOK LEYLAND EMPLOYEE STOCK OPTION SCHEMES

During the year under review, the Nomination and Remuneration Committee ('the Committee') of the Company at its meeting held on May 23, 2024 and through Circular Resolution passed on November 22, 2024, totally approved the allotment of 2,00,000 equity shares of face value ₹ 1/- each upon exercise of stock options granted under Ashok Leyland Employees Stock Option Plan 2016.

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

Both these Schemes are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Disclosure with respect to AL ESOP 2016 and AL ESOP 2018 of the Company is available on the Company's website in the link as provided in page no. 61 of this Annual Report.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

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

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

The particulars of loans, guarantees and investments under Section 186 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014, for the FY 2024-25 are given in Note No. 3.8 of the Notes to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In compliance with the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions (RPTs) as approved by the Board which is available on the Company's website in the link as provided in page no. 61 of this Annual Report.

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in ordinary course of business and on an arm's length basis and were placed and approved by the Audit Committee. During the FY 2024-25, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the provisions of the Act. Hence, the disclosure of related party transactions in Form AOC-2 is not applicable.

During the FY 2024-25, 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, 2025, the approval of the Members was obtained for the material RPTs (under SEBI Listing Regulations) for RPTs by the Company with (1) Switch Mobility Automotive Limited for the FY 2024-25 (2) TVS Mobility Private Limited for the FY 2025-26 (3) Switch Mobility Limited, U.K., for the FY 2024-25 (4) TVS Vehicle Mobility Solution Private Limited for the FY 2024-25 and FY 2025-26 (5) TVS Trucks and Buses Private Limited for the FY 2024-25 (6) AML Motors Private Limited. for FY 2023-24 & FY 2024-25 (7) between Switch Mobility Automotive Limited and OHM Global Mobility Private Limited for the FY 2024-25.

The proposals with respect to Material RPTs (under SEBI Listing Regulations) by the Company with Switch Mobility Automotive Limited for the FY 2025-26, with TVS Vehicle Mobility Solutions Private Limited for the FY 2026-27, with AML Motors Private Limited for the FY 2025-26, with TVS Trucks and Buses Private Limited for the FY 2025-26 and between Switch Mobility Automotive Limited and OHM Global Mobility

BOARD'S REPORT

Private Limited for the FY 2025-26 are being proposed and placed before the Members for approval and forms part of the notice of AGM.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

The Company's CSR policy is available on the Company's website in the link as provided in page no. 61 of this Annual Report. The composition of the CSR Committee is disclosed in the Corporate Governance Report. The initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure I** of this report.

During the year under review, the Company spent ₹ 35.27 Crores on CSR activities which was over and above the requirement under the Act. Further, the Board has taken on record the certificate from the head of Financial Management that CSR spends of the Company for FY 2024-25 have been utilized for the purpose and in the manner approved by the Board of Directors of the Company.

COMMITTEES

As at March 31, 2025, the Company has Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Environmental, Social and Governance Committee, Corporate Social Responsibility Committee, Technology and Investment Committee, Shares Committee, Fund-Raising Committee and Committee of Directors for making political contributions. Details of the composition of the Board and its Committees are provided in the Corporate Governance Report attached as **Annexure C** to this Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations and in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism / Whistle Blower and the same is available on the Company's website in the link as provided in page no. 61 of this Annual Report.

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

DEPOSITS

Your Company has not accepted any deposit within the meaning of provisions of Chapter V of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014 for the year ended March 31, 2025.

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

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

OTHER CONFIRMATIONS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

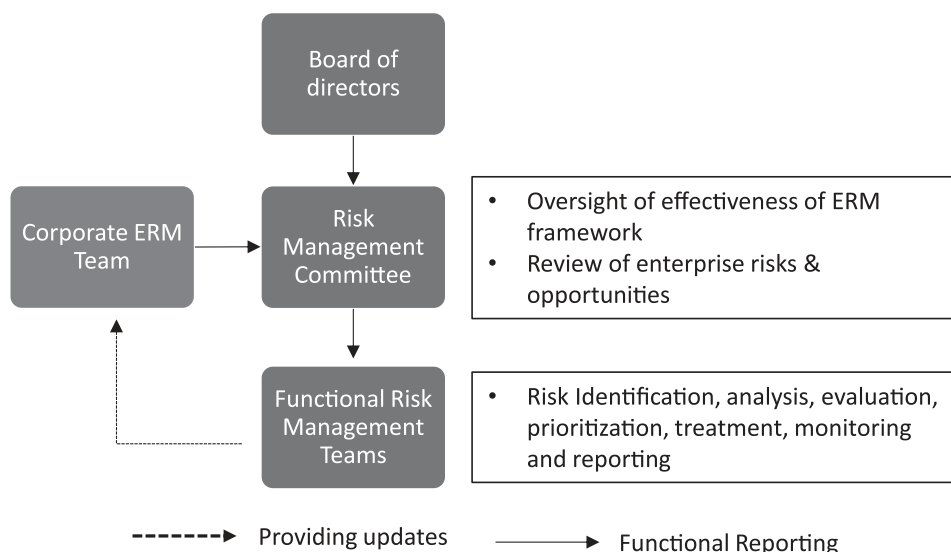
The Company has designed a proper and adequate internal control system to ensure the following viz. a) adherence to Company's policies, b) safeguarding of assets, and c) that transactions are accurate, complete and properly authorized prior to execution. Details are provided in Management Discussion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

RISK MANAGEMENT

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

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

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



BOARD'S REPORT

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

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

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

London
May 23, 2025

Dheeraj G Hinduja
Executive Chairman

ANNEXURE A TO THE BOARD'S REPORT

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

A. CONSERVATION OF ENERGY

a) Energy Conservation

Your Company taking cognizance of the risk related to climate changes has signed in SBTi and RE100. Having set the goal your Company has taken specific initiatives to reduce energy by engaging a dedicated Energy CFT (Cross Functional Team) to identify and implement projects like usage of alternate/renewable resources, green energy, optimizing power consumption, etc. Your Company had also engaged M/s CII to carry out energy audit at its Hosur plants to identify more projects.

Over the course of the year 165 energy conservation projects were completed resulting in savings of 4.944 million units This resulted in ₹ 3.58 Crores of energy cost savings and avoided emission of 3594 T CO₂e. A dedicated EHS (Environment, Health and Safety) team working on many such initiatives ensured high levels of awareness, energy audits, power quality audits, and brainstorming to accomplish this. Your Company has also invested ₹ 16.04 Crs to carry out Energy conservation projects with less than 24 months ROI and most of these projects are just completed and expected to yield results in FY26.

Your Company apart from saving cost by way of Energy procurement through IEX, has also leveraged the platform to procure green energy to the tune of 8.6%. All manufacturing plants have optimized and maintained towards unity Power factor.

Few of the Energy conservation projects completed in FY25 are listed below

- i. Implementation of "Melt manager for IT furnaces" at foundry (2,14,120 kWh/annum)
- ii. Provision of VFD for Core Shop Sand Mill Motors (1,45,000 kWh/annum)
- iii. Air leak arresting across all plants - Continual process
- iv. Interlocking New Dust Collector Exhaust with Machine panel operation to avoid idle running (1,08,000 kWh/annum)
- v. Sand plant Mixer Energy Efficiency Motor IE3 Upgradation (2,24,640 kWh/annum)
- vi. Low air pressure line for core cleaning (1,49,760 kWh/Annum)
- vii. Melting Fume Exhaust Optimization for Two Crucible Operation (3 and 2) (1,87,200 kWh/annum)
- viii. Low air pressure line for sand pumping (2,24,640 kWh/Annum)
- ix. Reduction of Unloading hours in compressors (6,35,740 kWh/annum)
- x. Cycle time reduction in cabin paint shop at PNR (5,34,391 kWh/annum)
- xi. Upgradation to Energy efficient compressors (5,97,772 kWh/annum)
- xii. Installation of HVLS fans instead of conventional mancoolers (21,500 kWh/annum)
- xiii. Power factor management through static Real time power factor controller (2,06,400 kWh/annum)
- xiv. Upgradation of washing machine with energy efficient pumps (84,000 kWh/annum)

- xv. Idle running of hydraulic power pack elimination (90,299 kWh/annum)
- xvi. Installation of VFD for high power consuming motors at ETP & STP (25,769 kWh/annum)
- xvii. Productivity improvement in 3rd on lay shaft gears and 9S vertical gears (90,278 kWh/annum)
- xviii. Commonization of cooling towers (75,678 kWh/annum)
- xix. Soft starter for compressors (62,700 kWh/annum)
- xx. Operating pressure reduction in compressed air by providing localized boosters (81,378 kWh/annum)

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

b) Renewable Energy

Having signed up for RE100, your Company stands at 81% of renewable energy in Tamil Nadu plants and 69% on Pan-India basis. Through this, there is an overall reduction in the cost of production and significant reduction in CO₂ emissions. Your Company's Green Energy initiative realized significant operating cost savings to the tune of ₹ 48.58 Crores, while also making a very impressive reduction in emissions by 1,58,648 T CO₂e.

In Solar energy, by way of installation of 7.6 MW roof top solar over and above the existing 10.14 MW roof top solar power across AL units, augmenting 75 MW solar park at Sivagangai District, in Tamil Nadu with additional 12.4 MW, installation of 6 MW ground mounted solar at Sriperumbudur, Tamilnadu through Hinduja Renewable Private Limited, 138.34 million units were generated for the FY25 which amounts to 44% of total power consumption. This ensured avoidance of 1,00,576 TCO₂e. With installed capacity of 63 MW windmills, the usage of wind energy was around 17% of the total power consumption at 53.91 million units resulting in avoidance of 39,193 TCO₂e. Your Company had also leveraged availability of green energy in Indian Energy Exchange and procured 25.97 million units (8%) generated from combination of wind, Solar, hydro and biomass resulting in avoidance of 18,880 TCO₂e.

Your Company has installed additional solar panels to the tune of 26MW this year. This includes various combinations of augmenting in Solar park, covering additional roof tops and create separate ground mounted solar within the factory.

c) Enhancing the greenery towards carbon neutrality

Your Company carried out detailed study on carbon sequestration with in the premises to create a baseline. Your Company has successfully sustained the healthy growth of 7 Lakh trees planted inside the premises over a period of time.

d) Avoiding ground water

- Ashok Leyland is a 'Water Positive' Company certified by M/s DNV GL.
- Your Company has committed to become 80% self-reliance on water by 2030.
- The investment made in FY24 had yielded results. The rain water utilization has increased to 15% in FY25 from 2% in FY24. To become

ANNEXURE A TO THE BOARD'S REPORT

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

80% self-reliance on water your Company has made an investment of ₹ 3.1 Crores Capex to avoid ground water withdrawal by carrying out improvements to conserve 1.37 Lakh KL / Annum.

- Ground water consumption has been minimized across all manufacturing units by implementing Rainwater Harvesting and other water efficiency improvements.
- Your Company is committed to zero liquid discharge across its manufacturing facilities. 68% of the water used in your Company is of recycled water. The ground water withdrawal is limited to less than 50%.

e) Towards wood-free Plant

Strategy to avoid usage of wood in vendor logistics by way of reusable, recycled Steel Pallets worked out and being implemented in phased manner. Specifically, avoidance of wood at northern plants and use of certified wood for imports has

f) Partnering growth with Vendors

ESG (Environmental, Social, and Governance) partnering with vendors has become a crucial strategy for AL Value chain, aiming to enhance their sustainability efforts and overall impact. This approach involves collaborating with suppliers and vendors to achieve shared ESG goals, leading to mutual benefits and long-term growth.

By working closely with vendors, we believe we can significantly reduce their environmental footprint. This includes initiatives like reducing carbon emissions, minimizing waste, and promoting sustainable resource use. Engaging vendors in ESG efforts helps in creating a more transparent supply chain. This transparency is essential for tracking and reporting on sustainability metrics, ensuring compliance with regulations, and building trust with stakeholders. 43 suppliers training done by AL team by taking the support of AL ESG experts and showcasing them the best practices implemented at AL Manufacturing units. Also 20 more MSME suppliers were trained with support of WRI team.

Started by identifying key 101 suppliers and collected all their BRSR data using digital tool and initial data validations were done by AL experts. With the available data base line identified and targets were set for Top contributing supplier partners. Also, physical visits and assessments were done for those who have the most significant impact and work closely with them to align on sustainability goals.

We also released Supplier Code of Conduct; Green supply Chain Policy & Conflict Mineral Policy approved by the AL Executive management & were disclosed publicly. Screening of suppliers on business relevance based on significance of suppliers as strategic partners, listed and other high business specific and based on commodity specific.

We understand that the ESG partnering with vendors is not just a trend but a strategic imperative for companies aiming to thrive in a sustainable future. We have designed multiple initiatives such as Daily ESG info to suppliers, Safety audits, Physical assessments and Continuous training programs in FY26 to our supplier partners. By fostering collaborative relationships, maintaining transparency, and focusing on long-term goals, businesses we can achieve significant ESG milestones, benefiting both their operations and the broader community.

Awards

Your Company had won laurels from both national and international agencies on EHS. Few are listed below

- Environment Protection & Management award by Tamilnadu government - Ennore
- TANENERGY Summit 2024 - "Winner" in Renewable Power Generation by FICCI - Overall Ashok Leyland
- Aegis Graham Bell's "Award of Excellence" - Ennore for getting into the top 3 in the Innovation in Waste Management category
- CII – 20th National Circle Competition - Hosur 2 – Carbon Emission reduction through optimization in Paint Shop.
- CII – 8th National Energy Efficiency Circle Competition - RAK – Energy optimization through innovations in Energy competition
- Convention on Energy Conservation -2024" by QC Forum of India, Nagpur Chapter - Bhandara - 5-star award
- SEEM National Energy Management Award - Foundry Ennore – Platinum
- SEEM National Energy Management Award - Foundry Sriperumbudur – Platinum
- SEEM Sustainability Award - Foundry Sriperumbudur – Gold
- CII Excellence in Energy Management Award - Pantnagar - Energy Efficient Unit
- CII National Energy Efficiency Circle Competition - Pantnagar -2nd Runner up award
- CCQCC Green Excellence Award - Bhandara
- National Environment Best Practice Award - Vellivoyalchavadi – Innovation & useful projects
- CII NR Sustainability Award - Pantnagar
- CII – Cost-saving improvement through IOT based Water Management System - Hosur 1 - Platinum
- CII EHS Excellence Award - Hosur 1 Gold
- SheMaker - Corporate Evangelist Award - Pantnagar – Corporate Evangelist Category
- Best Waste Management Technology initiative by CII-SR - Ennore
- Best Rainwater and Groundwater recharge initiative by CII-SR - Ennore
- WSO- OHS & E Award for Best Practices in EHS - Vellivoyalchavadi
- Tamil Nadu Green Champion Award 2023 - Vellivoyalchavadi
- CII excellence Award on Environment Best Practice - Vellivoyalchavadi

B. TECHNOLOGY ABSORPTION

No technology was imported by the Company during the financial year.

C. RESEARCH AND DEVELOPMENT

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

- Engines and Aggregates

ANNEXURE A TO THE BOARD'S REPORT

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

- ✓ Development of engines for alternate fuels.
- ✓ Development of components for electric powertrain and ADAS.
- ✓ Initiation of in-house software control system development.
- Vehicles
- ✓ Development of alternate fuel variants in AVTR platform.
- ✓ Development of Hydrogen based vehicles – ICE & Fuel Cell for technology demonstration.
- ✓ Development of New Platforms to meet current market demands.

2. Benefits derived

- ✓ New products launched, both in ICE and BEV space.
- ✓ New platforms showcased in Bharat Mobility Expo – Saathi SCV, 15m FE Intercity Coach, EV Terminal Tractor
- ✓ Technology absorption for future products.

3. Future plan of action

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

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

(₹ In Crores)

Expenditure on R&D	2024-25	2023-24
Capital	74.96	93.68
Revenue (excluding depreciation)	483.52	420.85
Less: Amount received by R&D facilities	(12.26)	(15.60)
Total	546.22	498.93
Total R&D expenditure as a % of total turnover	1.41	1.30

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings in foreign currency and expenditure incurred in foreign currency amounts to ₹ 1,956.77 Crores and ₹ 730.34 Crores respectively. The Company continues its efforts to improve its earnings from exports.

ANNEXURE B TO THE BOARD'S REPORT

PARTICULARS OF EMPLOYEES

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

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

S. No.	Name of the Director/ KMP	Ratio to median remuneration	% increase in remuneration in the financial year
1.	Mr. Dheeraj G Hinduja	221.36	19.67
2.	Prof. Dr. Andreas H Biagosch	1.79	N.A.*
3.	Dr. C Bhaktavatsala Rao	1.90	N.A.*
4.	Mr. Jean Brunol	1.81	N.A.*
5.	Mr. Jose Maria Alapont	10.65	20.28
6.	Ms. Manisha Girotra	8.37	19.54
7.	Mr. Sanjay K Asher	9.47	4.60
8.	Mr. Saugata Gupta	9.62	22.96
9.	Mr. Thomas Dauner	7.66	N.A.*
10.	Dr. V Sumantran	6.22	N.A.*
11.	Mr. Shom Ashok Hinduja	7.70	12.40
12.	Mr. Gopal Mahadevan, Director – Strategic Finance and M&A	126.25	60.44
13.	Mr. Shenu Agarwal, Managing Director and Chief Executive Officer	94.79	43.86
14.	Mr. K M Balaji, Chief Financial Officer	36.42	N.A.*
15.	Mr. N Ramanathan, Company Secretary	18.58	9.82

** Not applicable since their appointment / cessation occurred during FY 2024-25, details of their appointment / cessation are provided elsewhere in this Annual Report.*

- b. **The median remuneration for the financial year 2024-25:** ₹ 12,97,416/-.
- c. **The Percentage increase/(decrease) in the median remuneration of the employees in the financial year:** 5.08%.
- d. **The number of permanent employees on the rolls of Company:** 9,695.
- e. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** Increase in remuneration is based on remuneration policy of the Company.
- f. **Affirmation that the remuneration is as per the remuneration policy of the Company:** The Company affirms that the remuneration is as per the remuneration policy of the Company.
- g. Mr. Dheeraj G Hinduja, Co-Chairman of Hinduja Automotive Limited (Holding Company) was in receipt of remuneration on a monthly basis and the same for the period April 1, 2024 to March 31, 2025 was ₹ 1,40,000.
- h. The Board of Directors of Hinduja Leyland Finance Limited, subsidiary, have approved a Commission (for the FY 2024-25) of ₹ 69.10 lakhs for Mr. Dheeraj G Hinduja and ₹ 36.20 lakhs for Mr. Gopal Mahadevan.
- i. The Board of Directors of Hinduja Housing Finance Limited, step-down subsidiary, have approved a Commission (for the FY 2024-25) of ₹ 20 lakhs each for Mr. Dheeraj G Hinduja and Mr. Gopal Mahadevan.
- j. 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 recognises governance not just as a regulatory requirement but as a part of its identity and as a pillar of its organisational ethos driving sustainable value creation. Your Company believes that robust governance practices are the foundation for transparency reflecting trust and integrity which are vital for the seamless and efficient functioning of the organization and achieving operational excellence. This commitment to governance has not only strengthened your Company's institutional framework but also contributed to resilience with consistent growth and ensuring that shareholder value remains paramount. These practices have enabled your Company to maintain relevant over several decades.

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

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

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

- b. Your Company recognises the rights of all the stakeholders and encourages co-operation between the Company and the stakeholders to enable participation in the corporate governance process. Your Company ensures adequate, timely and accurate disclosure of all material matters including the financial situation, performance, ownership and governance of the Company to

the stock exchanges and the investors. Information is prepared and disclosed in accordance with the prescribed standards and is disseminated in a timely manner.

Board of Directors

- As on March 31, 2025, the Board comprised of ten Directors. Of the ten Directors, seven (70%) are Non-Executive Directors and five (55.56%) 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.
- 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, 2025 have been made by all the Directors of the Company.
- 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 16, 2025 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.
- 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.
- 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.
- 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.
- 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, 2025 is given herein below:

ANNEXURE C TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

Name of Director	Category	Number of Board meetings during the year 2024-25		Attendance at last AGM held on July 25, 2024	Number of Directorships in other public limited companies ⁵		Number of Directorships in other companies	Number of Committee positions held in other public Companies ⁸	
		Held	Attended		Director	Chairman		Member	Chairman
Mr. Dheeraj G Hinduja Executive Chairman DIN: 00133410	Promoter, Non-Independent Executive	6	6	Yes	5	5	2	0	0
Mr. Jose Maria Alapont DIN: 07712699	Independent Non-Executive	6	6	Yes	1	0	4	0	0
Ms. Manisha Girotra DIN: 00774574	Independent Non-Executive	6	5	Yes	1	0	5	0	0
Mr. Saugata Gupta DIN: 05251806	Independent Non-Executive	6	5	Yes	2	0	7	2	1
Dr. V Sumantran DIN:02153989 (Appointed w.e.f 24/05/2024)	Independent Non-Executive	5	4	No	3	1	1	3	1
Mr. Thomas Dauner DIN:10642122 (Appointed w.e.f 04/06/2024)	Independent Non-Executive	5	4	Yes	0	0	2	0	0
Mr. Sanjay K Asher DIN: 00008221	Non-Independent Non-Executive	6	5	Yes	8	1	3	8	2
Mr. Shom Ashok Hinduja DIN: 07128441	Non-Independent Non-Executive	6	6	Yes	1	0	9	0	0
Mr. Shenu Agarwal Managing Director & Chief Executive Officer DIN: 03485730	Non-Independent Executive	6	6	Yes	0	0	1	0	0
Mr. Gopal Mahadevan Director – Strategic Finance and M&A DIN: 01746102	Non-Independent Executive	6	6	Yes	5	0	3	5	0

⁵ Does not include directorships in Private Limited companies, Section 8 companies and companies incorporated outside India. This is however covered under number of Directorships in other companies.

⁸Represents Committee positions in Audit and Stakeholders Relationship Committee.

Note: Effective from the close of business hours on July 25, 2024, Prof. Dr. Andreas H Biagosch, Mr. Jean Brunol, and Mr. Sanjay K Asher stepped down as Independent Directors upon completing their second term. However, Mr. Sanjay K Asher was appointed as a Non-Executive Non-Independent Director effective August 14, 2024. Additionally, Dr. C Bhaktavatsala Rao, Non-Executive Non-Independent Director, retired as of the close of business hours on July 31, 2024. During the financial year 2024-25, Prof. Dr. Andreas H Biagosch and Dr. C Bhaktavatsala Rao attended two board meetings, while Mr. Jean Brunol attended one.

ANNEXURE C TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

Directorships in other listed entities

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

Changes in Board composition during the FY 2024-25:

During the FY 2024-25, the following were the changes in the Board composition:

Name	Nature of Change
Mr. Dheeraj G Hinduja, Executive Chairman	Re-appointed as Executive Chairman for a period of two years w.e.f. November 26, 2024.
Mr. Gopal Mahadevan, Director – Strategic Finance and M&A	Re-designated as Director - Strategic Finance and M&A (Whole Time Director) w.e.f. May 24, 2024. His term of office as Chief Financial Officer ceased w.e.f. May 31, 2024.
Dr. V Sumantran, Independent Non-Executive Director	Appointed as an Independent Director w.e.f. May 24, 2024.
Mr. Saugata Gupta, Independent Non-Executive Director	Re-appointed as Independent Director for a second term of five years commencing from November 8, 2024.
Mr. Thomas Dauner, Independent Non-Executive Director	Appointed as an Independent Director w.e.f. June 04, 2024.
Prof. Dr. Andreas H Biagosch, Independent Non-Executive Director	Ceased to be an Independent Director w.e.f. July 25, 2024 upon completion of his second term.

Name	Nature of Change
Mr. Sanjay K Asher, Non-Independent Non-Executive Director	Ceased to be an Independent Director w.e.f. July 25, 2024 upon completion of his second term. Was appointed as Non-Executive Non-Independent w.e.f. August 14, 2024.
Mr. Jean Brunol, Independent Non-Executive Director	Ceased to be an Independent Director w.e.f. July 25, 2024 upon completion of his second term.
Dr. C Bhaktavatsala Rao, Non-Executive Non-Independent Director	Stepped down as the Non-Executive Non-Independent Director w.e.f. July 31, 2024.

- 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, six 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 24, 2024, July 25, 2024, November 8, 2024, February 12, 2025, March 20, 2025 and March 26, 2025. 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 FY 2024-25, 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 appointment/re-appointment at the ensuing AGM is furnished in the Notice convening the AGM.
- xix. During the FY 2024-25, under AL ESOP 2016 and 2018, the Nomination and Remuneration Committee ("NRC") has not granted any options to any of the eligible employees of the Company. During the year, the NRC has allotted 2,00,000 equity shares pursuant to exercise of stock options.

ANNEXURE C TO THE BOARD'S REPORT

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xx. As at March 31, 2025, Mr. Gopal Mahadevan, Director - Strategic Finance and M&A holds 47,619 shares in the Company. Apart from him no other Director 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 24, 2024 and January 30, 2025. 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.

Mr. Jose Maria Alapont the 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 FY 2024-25 have been hosted in the website in the link as provided in page no. 61 of this Annual Report

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 Mr. Jose Maria Alapont Mr. Shom Ashok Hinduja Mr. Shenu Agarwal Dr. V Sumantran Mr. Thomas Dauner
Financial Management, Risk management, Regulatory and Legal	Mr. Dheeraj G Hinduja Mr. Jose Maria Alapont Mr. Sanjay K Asher Ms. Manisha Girotra Mr. Gopal Mahadevan Mr. Shenu Agarwal Dr. V Sumantran
Engineering, Technology, Operations	Mr. Jose Maria Alapont Mr. Shom Ashok Hinduja Mr. Shenu Agarwal Dr. V Sumantran
Investment Appraisal, Financing, Capital Structures	Mr. Dheeraj G Hinduja Ms. Manisha Girotra Mr. Gopal Mahadevan Mr. Jose Maria Alapont Mr. Shenu Agarwal Dr. V Sumantran Mr. Thomas Dauner
Management and Leadership, Marketing and Branding,	Mr. Dheeraj G Hinduja Mr. Jose Maria Alapont Mr. Saugata Gupta Mr. Shom Ashok Hinduja Mr. Shenu Agarwal Mr. Gopal Mahadevan Dr. V Sumantran Mr. Thomas Dauner

Committees of the Board

Audit Committee

Terms of Reference:

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

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

Financials

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

Internal controls and risk management

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

Compliance and other related aspects

- Approval and disclosure of related party transactions and subsequent modifications, if any.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company.
- Uses/application of funds raised through an issue.
- Review and recommendation of appointment, remuneration and terms of appointment of statutory auditors.
- Review of other services rendered by the statutory auditors.
- Review and monitor the auditor's independence and performance and effectiveness of the audit process.
- Review of the management discussion and analysis of the financial conditions and results of operations, significant related party transactions, management letters issued by statutory auditors, internal audit reports.
- Review the adequacy of the internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

ANNEXURE C TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

- Evaluation of internal financial controls and risk management systems.
- Review the compliances of the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- Review the functioning of the Whistle Blower Mechanism. The policy is available on the Company's website in the link as provided in page no. 61 of this Annual Report.

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

Composition:

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

Name	Category	Remark	Number of meetings during the FY 2024-25	
			Held	Attended
Mr. Jose Maria Alapont, Chairman	Independent, Non-Executive	Appointed as a Chairman w.e.f. August 14, 2024.	5	5
Mr. Sanjay K Asher	Non-Independent, Non-Executive	Ceased to be a Chairman and member w.e.f. July 25, 2024 and inducted again as a member w.e.f. August 14, 2024 consequent to his appointment as a Non-Executive Non-Independent Director.	5	4
Mr. Saugata Gupta	Independent, Non-Executive	-	5	5
Mr. Thomas Dauner	Non-Executive - Independent	Inducted as a Member w.e.f. from August 14, 2024.	3	3
Mr. Jean Brunol	Independent, Non-Executive	Ceased to be a Member w.e.f. July 25, 2024.	2	1
Dr. C Bhaktavatsala Rao	Non-Independent, Non-Executive	Ceased to be a Member w.e.f. July 31, 2024.	2	2

Meetings

During the year, five 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 23, 2024, July 24, 2024, November 07, 2024, January 31, 2025 and February 11, 2025. 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.

The Chairman of the Audit Committee was present at the AGM held on July 25, 2024.

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

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

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

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

Nomination and Remuneration Committee

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

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

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

Composition

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

ANNEXURE C TO THE BOARD'S REPORT

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Name	Category	Number of meetings during the FY 2024-25	
		Held	Attended
Ms. Manisha Girotra, Chairperson	Independent, Non-Executive	5	4
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 17, 2024, May 23, 2024, July 25, 2024, November 11, 2024 and February 12, 2025. The necessary quorum was present for all the meetings.

The Chairperson of the NRC was present at the last AGM held on July 25, 2024.

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 in the link as provided in page no. 61 of this Annual Report

Remuneration of Directors

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

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

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

Details of the remuneration for Non-Executive Directors for the year ended March 31, 2025

Sl. No.	Name of the Director	Sitting fees (₹)	Commission (₹)	Total (₹)
1.	Mr. Jose Maria Alapont	18,20,000	1,20,00,000	1,38,20,000
2.	Ms. Manisha Girotra	8,60,000	1,00,00,000	1,08,60,000
3.	Mr. Sanjay K Asher	12,90,000	1,10,00,000	1,22,90,000
4.	Mr. Saugata Gupta	14,80,000	1,10,00,000	1,24,80,000
5.	Dr. V Sumantran	6,40,000	80,00,000	86,40,000
6.	Mr. Thomas Dauner	9,40,000	90,00,000	99,40,000
7.	Mr. Shom Ashok Hinduja	9,90,000	90,00,000	99,90,000
8.	Mr. Jean Brunol*	3,50,000	20,00,000	23,50,000
9.	Prof. Dr. Andreas H Biagosch*	3,20,000	20,00,000	23,20,000
10.	Dr. C Bhaktavatsala Rao*	4,60,000	20,00,000	24,60,000
Total		91,50,000	7,60,00,000	8,51,50,000

*Ceased to be Directors during the year

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.

ANNEXURE C TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

(ii) Details of Remuneration for the Executive Directors for the year ended March 31, 2025

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Mr. Dheeraj G Hinduja, Executive Chairman	Mr. Shenu Agarwal, Managing Director and Chief Executive Officer	Mr. Gopal Mahadevan, Director - Strategic Finance and M&A
1.	Gross salary:			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	27,67,85,722	12,07,86,227	13,65,00,558
	b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	96,64,287	14,40,708	8,86,248
2.	Employee Stock Option	-	-	2,56,63,000
3.	Others - Retirement benefits	7,50,000	7,50,000	7,50,000
	Total	28,72,00,009	12,29,76,935	16,37,99,807

The above figures are on accrual basis.

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

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

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

Stakeholders' Relationship Committee

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

Terms of Reference

The SRC considers and resolves the grievances of the security holders, reviews the measures taken to ensure timely receipt of dividends/annual reports etc. and effective exercise of voting rights by shareholders. The Committee also reviews the manner and timeliness of dealing with complaint letters received from Stock Exchanges/ SEBI/ Ministry of Corporate Affairs, etc., and the responses thereto along with the adherence to service standards. Based on the delegated powers of the Board of Directors, Director - Strategic Finance and M&A 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.

Ms. Manisha Girotra, Independent Director is the Chairperson of the Committee.

The Board of Directors have also constituted a Shares Committee to specifically approve requests relating to issuance of duplicate share certificates. Mr. Sanjay K Asher, Mr. Shenu Agarwal and Mr. Gopal Mahadevan are the Members of the Committee.

Composition

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

Name	Category	Remarks	Number of meetings during the FY 2024-25	
			Held	Attended
Ms. Manisha Girotra, Chairperson	Independent, Non-Executive	Appointed as Chairperson w.e.f. November 07, 2024.	4	3
Mr. Dheeraj G Hinduja	Non-Independent, Executive	-	4	4
Mr. Shenu Agarwal	Non-Independent, Executive	Inducted as member w.e.f. August 28, 2024.	2	2
Mr. Sanjay K Asher	Non-Independent, Non-Executive	Ceased to be the Chairman and member w.e.f. July 25, 2024.	2	2

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 May 23, 2024, July 25, 2024, November 07, 2024 and February 11, 2025. The necessary quorum was present for all the meetings.

Details of Complaints/other Correspondences

During the year, 21 complaint letters and 2,480 correspondences were received from investors (21 complaint letters from the Stock Exchanges/ SEBI SCORES/ODR/ MCA).

Subject Matter of Complaints	Pending as on 31/03/2024	Received	Replied / Completed	Pending as on 31/03/2025
Procedure for Transmission	-	1	1	-
Regarding Share Certificate	-	-	-	-
Regarding Dividend	-	10	10	-
Loss of Share Certificates	-	2	2	-

ANNEXURE C TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

Procedure for claim of shares from IEPF authority	-	7	7	-
Other correspondence / complaints		1	1	-
Total	-	21	21	-

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

The CSR Report as required under the Act for the year ended March 31, 2025 is attached as **Annexure I** to the Board's Report.

Composition

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

Name	Category	Remark	Number of meetings during the FY 2024-25	
			Held	Attended
Mr. Dheeraj G Hinduja, Chairman	Non-Independent, Executive	-	1	1
Ms. Manisha Girotra	Independent, Non-Executive	-	1	1
Mr. Sanjay K Asher	Non-Independent, Non-Executive	Ceased to be a Member w.e.f. July 25, 2024 and was inducted again as the member and Chairman w.e.f. August 28, 2024 consequent to his appointment as a Non-Executive Non-Independent Director.	1	1
Mr. Shenu Agarwal	Non-Independent, Executive	-	1	1

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

Meetings

The CSR Committee met once in the year on May 23, 2024. The necessary quorum was present in the meeting.

Risk Management Committee

- 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.

Subject Matter of Correspondence	Pending as on 31/03/2024	Received	Replied / Completed	Pending as on 31/03/2025
Regarding Share Certificate	-	35	35	-
Regarding Dividend	-	9	8	1
Regarding Annual Report	-	80	80	-
Procedure for Issue of Duplicate Share Cert.	-	44	44	-
Loss of Share Certificates	3	47	49	1
Revalidation of Dividend	-	212	212	-
Procedure for Transmission	3	355	357	1
Change of Address/Bank Mandate / Nomination	-	660	660	-
Other Correspondence	3	233	235	1
Unclaimed share certificate	-	10	10	-
Unclaimed Dividend / Issue of duplicate dividend	-	535	535	-
Claims regarding refund of Shares / Dividend from IEPF authority	-	260	255	5
Total	9	2,480	2,480	9

Shareholder queries shown pending as on March 31, 2025, 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.

ANNEXURE C TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

- 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	Remarks	Number of meetings during the FY 2024-25	
			Held	Attended
Dr. V Sumantran, Chairman	Independent, Non-Executive	Inducted as a Member w.e.f. August 28, 2024. Appointed as Chairman w.e.f. September 30, 2024.	2	2
Mr. Sanjay K Asher	Non-Independent, Non-Executive	Ceased to be a Member w.e.f. July 25, 2024 Inducted again as a member w.e.f. August 28, 2024 consequent to his appointment as a Non-Executive Non-Independent Director.	2	2
Mr. Gopal Mahadevan	Non-Independent, Executive	-	2	2
Mr. Shenu Agarwal	Non-Independent, Executive	-	2	2

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

Meetings

Two RMC meetings were held during the year on September 30, 2024 and March 25, 2025 and the gap between two meetings did not exceed two hundred and ten days. The necessary quorum was present for the meetings.

Other Committees

Technology and Investment Committee

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

Composition

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

Name	Category	Remarks	Number of meetings during the FY 2024-25	
			Held	Attended
Mr. Dheeraj G Hinduja, Chairman	Non-Independent, Executive	-	4	4
Mr. Jose Maria Alapont	Independent, Non-Executive	-	4	4
Mr. Shom Ashok Hinduja	Non-Independent, Non-Executive	-	4	4
Dr. V Sumantran	Independent, Non-Executive	Inducted as a Member w.e.f. August 28, 2024.	2	2
Mr. Thomas Dauner	Independent, Non-Executive	Inducted as a Member w.e.f. August 28, 2024.	2	2
Prof. Dr. Andreas H Biagosch	Independent, Non-Executive	Ceased to be a Member w.e.f. July 25, 2024.	2	2
Mr. Jean Brunol	Independent, Non-Executive	Ceased to be a Member w.e.f. July 25, 2024.	2	2

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

Meetings

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

June 05, 2024, July 24, 2024, November 07, 2024 and February 11, 2025. The necessary quorum was present for all the meetings.

ANNEXURE C TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

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:

- 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 such 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 targets, standards and metrics established by the Management 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 as also review stakeholder feedback from the ESG disclosures.
- Review monitoring processes for tracking the ESG performance.
- Monitor and review stakeholder perception of the Company around ESG topics (including ESG ratings by leading agencies)
- 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	Remark	Number of meetings during the FY 2024-25	
			Held	Attended
Mr. Jose Maria Alapont, Chairman	Independent, Non-Executive	-	4	4
Mr. Sanjay K. Asher	Non-Independent, Non-Executive	Ceased to be a member w.e.f July 25, 2024 and inducted again as member w.e.f. August 28, 2024 consequent to his appointment as a Non-Executive Non-Independent Director.	4	4

Name	Category	Remark	Number of meetings during the FY 2024-25	
			Held	Attended
Mr. Saugata Gupta	Independent, Non-Executive	-	4	4
Mr. Shom Ashok Hinduja	Non-Independent, Non-Executive	-	4	3
Mr. Shenu Agarwal	Non-Independent, Executive	-	4	4
Mr. Thomas Dauner	Independent, Non-Executive	Inducted as a Member w.e.f. August 28, 2024.	2	2
Dr. C. Bhaktavatsala Rao	Non-Independent, Non-Executive	Ceased to be a member w.e.f. July 25, 2024.	2	2
Mr. Jean Brunol	Independent, Non-Executive	Ceased to be a member w.e.f. July 25, 2024.	2	1

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 23, 2024, July 24, 2024, November 07, 2024 and February 11, 2025. 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, Mr. Shenu Agarwal 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. Dr. C Bhaktavatsala Rao ceased to be the member of the committee w.e.f. July 25, 2024.

Committee for making political contributions.:

Your Company has Committee for making political contributions comprising of Mr. Sanjay K Asher as the Chairman and Mr. Saugata Gupta, Mr. Shenu Agarwal and Mr. Gopal Mahadevan as members of the Committee. The Committee was constituted to decide on political contributions viz., mode, timing, quantum subject to the limits and the manner prescribed under the Act. During the year the Committee met twice on April 26, 2024 and May 24, 2024.

ANNEXURE C TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

General Body Meetings

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

Year	Location	Date and Time	Special resolutions passed
75 th AGM 2023-24	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")	July 25, 2024 and 3.00 p.m.	(i) Reappointment of Mr. Saugata Gupta (DIN: 05251806) as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years from November 8, 2024 till November 7, 2029 (ii) Appointment of Dr. V Sumantran (DIN: 02153989) as an Independent Director of the Company, for a term of five years commencing from May 24, 2024 to May 23, 2029, not liable to retire by rotation. (iii) Appointment of Mr. Thomas Dauner (DIN: 10642122) as an Independent Director of the Company, for a term of five years commencing from June 4, 2024 to June 3, 2029, not liable to retire by rotation. (iv) Amendment to the Articles of Association of the Company for alteration of Clauses 102 and 135(c), pursuant to Section 14 and other applicable provisions of the Companies Act, 2013.
74 th AGM 2022-23	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")	July 21, 2023 and 2.45 p.m.	(i) Amendment to the Articles of Association for insertion of Article 137A with respect to the requirements laid down under the SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023.
73 rd AGM 2021-22	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")	July 29, 2022 and 3.00 p.m.	(i) Ratification of the remuneration of Mr. Vipin Sondhi, MD&CEO for the period April 1, 2021 to December 31, 2021 in view of inadequacy of profits; (ii) Ratification of the remuneration of Mr. Gopal Mahadevan, WTD & CFO for the FY 2021-22 in view of inadequacy of profits; (iii) Ratification of the remuneration of Mr. Dheeraj G Hinduja, Executive Chairman for the period November 26, 2021 to March 31, 2022 in view of inadequacy of profits; (iv) Revision in remuneration of Mr. Dheeraj G Hinduja, Executive Chairman with effect from April 1, 2022; (v) Enhancement of limits under Section 186 of the Companies Act, 2013.

No Extra-Ordinary General Meeting was held during the year 2024-25.

(ii) Postal Ballot:

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

S.No	Nature of business	Period	Date of declaration
1.	Ratification / approval of Material Related Party Transactions with AML Motors Private Limited for FY 2023-24.	February 21, 2025 to March 22, 2025	March 24, 2025
2.	Approval of Material Related Party Transactions with AML Motors Private Limited for the FY 2024-25.		

S.No	Nature of business	Period	Date of declaration
3.	Approval for Material Related Party Transactions with TVS Vehicle Mobility Solution Private Limited for the FY 2024-25	December 02, 2024 to December 31, 2024	January 02, 2025
4.	Approval for Material Related Party Transactions with TVS Vehicle Mobility Solution Private Limited for the FY 2025-26		
5.	Approval for Material Related Party Transactions with TVS Trucks and Buses Private Limited for the FY 2024-25		

ANNEXURE C TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

S.No	Nature of business	Period	Date of declaration
6.	Appointment of Mr. Sanjay K Asher as a Non-Executive Non-Independent Director with effect from August 14, 2024	September 24, 2024 to October 23, 2024	October 24, 2024
7.	Approval of Material Related Party Transactions with Switch Mobility Limited, UK for the FY 2024-25.		

No special resolutions were passed through Postal Ballot during the year. Further, no special resolution is proposed to be passed through Postal Ballot as on the date of this report.

Procedure for postal ballot

Pursuant to the provisions of the Act and the Listing Regulations, 2015 during the period under review year, the Company provided the facility to the members to exercise votes through electronic voting system ('remote e-voting') for postal ballot. Postal ballot notices, inter alia, detailing the voting instructions were sent through email only, to all those members who had registered their email IDs with the Company/depositories, in view of the relaxation granted by MCA. Arrangements were also made for other members to register their email IDs to receive the postal ballot notice and cast their vote online. The Company also published notice in the newspapers for the information of the members. Voting rights are reckoned on the equity shares held by the members as on the cut-off date. Pursuant to the provisions of the Act, the Company appointed a scrutiniser for conducting the postal ballot process in a fair and transparent manner. The scrutiniser submitted her consolidated report to the Chairman and the voting results were announced by the Chairman by placing the same along with the scrutiniser's report on the Company's website, besides being communicated to the stock exchanges.

Disclosures

(i) Related Party Transactions

During the FY 2024-25, there were no materially significant transactions with the related parties, which were in conflict with the interests of the Company. The transactions entered into with the related parties during the FY 2024-25 were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee. In line with Regulation 23(4) of SEBI Listing Regulations, the Company has, during the year, obtained the approval of the shareholders for Material Related Party Transactions between:

- The Company and AML Motors Private Limited (for the FY 2023-24 and 2024-25);
- The Company and TVS Vehicle Mobility Solution Private Limited (for the FY 2024-25 and 2025-26);
- The Company and TVS Trucks and Buses Private Limited (for the FY 2024-25);
- The Company and TVS Mobility Private Limited (for the FY 2025-26);
- The Company and Switch Mobility Limited, UK (for the FY 2024-25);
- The Company and Switch Mobility Automotive Limited (for the FY 2024-25); and
- Switch Mobility Automotive Limited and OHM Global Mobility Private Limited (for FY 2024-25).

The policy on Related Party Transactions is hosted on the website in the link as provided in page no. 61 of this Annual Report.

- 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 2022-23, 2023-24 and 2024-25 respectively: Nil.

(iii) Whistle Blower Policy

Your Company has established a Vigil Mechanism/Whistle Blower Policy to enable stakeholders to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. During the year, the Whistle Blower policy was updated to include regulatory changes. A dedicated hotline is available for reporting of complaints, which would be subjected to review by the Ethics Committee and take action as appropriate. It is affirmed that during the year no Director/Employee has been denied access to the Chairman of the Audit Committee.

The Whistle Blower Policy has been hosted on the Company's website in the link as provided in page no. 61 of this Annual Report.

- 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.
- The disclosure in relation to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the FY 2024-25 is as below:
 - Number of complaints filed during the financial year: 4
 - Number of complaints disposed off during the financial year: 4
 - Number of complaints pending as on end of the financial year: Nil
- 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, 2025 is given below (excluding reimbursement of expenses):

S. No.	Nature of Service	₹ in Crores
1.	Statutory Audit Fees	2.25
2.	Other services including certification and auditing group reporting pack	1.32
	Total	3.57

(vii) Dividend Distribution Policy

Your Company has formulated the policy on dividend distribution with a view to specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings be utilised etc. The Policy imbibing the above parameters as per the provisions of SEBI Listing Regulations has been hosted in the Company's website in the link as provided in page no. 61 of this Annual Report.

- Your Company has fulfilled the following non-mandatory requirements:

ANNEXURE C TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

- a. The Auditors' Report on statutory financial statements of the Company containing the Audit opinion is unmodified.
- b. The Internal Auditors of the Company make presentations to the Audit Committee on their reports on a regular basis.

(ix) **Reconciliation of Share Capital Audit**

Your Company has engaged a qualified practising Company secretary to carry out share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital of the Company. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

(x) **Disclosure of Accounting Treatment**

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

(xi) **Non-Executive Directors' compensation and disclosures**

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

(xii) **Code of Conduct**

Your Company has received confirmations from the Board and the Senior Management Personnel regarding their adherence to the Code of Conduct. The Annual Report of the Company contains a certificate by the Managing Director & Chief Executive Officer, on the compliance declarations received from the Board and Senior Management. The Code has been hosted on the Company's website in the link as provided in page no. 61 of this Annual Report.

(xiii) **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 Code have been hosted the Company's website in the link as provided in page no. 61 of this Annual Report.

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

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

- (xvi) During the year under review, the Company and its subsidiaries had not granted any loans/advances in the nature of loans to firms/

companies in which Directors are interested (in terms of Section 184(2) of the Act).

- (xvii) The requirements of Regulation 17 to Regulation 27 of the SEBI Listing Regulations and clauses (b) to (i) of Regulation 46(2) to the extent applicable to the Company have been complied with as disclosed in this Report. During the period under review, certain transaction with related parties of the subsidiaries were duly ratified by the Audit Committee/ members of the company. Further, the stock exchanges had initially levied a penalty for the alleged delay in complying with the provisions related to the composition of the Stakeholders Relationship Committee and the Risk Management Committee. However, the penalty was subsequently waived after accepting the clarifications provided by the Company.

Subsidiary companies

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

- a) The Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies.
- b) The minutes of the meetings of the Board of directors of the unlisted subsidiary companies were placed at the meetings of the Board of Directors of the Company.
- c) The statement of all significant transactions and arrangements entered into by the Unlisted subsidiary companies is placed before the Audit Committee on a periodical basis.
- d) Material Subsidiary: Your Company has a material subsidiary viz., Hinduja Leyland Finance Limited (HLFL). The details of HLFL is as below:
 - HLFL was incorporated on November 12, 2008 with registered office at Plot No. C-21, Tower C (1-3 floors), G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 with effect from October 1, 2023.
 - The names of the Joint Statutory Auditors of HLFL and their date of appointment is as below:

Name of the Statutory Auditors	Date of appointment
M/s. R Subramanian and Company LLP, Chartered Accountants	Appointed at the 16 th Annual General Meeting held on August 27, 2024 Period: 3 years from the conclusion of the 16 th Annual General Meeting held on August 27, 2024 till the conclusion of the 19 th Annual General Meeting to be held in the year 2027.
M/s. Walker Chandiok & Co. LLP, Chartered Accountants	Appointed at the 14 th Annual General Meeting held on September 19, 2022. Period: 3 years from the conclusion of the 14 th Annual General Meeting held on September 19, 2022 till the conclusion of the 17 th Annual General Meeting to be held in for approval of financial statements for FY 2024-25.

ANNEXURE C TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

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

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

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

- f) Your Company has not sold/dispensed/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 in the link as provided in page no. 61 of this Annual Report.

Means of Communication

- (i) **Results:** The quarterly, half yearly and annual results are normally published in one leading national English business newspaper (Business Standard) and in one vernacular Tamil newspaper (Dinamani). The quarterly results and presentations are also displayed on the Company's website www.ashokleyland.com.
- (ii) **Website:** Your Company's website contains a dedicated section "Investors" which displays details/information of interest to various stakeholders. The "Media" section also provides various press releases and general information about the Company.
- (iii) **News releases:** Official press releases are sent to the Stock Exchanges and the same is hosted on the website of the Company.
- (iv) **Presentations to institutional investors/analysts:** Detailed presentations, if any, made to institutional investors and analysts is hosted on the website of the Company. The audio recordings and the transcript of the quarterly Earnings call is also posted on the Company's website.

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

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

General shareholder information

A.	Seventy Sixth Annual General Meeting	
	Day, Date and Time	Thursday, August 14, 2025 at 3.00 P.M. (IST)
	Venue	Video Conferencing or other Audio-Visual means
B.	Financial Year	April 1, 2024 to March 31, 2025
C.	Date of payment of dividend	Not Applicable
D.	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

E.	Listing of Privately placed Secured Non- Convertible debentures	NSE
	Listing Fee	Annual listing fee for the FY 2024-25 has been paid to both the Stock Exchanges.
	Depository Fee	Annual custody fee for the FY 2024-25 has been paid to the Depositories.
	Corporate Identity Number	L34101TN1948PLC000105

F. Registrar and Share Transfer Agents

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

G. Share Transfer System

The Board has authorised the MD & CEO and Director - Strategic Finance and M&A to approve all routine transmissions, change of name etc., of shares. Such approval is being given at frequent intervals (45 times during FY 2024-25). 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.

H. Details of Unclaimed Securities Suspense Account

Particulars	Number of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the shares suspense account lying as on April 1, 2024	250	2,03,221
Number of shareholders who approached the Company for transfer of shares from shares suspense account during the year	12	10,320
Number of shareholders to whom shares were transferred from unclaimed shares suspense account during the year	12	10,320
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act*	24	14,630
Aggregate number of shareholders and the outstanding shares in the shares suspense account lying as on March 31, 2025	214	1,78,271

*The voting rights on the shares outstanding in the suspense account as on March 31, 2025 shall remain frozen till the rightful owner of such shares claims the shares.

ANNEXURE C TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

I. 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, 4,66,318 shares pertaining to 2141 holders were transferred to the IEPF Authority during the FY 2024-25. The voting rights on the shares outstanding in the IEPF Authority as on March 31, 2025 remains frozen till the rightful owner of such shares claim the same.

J. Instruction to Members

SEBI has vide circulars dated November 3, 2021, December 14, 2021 and March 16, 2023 made it mandatory for holders of physical

securities to furnish their KYC details viz., (i) PAN (ii) Nomination (to register or opt out) (iii) Complete postal address, Mobile No. and E-mail ID (iv) Bank details (v) Specimen signature of shareholder. As an initiative to encourage mandatory updation of KYC details in the physical folios, reminder letters were sent to the shareholders at their last available addresses for furnishing of PAN, KYC details and Nomination.

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

K. (i) Distribution of Shareholding as on March 31, 2025

Sl No.	Category of Shares	Holders	% to holders	Shares	% to capital
1	Upto 50	9,12,156	61.684	1,47,08,942	0.50
2	51 - 100	2,11,056	14.273	1,79,59,247	0.61
3	101 - 200	1,40,696	9.515	2,24,44,795	0.76
4	201 - 500	1,18,716	8.028	4,11,36,997	1.40
5	501 - 1000	49,557	3.351	3,91,92,883	1.34
6	1001 - 2000	24,368	1.648	3,71,84,154	1.27
7	2001 - 5000	15,265	1.032	4,95,90,597	1.69
8	5001 - 10000	4,137	0.280	2,98,74,414	1.02
9	10001 and above	2,802	0.189	2,68,44,35,247	91.42
	Total	14,78,753	100.00	2,93,65,27,276	100.00

(ii) Shareholding pattern as on March 31, 2025

Sl No.	Category	Shares	Shares in Demat Mode	%	No. of Holders	%
1	Promoters	1,50,06,60,261	1,50,06,60,261	51.10	5	0.00
2	Resident Individuals / Asso. Of Persons / HUF	28,45,31,950	27,74,69,531	9.69	14,59,552	98.70
3	IEPF Authority / Unclaimed Securities Suspense Account	72,89,767	72,89,767	0.25	3	0.00
4	Clearing Members	13,11,788	13,11,788	0.04	19	0.00
5	Financial Institutions/Insurance Co. / State Govt./ Govt. Companies /NBFCs/ Pension Fund	19,42,11,828	19,38,50,828	6.61	62	0.00
6	Foreign Institutional Investors	7,500	1,000	0.00	3	0.00
7	Foreign Portfolio Investors	68,46,46,271	68,46,46,271	23.31	701	0.05
8	NRI / OCB / Corporate Bodies - Foreign / Foreign National / Foreign Banks	1,20,03,981	1,19,86,161	0.41	16,704	1.13
9	Corporate Bodies / Limited Liability Partnership	69,05,571	68,46,839	0.24	1,502	0.10
10	Mutual Funds /UTI	21,22,84,736	21,22,17,636	7.23	131	0.01
11	Trusts	36,10,098	36,09,898	0.12	45	0.00
12	Banks	47,82,734	47,74,314	0.16	17	0.00
13	Alternate Investment Fund	6,10,791	6,10,791	0.02	8	0.00
14	Others - GDR A/C	2,36,70,000	2,36,70,000	0.81	1	0.00
	Grand Total	2,93,65,27,276	2,92,89,45,085	100.00	14,78,753	100.00

ANNEXURE C TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

(iii) Details of Shares

Type	Number of Shares	% to paid up capital	Number of Holders
Physical	75,82,191	0.258	5,547
Electronic - NSDL	2,79,36,64,459	95.135	4,78,927
Electronic - CDSL	13,52,80,626	4.607	4,78,927
Total	2,93,65,27,276	100.00	14,78,753

L. 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 99.74% of the Company's equity share capital are dematerialised as on March 31, 2025. The entire Promoter's holdings are in electronic form and the same is in line with the directions issued by SEBI.

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

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

M. Plant Locations

Ennore

Kathivakkam High Road
Ennore
Chennai - 600 057, Tamil Nadu

Ennore (Foundry)

Kathivakkam High Road Ennore
Chennai - 600 057
Tamil Nadu

Hosur - Unit IIA

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

Technical Centre

Vellivoyalchavadi
Via Manali New Town
Chennai - 600 103, Tamil Nadu

Hosur – Unit I

175 Hosur Industrial Complex
Hosur - 635 126
Tamil Nadu

Bhandara

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

Pantnagar

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

Vijayawada

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

Hosur – Unit II

77 Electronic Complex Perandapalli Village
Hosur - 635 109
Tamil Nadu

Alwar

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

Sriperumbudur (Foundry)

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

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

No instrument is outstanding for conversion as on March 31, 2025 having an impact on equity. During the year under review, effective June 17, 2024, the ratio between the GDRs and Shares of the Company has been changed from 60: 1 (One GDR equivalent to 60 underlying shares) to 1:1 (One GDR is equivalent to One underlying share). Accordingly, 59 new GDR(s) were issued by the Depository for every 1 existing GDR held by the GDR holder(s) on the GDR Record Date viz., June 10, 2024 in line with the new ratio. There is no change to the underlying equity consequent to the above ratio change.

O. 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.

P. 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.

ANNEXURE C TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

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

- Total exposure of the listed entity to commodities is ₹ 1,834 Crores.
- Exposure of the listed entity to various commodities:

Commodity Name	Exposure in ₹ towards the particular commodity in FY 2024-25	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	₹ 1,834 Crores	2.87 lakh MT	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.

Q. Address for Correspondence

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

R. Credit Ratings

Name of the Agency	Type of Instrument	Amount (in ₹ Crores)	Rating Action
ICRA	Fund Based Limits	2,000.00	ICRA AA+ (outlook 'Stable') / ICRA A1+; LT rating upgraded from ICRA AA (outlook 'Stable') and ST rating reaffirmed.
	Non-Fund Based Limits	1,200.00	ICRA AA+ (outlook 'Stable') / ICRA A1+; LT rating upgraded from ICRA AA (outlook 'Stable') and ST rating reaffirmed.
	Long Term Loans	1,457.50	ICRA AA+ (outlook 'Stable'); LT rating upgraded from ICRA AA (outlook 'Stable').
	Long term/Short term: Unallocated	650.00	ICRA AA+ (outlook 'Stable') / ICRA A1+; LT rating upgraded from ICRA AA (outlook 'Stable') and ST rating reaffirmed.
	Short Term: Commercial Paper	2,000.00	Reaffirmed ICRA A1+;
	Long Term: Non-Convertible Debentures	200.00	ICRA AA+ (outlook 'Stable'); LT rating upgraded from ICRA AA (outlook 'Stable').
CARE	Fund Based Limits	2,000.00	CARE AA+ (outlook 'Stable') / CARE A1+; LT rating upgraded from CARE AA (outlook 'Stable') and ST rating reaffirmed.
	Non-Fund Based Limits	1,200.00	CARE AA+ (outlook 'Stable') / CARE A1+; LT rating upgraded from CARE AA (outlook 'Stable') and ST rating reaffirmed.
	Long Term Loans	300.00	CARE AA+ (outlook 'Stable'); LT rating upgraded from CARE AA (outlook 'Stable').
	Short Term Loans	300.00	Assigned CARE A1+;
	Long term/Short term: Unallocated	500.00	CARE AA+ (outlook 'Stable') / CARE A1+; LT rating upgraded from CARE AA (outlook 'Stable') and ST rating reaffirmed.
	Short Term: Commercial Paper	2,000.00	Reaffirmed CARE A1+;
	Long Term: Non-Convertible Debentures	200.00	CARE AA+ (outlook 'Stable'); LT rating upgraded from CARE AA (outlook 'Stable').

ANNEXURE C TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

S. SENIOR MANAGEMENT

The names of the members forming part of the Senior Management is available in the Corporate Information page. During the FY 2024-25, the following changes took place in Senior Management category:

Name	Changes
Mr. Sanjay Saraswat, Head – Portfolio Management Office	Superannuated on January 31, 2025.
Mr. Rajesh Mani, Head – Marketing & Corporate Communication	Designated as Senior Management Person w.e.f. February 1, 2025
Mr. Ram Kumar K, Head-Internal Audit & Risk Management	Superannuated on January 31, 2025.
Mr. Amar H Shah, Head Internal Audit Information Security & Risk Management	Designated as Senior Management Person w.e.f. February 12, 2025

Apart from this there were no other changes in the Senior Management during the FY 2024-25. The details of Key Managerial Personnel forms part of the Board's report.

T. DISCLOSURE OF AGREEMENTS BINDING THE COMPANY:

During the FY 2024-25, no agreements were entered requiring a disclosure under Clause 5A to para A of part A of Schedule III of SEBI LODR.

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

This is to confirm that for the financial year ended March 31, 2025 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.

London
May 23, 2025

Shenu Agarwal
Managing Director & Chief Executive Officer

ANNEXURE D TO THE BOARD'S REPORT

CORPORATE GOVERNANCE CERTIFICATE

To

The Members of Ashok Leyland Limited

We have examined the compliance of conditions of Corporate Governance by Ashok Leyland Limited (hereinafter referred "the Company"), for the year ended on March 31, 2025 as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **RBJV & Associates**
Practicing Company Secretary

R. Bhuvana
Partner
Membership No. F10575
Certificate of Practice No. 8161
PR No.: 1111/2021
UDIN : F010575G000410447

Chennai
May 23, 2025

ANNEXURE E TO THE BOARD'S REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

Dear Sir,

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ASHOK LEYLAND LIMITED having CIN L34101TN1948PLC000105 and having registered office at No. 1, Sardar Patel Road Guindy, Chennai, Tamil Nadu, India, 600032 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2025 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.

Ensuring the eligibility 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.

Chennai
May 23, 2025

B CHANDRA
PRACTISING COMPANY SECRETARY
CP 7859
UDIN: A020879G000416274
PEER REVIEW 6198/2024

ANNEXURE F TO THE BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. MARKET TRENDS

Economy – India

India's GDP is expected to grow strongly at 6.5% for FY25 as per the second advance estimates released by the National Statistical Office (NSO). Manufacturing activity is showing signs of revival with business expectations remaining robust, while services sector activity continues to be resilient. Investment activity has gained traction and it is expected to improve further on the back of sustained higher capacity utilization, government's continued thrust on infrastructure spending, healthy balance sheets of banks and corporates, along with the easing of financial conditions. Going ahead, bright prospects of the agriculture sector bode well for rural demand which continues to be healthy, while urban consumption is gradually picking up with an uptick in discretionary spending aided by the tax relief in the Union Budget 2025-26. With domestic private consumption expected to hold up, imports should remain healthy in fiscal 2026, while export growth could be subdued. As a result, India's merchandise trade deficit is expected to come under some pressure. Risks to trade have increased due to the tariff war set off by the US. Thus, changes in the US tariff policy and, subsequently, retaliatory tariffs bear watching. On the other hand, services trade which has proven to be more resilient and where India runs a surplus, will provide some cushion. To summarize, headwinds from geo-political tensions, protectionist trade policies, volatility in international commodity prices and financial market uncertainties, continue to pose downside risks to the outlook. Taking all these factors into consideration, real GDP growth for FY26 is projected at 6.5%.

The outlook for food inflation has turned decisively positive. The uncertainties on rabi crops have abated considerably and the second advance estimates point to a record wheat production and higher production of key pulses over last year. Furthermore, the fall in crude oil prices augurs well for the inflation outlook. Concerns on lingering global market uncertainties and recurrence of adverse weather-related supply disruptions pose upside risks to the inflation trajectory. Taking all these factors into consideration, and assuming a normal monsoon, CPI inflation for FY26 is projected at 4.0% which could have a favorable monetary policy outcome from RBI in terms of lowering of repo rates.

As per World Bank, global commodity prices are expected to decline 12.0% in CY25, and an additional 5% in CY26, falling to levels not seen since 2020. The price of industrial metals is expected to drop, as demand weakens amid mounting trade tensions and persistently soft activity in China's property sector. In the domestic market, steel prices have risen on the back of 12% safeguard duty imposed by govt on steel imports. Going forward steel prices are expected to rise gradually while still being lower than FY24 levels basis supply demand dynamics as the govt is not keen to extend safeguard duty beyond the provisional 200day period. Beyond FY26, prices are expected to stay range bound with a downward bias, as supply is expected to rise faster than demand.

(Source: RBI MPC Apr'25, World Bank Brokerage reports)

Economy – World

The global economy is at a critical juncture. Following an unprecedented series of shocks in the preceding years, global growth was stable yet underwhelming through CY24. However, the landscape has changed

as governments around the world reorder policy priorities. The United States, recently announced a series of new tariff measures and countermeasures by its trading partners if implemented could

bring effective tariff rates to levels not seen in a century. The swift escalation of trade tensions and extremely high levels of policy uncertainty are expected to have a significant impact on global economic activity. Global growth is projected to fall from 3.3% in CY24 to 2.8% in CY25, before recovering to 3.0% in CY26. Nominal wage growth is showing signs of moderation, alongside indications of continuing normalization in labor markets. Although core goods price inflation has fallen back to or below trend, services price inflation is still running above pre-COVID-19 averages in many economies, most notably the United States and the euro area. Where inflation is proving stickier, central banks are moving more cautiously in the easing cycle while keeping a close eye on activity and labor market indicators as well as exchange rate movements. Global headline inflation is expected to decline to 4.3% in CY25 and to 3.6% in CY26. World trade growth is projected to take a hit to 1.7% for CY25 before rebounding to 2.5% in CY26. Oil prices are expected to be impacted by escalating trade tensions, compounded by weak fundamentals, with supply growth expected to likely outpace tepid global demand growth through CY25 and CY26 as OPEC+ start unwinding production cuts creating a global supply glut. Brent crude is expected to avg. at \$67/barrel in CY25 from \$79/barrel in CY24. Nonfuel commodity prices are expected to increase by 4.4% in CY25, on account of upward revisions to food and beverage prices, driven by bad weather affecting large producers.

(Source: IMF WEO, Apr 2025)

Commercial Vehicle Market

The Commercial vehicle market (MHCV and LCV) in India dropped marginally by 1.2% YoY in total industry volumes (TIV), with M&HCV segment staying flat and LCV segment registering a degrowth of 2.0%. Demand for MHCV trucks in FY25 was led by replacement demand, infrastructure development and construction activities. Migration from MAVs to higher GVW Tractors in cement, coal and iron ore industries continued for a second year in a row. ICV segment TIV dropped while Haulage segment witnessed growth.

FY25 started on a positive note after a muted FY24 in the backdrop of spending associated with general elections. After a weak and delayed start, the southwest monsoon picked up. Industrial production and core industry registered good growth while high frequency indicators indicated expansion of services sector activity with signs of pickup in private investment activity. In Q1FY25, CV Demand was higher compared to previous year primarily driven by MHCV Buses, MHCV Trucks staying flat and LCV segment lagging.

In Q2FY25, the economy experienced overall slowdown as private consumption and investment decelerated while government spending was yet to recover post the lull due to general elections and extended monsoon season. Agriculture and services continued to be resilient but weakness in industrial activity – manufacturing, electricity and mining – tempered overall growth. As a result, CV Demand dropped with MHCV Trucks & LCV segment registering degrowth while MHCV Buses continued to outperform.

Q3FY25 witnessed recovery in economic growth led by jump in government spending and pickup in demand due to festival season. Industrial activity led by manufacturing recovered with services continuing to be strong. Rural consumption bounced back supported by good monsoons and strong agriculture growth while urban consumption showed signs of revival. Construction activity gained momentum as indicated by strong jump in cement and steel production with government's emphasis on infrastructure spending. CV demand registered growth over last year led by LCV segment and MHCV Buses while MHCV Trucks lagged.

ANNEXURE F TO THE BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In Q4FY25, economic recovery that started after H1FY25 got strengthened with government's continued thrust on infrastructure spending, RBI boosting liquidity in the banking sector and resorting to repo rate cuts to boost growth as inflation started to cool. On the demand side, agriculture sector continued to be strong providing fillip to rural demand, while urban consumption gradually picked up with an uptick in discretionary spending. Investment activity gained traction and expected to improve further on the back of sustained higher capacity utilization. CV demand registered growth compared

to previous year driven by MHCV Trucks, Buses with LCV segment staying flat.

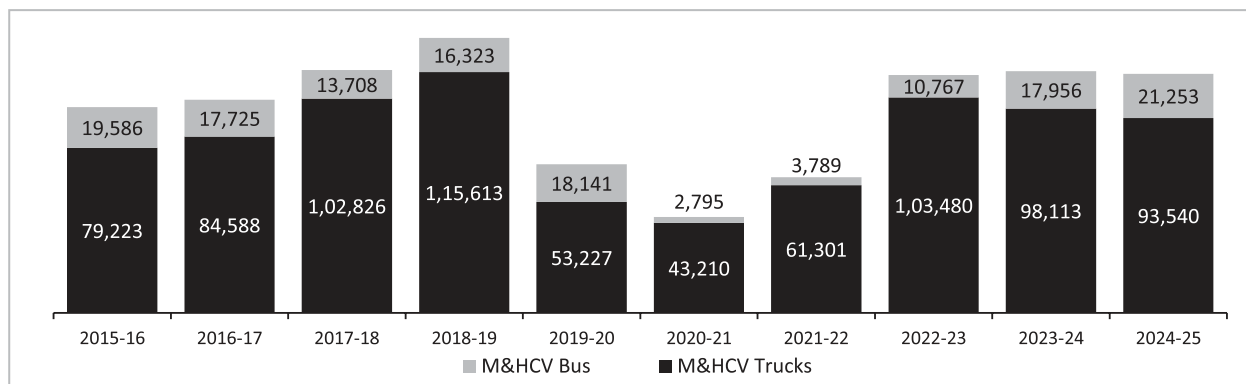
Overall, the LCV Bus segment grew by 5.9% while LCV Trucks (0-7.5T Segment) degrew by 2.8%. CV exports grew by 23.0% over last year primarily led by 46.3% increase in MHCV Trucks and 20.2% increase in LCV Trucks with economic growth returning in key export markets as inflation cooled and central banks started reducing rates to spur growth.

Segment	Domestic			Exports		
	2024-25	2023-24	Change	2024-25	2023-24	Change
M&HCV Buses	66,328	53,768	23.4%	11,236	10,014	12.2%
M&HCV Trucks	3,07,491	3,20,244	-4.0%	12,015	8,211	46.3%
M&HCV Total	3,73,819	3,74,012	-0.1%	23,251	18,225	27.6%
LCV Buses	54,807	51,750	5.9%	4,889	3,631	34.6%
LCV Trucks	5,28,045	5,43,008	-2.8%	52,846	43,962	20.2%
LCV Total	5,82,852	5,94,758	-2.0%	57,735	47,593	21.3%
CV Total	9,56,671	9,68,770	-1.2%	80,986	65,818	23.0%

Source: SIAM Flash Report March 2025

B. ASHOK LEYLAND – THE YEAR (2024-25) IN BRIEF

Your Company sold 114,793 M&HCVs in the domestic market (21,253 M&HCV Buses and 93,540 M&HCV Trucks including Defence vehicles), registering a marginal degrowth of 1.1% over last year. LCV with sales of 65,049 vehicles dropped by 2.4% compared to previous year inline with lower industry TIV. Your Company was able to achieve market share of 30.7% in M&HCV Bus and Truck segment, a slight decrease of 0.3% over last year.



M&HCV Truck segment

Industry sales of commercial vehicles declined marginally in FY25 (following modest growth in FY24), marking the second consecutive year of consolidation after strong growth in FY22 & FY23. Sales continued to be driven by government's focus on infrastructure and a rebound in economic activity after the election induced slowdown in the first half of FY25. Your Company's sale in M&HCV Trucks segment (excluding Defence vehicles) in India de-grew by 5.2% to 91,960 units in FY25, compared to 96,995 units in FY24. For the second consecutive year, TIV movement was observed from MAVs towards higher tonnage Tractors. Contribution of Haulage to TIV witnessed a growth while ICV Trucks & Tipper TIVs witnessed marginal drop. Key product launches in FY25 for MHCV-Trucks (Domestic) include ecomet Star 11T CNG, ecomet Star 1615 Tipper, 1916 FES Haulage, AVTR 1925 Tipper, AVTR 3522 & 2822 CNG, AVTR 4020 car carrier, AVTR 4825HD Tipper and AVTR 4825HD MAV. These products will help strengthen market position in their respective segments. Reaffirming its commitment to sustainable mobility, your Company launched BOSS Electric and AVTR 55T Electric in FY25 for which it secured significant orders and commenced delivery to BillionE Mobility.

M&HCV Bus segment

Industry sales in the M&HCV Bus (excluding Defence vehicles) segment continued to witness strong double-digit growth over FY24, driven by replacement demand from STUs and post-COVID revival in inter-city & mofussil applications. Your Company's sale in M&HCV Bus segment (excluding Defence vehicles) in India grew by 18.3% to 21,253 units in FY25, compared to 17,956 units in FY24. Key product launches in FY25 for MHCV-Bus (Domestic) include Oyster Vi, Lynx Max chassis, Oyster Vmax, ULE non-AC Bus & Viking fully built AC Bus.

ANNEXURE F TO THE BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

International Operations

In FY25, your Company remains focused on the GCC region and pursuit of new KAM deals to diversify customer base as a counter to the political turmoil in key market of Bangladesh. Forex challenges in Nigeria & Ghana contributed to a decline in TIV. In South Africa, your Company partnered with Hall Mark Group and established 30 new touchpoints. With the launch of the Leo model in Bangladesh, your Company captured significant market share in the sub-2T segment. In Sri Lanka, the focus was on LCV sales through assembly to strengthen market presence. Despite these challenges and some project order delays, your Company sold 15,255 units in IO markets, a robust increase of 28.7% over last year outperforming industry growth of 23.0%. Notably, your Company achieved the milestone of becoming India's No. 1 commercial vehicle exporter in Q3FY25.

LCV segment

In FY25 your Company achieved sales of 65,049 units, a marginal drop of 2.4% compared to a year ago. During the year, your Company expanded its presence to 2 - 4T in SCV segment with the launch of BADA DOST i5 thereby increasing addressable LCV market share to 53.6%. Your Company is now the second largest player in 2-4T segment overtaking TML. 17 dealerships and 89 secondary outlets were added in FY25 taking the network coverage to a total of 165 primary & 673 secondary outlets. Your Company launched SAATHI to upgrade sub-2T customers and also upgraded two products under the existing DOST Platform - DOST XL and DOST+ XL while providing a new look to the existing DOST cabin. Similarly, LNT version of BADA DOST i4 and BADA DOST i5 were launched to expand into 3.6-4T segment. Your Company continues to remain profitable, while delivering best-in-industry SSI/CSI, lowest defects per vehicle, best-in-class warranty and service retention.

Power Solutions Business

In FY25, the Indian government's impetus on infrastructure expansion in rural & urban as well as transport sector created good traction in Industrial equipment demand. While CEV V emission norms for Industrial earth moving & construction equipment segment was implemented in Jan'25, transition by equipment manufacturers has been smooth with six-month window for migration. Agricultural activities backed by good monsoon & irrigation incentivisation accelerated harvester combine requirements. Despite demand fluctuations, your Company managed supply chain effectively to fulfil the demand. Powergen segment remained subdued on account of CPCB4 emission shift since Jul'24. Owing to significant cost increase of gensets, demand is yet to pickup with prices getting established. The significant drop in Powergen volumes has been negated by higher volume growth in Industrial & Agricultural segments. Overall, your Company sold 32,930 engines, an increase of 1.7% over last year.

Defence

In FY25, your Company supplied 1,584 units of CBUs & 884 VFJ kits. Some highlights include delivery of 944 nos FAT (TOPCHI) 4x4, 299 nos LRV 4x4 and order receipt for 427 nos Stallion 4x4, Stallion 6x6, 244 nos MSTP order for CIWS Program from L&T, 217 nos BAGH Tipper and 30 nos Load Carrier order from DGBR.

Aftermarket

In FY25, M&HCV Spare Parts revenue grew by 14.3% year-on-year, contributing to the overall profitability of your Company. To ensure seamless availability of its extended range of spare parts, your

Company managed efficient operations at warehouses, supplier partners, and Channel partners. To further strengthen the reach, 80 exclusive retail parts stores were added, taking the total to 734 stores at the end of FY25. Continued engagement with independent retailers and mechanics deepened market connections and participation. LEYKART®, Ashok Leyland's one-stop shop mobile app for Ashok Leyland Genuine Parts - LEYPARTS® and others, witnessed sustained growth in order fulfilment and user-participation for the sixth consecutive year with over 2.32 Lakh active users. Your Company remained committed to customer-centric service delivery in FY25 conducting 16 focused product campaigns and attended over 4 Lakh vehicles across India. Your Company inaugurated its Uptime Solution Centre, a future-ready facility equipped with advanced technology and exclusive diagnostics and prognostics analytics - marking a significant leap in transforming aftersales support and maximizing Customer uptime. The ALCare app continues to serve as a one-stop solution for all Customer service needs, with over 3.27 Lakh registered users. Your Company continues to be the only OEM with pan India presence of 17 state-of-the-art Driver Training Institutes where more than 25 Lakh drivers have been trained and more than 30,000 drivers have been placed. Additionally, the inauguration of the 13th Technical Training Centre (TTC) in Hosur further strengthened efforts to provide tailored programs for Channel partner executives, Customer personnel, and independent mechanics. Looking ahead, your Company is working on a focused program to achieve industry-leading Customer satisfaction. This initiative aims to enhance Customer engagement, upgrade Ashok Leyland's authorized workshop capabilities through digitalization, and revamp service processes and policies to set new benchmarks in after-sales support.

Network

In line with its commitment to enhancing Customer accessibility and convenience, your Company continued its expansion of primary network across India. During the year, your Company added 108 new outlets with 706 additional service bays, and 2 parts distributor branches bringing the total to 1,198 M&HCV primary touchpoints. Driven by rising industrial and infrastructure activity in Northern and Eastern India and boom in mining activities in Central India, more than half of the new outlets were strategically opened in these regions to cater to the growing demand. Your Company also topped the Dealer Satisfaction Survey by FADA for the second consecutive year, underscoring its commitment to channel excellence and reinforcing strong partner relationships.

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 FY25 the Foundry division achieved the production of 96,828 MT (increase of 2.7% over last year) and sales of 93,021 MT (increase of 5.3% over last year).

Overall Summary

In summary, during FY25, your Company recorded total vehicle sales of 1,79,842 units in the domestic market and 15,255 units in the export market. Your Company continues to work as one team to overcome challenges and ramp up operations with single-minded focus and agility to fulfill the demand. Your Company continues its ambitious mission path of transformative performance, across all business segments, set in the previous years. Your Company is committed more than ever to industry-leading standards of quality, environment, safety, and health.

ANNEXURE F TO THE BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

C. OPPORTUNITIES AND THREATS

The Indian commercial vehicle industry is optimistic about growth prospects for FY26 led by steady macro-economic environment and declining interest rates. Looking ahead, sustained demand from rural areas, an anticipated revival in urban consumption, expected recovery of fixed capital formation supported by increased government capital expenditure, higher capacity utilization, and healthy balance sheets of corporates and banks are expected to support growth. TIV growth is expected to be led by replacement demand, mandatory scrapping of older government vehicles. Rail corridors (WDFC & EDFC) and development of 35 Multimodal logistics parks coupled with the digital ULIP platform, aims to improve the competitiveness of Indian logistics sector by enabling smooth movement of goods across the country. This is expected to give a fillip to hub and spoke transportation, with higher tonnage trucks being used for hub transportation and electric ICVs & LCVs being used for first and last mile transportation to the hubs. Shift from MAVs to Tractor trailers is anticipated to continue as has been the case over the last 2 years. As per the Union Budget 2025-26, Capex to GDP ratio is budgeted to improve to 4.3% from 4.1% the previous year leading to infrastructure development in segments like roads, metros, railways etc., which would in turn will drive volumes for the CV industry. MHCV Buses segment is expected to stay flat on account of higher base (strong growth in MHCV Buses over the last 2 fiscals). LCV segment is also expected to bounce back led by strong agriculture growth and rural consumption. This segment is also expected to play a key role in driving efficiency in e-commerce logistics, particularly for intercity transport of consumer durables. On the other hand, TIV is expected to get impacted by cannibalization from e3Ws. Downside risks for FY26 growth are likely to emerge from tariff uncertainty and global trade disruptions.

D. RISK MANAGEMENT

During the year, the M&HCV TIV dropped marginally owing to reduced CAPEX spend in H1 due to the Union elections coupled with high base effect and reduced public spending. The LCV segment also saw a dip in TIV due to high base effect, higher interest rates and lower public spending. Bus market has witnessed growth on the back of demand for staff buses with many companies going back to office, growth in tourism, demand for school/college buses, demand from private bus operators and replacement demand arising from scrappage policy. India continued to remain the fastest growing economy.

Your Company showed growth across business verticals inspite of drop in demand, Union elections and competitive pressures. Your Company proactively managed risks and ensured Ashok Leyland continues to remain a preferred CV brand.

Your Company aims to be resilient to the changing business scenario, gain competitive advantage over its peers and protect & create value for stakeholders, including shareholders, employees, customers, regulators, and society. Your Company has been focusing on proactively responding to the external risks through appropriate business strategies and continuing with the productivity & cost improvement programmes. Further, it has been keenly focusing on managing cash flows and conserving resources for future growth initiatives.

Your Company's well-established Enterprise Risk Management (ERM) framework in line with COSO ERM principles and the ISO 31000:2018 standard has comprehensive risk categorization which continues to keep the organization in good state and future ready.

The risk management process encompassing Risk Identification, analysis, evaluation, prioritization, treatment, monitoring, and reporting remains robust. The significant risks identified are tabled to the Risk Management Committee ("RMC") of the Board along with the mitigation plan.

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:

- Transactions recorded are accurate, complete, and authorised;
- Adherence to accounting standards, complying with applicable statutes and conforming to Company policies and procedures;
- 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 well established, inhouse independent and multi-disciplinary Internal Audit function carries out risk based Internal audit reviews, based on the annual Internal Audit plan as approved by the Audit Committee of the Board. The Internal Audit function reviews compliance with established design of the Internal control, while ensuring the efficiency and effectiveness of operations.

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

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

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

F. INFORMATION SECURITY

Information is an invaluable asset, and your organization is very committed in safeguarding the same from internal & external threats, through adoption of best practices in Information Security. With a focus on robust Information Security Governance, your Company has an independent function to oversee the protection of information assets, ensuring their confidentiality, integrity, and availability.

Your organization has been certified for ISO27001:2022 which is the collection of best practices in Information Security.

Your organization has a Security Operations Center which continuously monitors and protects the organization from cyberattacks. Your organization has invested in various security tools and partnered with security consultants for Cyber Managed services in line with benchmarked best practice.

ANNEXURE F TO THE BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

G. FINANCIAL REVIEW

Summary of Profit and Loss account is given below:

₹ in Crores

Particulars	2024-25	2023-24	Inc/(Dec) %
Sales	38,752.74	38,367.03	1.0
Other income	250.25	246.57	1.5
Total	39,002.99	38,613.60	1.0
Expenditure			
Material Cost	27,622.80	27,912.01	(1.0)
Employee benefits expenses	2,406.27	2,233.38	7.7
Finance cost	216.91	249.44	(13.0)
Depreciation and amortization	719.34	717.81	0.2
Other expenses	3,793.13	3,615.06	4.9
Total	34,758.43	34,727.70	0.1
Profit before exceptional items and tax	4,244.56	3,885.90	9.2
Exceptional items	103.73	(93.7)	(210.7)
Profit before tax	4,348.29	3,792.18	14.7
Tax expense	1,045.00	1,174.31	(11.0)
Profit after tax	3,303.29	2,617.87	26.2
Basic earnings per share (in ₹)	11.25	8.92	26.1

FY'25 has been the third year in a row wherein your Company has reached greater heights in terms of business and financial performance. Your Company has recorded a revenue of ₹ 38,753 Crores the highest so far, which is 1% higher than previous year (₹ 38,367 Crores). Your Company also recorded the highest PAT of ₹ 3,303 Crores which is 26% higher than previous year (₹ 2,618 Crores) The EPS has grown by 26% to ₹ 11.25 per share (FY'24 - ₹ 8.92 per share).

MHCV industry Bus has witnessed record high volumes in FY '25 at 63,987 nos (excluding EVs) which is 23% higher than last year (52,139 nos). Bus demand has been consistently increasing during the last couple of years and Your Company is well prepared to meet the challenge of increase in demand. In line with the industry growth, Your Company's bus volumes have also grew by 18%. AL Bus market share is consistent and continues to be at around 33-34% during the last couple of years. Though the volume growth is around 18%, due to better mix and price increases during the year, bus revenues have grown by ~ 32%.

MHCV industry truck volumes which were stable for two consecutive years at ~ 3,20,000 vehicles i.e., in FY 2022-23 and FY 2023-24. Truck volumes have declined by about 4% in FY 2024-25. Your Company's truck volumes have also declined in line with the industry trend. Market share continues to be ~ 30.5% in last 2 years. 3% shift in truck volume was witnessed from higher tonnage Multi axles vehicles to lower tonnage Haulage & Intermediate Commercial Vehicles (ICVs) during the year. This is also reflected by way of a reduction in revenue by ~ 8%.

Sale volume of Defence vehicles (completely built units) touched a record high of 1,584 vehicles in FY '25 which is 41.9% higher than previous year (1,116 nos). Defence kits sales and defence revenue were stable.

Your Company's LCV domestic volumes has been lower by ~2% i.e. 65,049 nos. in FY'25 vs 66,633 nos. in FY '24. However consequent to the price increases during the year, revenue is stable at ₹ 4,368 Crores.

IO volumes have witnessed a huge surge in FY '25. IO recorded a sale of 15,255 nos. which is 28.7% higher than previous year (11,853 nos). Your Company volumes witnessed growth in all the markets covering SAARC, Middle east and Africa. In line with the volume growth, exports revenue also grew by about 24% during the year.

Your Company recorded a sale of 1,95,097 CVs in FY '25 representing a growth of 0.3% over FY'24 (1,94,553 nos.). This CV volume is also the second highest volumes in the Company's historical business performance (All time high being 1,97,366 nos. in FY'19).

Domestic spare parts revenue (including service products) grew by 11.7% from ₹ 3,132 Crores in FY '24 to ₹ 3,500 Crores in FY'25 which is again a new all-time high.

Power solutions (engines) volumes grew to a new life time high of 32,930 units in FY '25 representing a growth of 2% over FY'24 volumes (32,374 units).

Consequent to the overall CV volume increase by 0.3% as well as the price recoveries, Your Company's revenues grew by a 1% to ₹ 38,753 Crores over previous year (₹ 38,367 Crores).

Costs:

Material Cost: Prices of commodities covering flat, proprietary steel, forging and casting were soft persistently during the year. Drop in prices were significant during later part of the financial year. Prices of copper & lead were also soft in H1, but in H2 the prices went up. Apart, Aluminum was on higher trajectory throughout the year. Tyre prices was marginally up in H1 but was significantly up in H2. Precious metal prices during the year were marginally favorable.

Through various internal initiatives covering price negotiation, value engineering, turnover discounts and business share optimization, your Company managed to secure a reduction of about 1.6% during the year.

Staff Costs: Staff costs went up by 7.7% during FY '25 primarily due to

- Increments and promotions to the executives during the year,
- higher variable pay provision
- Provision was also made towards the workers wage settlement which was due from second half of FY '25 at Hosur and Ennore units.

Finance Costs at was substantially lower by about 13% 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 ₹ 719.34 Crores which is marginally higher than last year reflecting the higher capital expenditure during the year.

Other expenses at ₹ 3,793 Crores is higher than last year by 4.9% reflecting the increase in Exports and Engines volumes and spare parts revenue. Further, it also includes a contribution of ₹ 100 Crores to an electoral trust.

Total Capital Employed by your Company increased by about 8% from ₹ 23,612 Crores in FY 2023-24 to ₹ 25,526 Crores in FY 2024-25.

ANNEXURE F TO THE BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Total shareholder's funds as at March 31, 2025 stood at ₹ 11,519 Crores reflecting an increase of ₹ 2,708 Crores primarily reflecting the profit for the year ₹ 3,303 Crores as reduced by dividend payout of ₹ 588 Crores (first interim dividend FY'25), other reserves reduction ₹ 7 crores. Second interim dividend payment of ₹ 1,248 Crores will be reflected in FY '26 as payment is likely to happen in June '25.

Summary of the Balance sheet is given below:

₹ in Crores

Sources of Funds	March 31, 2025	March 31, 2024	Inc / (Dec) %
Shareholder's funds	11,518.79	8,810.37	30.7
Non-Current liabilities	2,576.26	2,746.18	(6.2)
Current liabilities	11,426.13	12,038.37	(5.1)
Liabilities directly associated with assets classified as held for sale	4.65	16.83	(72.4)
Total	25,525.83	23,611.75	8.1
Application of Funds			
Fixed Assets	4,683.51	4,597.75	1.9
Right of use asset	275.33	235.30	17.0
Intangible Assets	1,311.41	1,320.28	(0.7)
Investments	5,654.26	5,310.71	6.5
Loans and other non-current assets	1,269.02	484.62	161.9
Current assets	12,308.62	11,597.07	6.1
Assets classified as held for sale	23.68	66.02	(64.1)
Total	25,525.83	23,611.75	8.1

Capital expenditure and investments

During the year, your Company incurred ₹ 924 Crores towards capital expenditure predominantly towards:

- Greenfield integrated bus plant in Lucknow.
- Development of Alternate fuel vehicles like BEV, H2 ICE, Fuel Cell, LNG, CNG.
- Digital Initiatives in manufacturing.
- Enhancing Infrastructure in all plants related to FSM capacity improvement, capability, sustenance, safety and energy saving.
- New model vehicle development like Saathi, Dost facelift; Higher HP Engine development
- IT infrastructure improvement and SAP H4 Hana Migration
- Emission related projects like CEV V, CPCB IV

During the year, Your Company has invested ₹ 200 Crores by way of subscription to preferential issue of equity share capital in Hinduja Leyland Finance Ltd., ₹ 10 Crores by way of equity in Gro Digital, ₹ 5 Crores in HR Vaigai & ₹ 3 Crores in Ashley Aviation. Thus, in all your Company has invested ₹ 218 Crores in cash in subsidiaries during the year.

GBP 45 Mn ~ ₹ 500 Crores invested in Optare Plc is reflected in advances pending allotment of equity shares.

Your Company has considered impairment of its equity investment in Ashley Aviation for loss of ₹ 3 Crores. There had also been other fair

value changes of ₹ 125 Crores (favorable) ie ₹ 4 Crores for ALUAE & ₹ 121 Crores for Hinduja Energy India Ltd. during FY 2024-25.

Your Company has carried out a fair valuation of preference shares investment in Switch Mobility Automotive Limited resulting in a gain of ₹ 18 Crores offset by reclassification of investments in Prathama Solarconnect Energy Private Limited and HR Vaigai Private Limited to the tune of ₹ 16 Crores which is now measured at amortized cost as per Ind AS 109.

Current assets as at March 31, 2025 were at ₹ 12,309 Crores when compared to previous year level of ₹ 11,597 Crores. The increase of ₹ 712 Crores was due to increase in investment in mutual fund units by ₹ 2,770 Crores, increase in cash and cash equivalent ₹ 718 Crores, offset by decrease in receivables by ₹ 682 Crores; other financial assets & other current assets by ₹ 124 Crores & ₹ 192 Crores respectively. Apart, inventory decreased by ₹ 233 Crores (Finished goods inventory ₹ 243 Crores but increase in raw material and components by ₹ 10 Crores), decrease in bank balances ₹ 1,450 Crores and decrease in Loans by ₹ 95 Crores.

Liquidity

Your Company could generate cash during the year primarily due to better profits. Internal accruals enabled your Company to meet capital expenditure, dividend commitment, long term loan repayments as well as working capital requirements. Your Company manages its liquidity through rigorous weekly monitoring of cash flows.

Details of significant changes in key financial ratios:

Ratios	Formula used	FY 2025	FY 2024
Debtors turnover	Revenue from operations / average debtors	12.00	10.05
Inventory turnover	COGS / average inventory	8.99	9.36
Interest coverage ratio	Earnings before interest and tax / interest expense	34.95	24.43
Current ratio	Current assets / current liabilities	1.08	0.96
Debt equity ratio- Net	Net Debt / equity	-	0.01
Operating profit margin (%)	EBITDA / Revenue from operations	12.72	12.01
Net profit margin (%)	PAT without exceptional items / revenue from operations	8.26	7.07
Return on net worth (%)	PAT without exceptional items / total equity	27.8	30.8

Profitability

Domestic MHCV volumes (excluding defence) have maintained a steady upward momentum quarter on quarter in FY 2024-25. Commodity costs primarily steel prices were softer and favorable through the year. Your Company could improve the price recovery on domestic MHCV in fourth quarter of the financial year, similarly in LCV your Company could do price recovery from fourth quarter.

ANNEXURE F TO THE BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Our export volumes were improving from the first quarter of the financial year and registered double-digit growths from second 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, defence, spare parts and power solutions (engines) was good and supported your Company's performance throughout the year. The contributions from these businesses have gone to mitigate the fixed costs significantly thereby reducing the pressure on MHCVs. All these augured well from the profitability point of view. All the above actions, enabled Your Company to post consistent improvement in operating profit (EBITDA) quarter on quarter. The operating profit went up from 10.6% of net sale revenue in Q1 to 11.6% in Q2, to 12.8% in Q3 to a historical high of 15.0% in Q4. (Full year 12.7%)

The financial ratings of long term and short term facilities / commercial paper as given by rating agencies viz., CARE and ICRA in FY '25 are given below. During Sep '24 both the rating agencies have upgraded the rating from AA to AA+ and maintained the outlook as 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 ₹ 4,079 Crores in FY 2024-25 which is 1.3% higher than ₹ 4,026 Crores in FY 2023-24. In FY 2024-25, demand for Medium and heavy commercial vehicles was steady in all the quarters and made significant upward movement in fourth quarter. Consequent to better demand situation in fourth quarter, working capital requirement was significantly lower at the end of the year. With our efforts in collection, the Trade receivables has been reduced by ₹ 654 Crores and inventory by ₹ 233 Crores and increase in trade payables by ₹ 1,003 Crores has helped substantial reduction in working capital. Reduction in other non-current and current financial assets and other non-current and current assets by ₹ 154 Crores, increase in non-current and current financial liabilities by ₹ 142 Crores, increase in contract liabilities by ₹ 36 Crores, increase in non-current and current provisions and other current liabilities by ₹ 78 Crores offset by Others ₹ 12 Crores. During FY'25, we have remitted Interim dividend of FY'24 for ₹ 1,453 Crores which was parked in designated bank account at the end of FY'24, this all leads to decrease in working capital by ₹ 3,741 Crores.

Cash outflow for acquisition of fixed assets for FY 2024-25 was at ₹ 925 Crores as against ₹ 481 Crores last year. Your Company has invested ₹ 693 Crores (net) in Subsidiaries, Corporate deposits recovered ₹ 195 Crores (net) and invested in current investments of ₹ 2,743 Crores, apart Interest & Dividend received ₹ 40 Crores & ₹ 48 Crores respectively. All this resulted in cash outflow of ₹ 4,078 Crores in Investing activities.

Cash outflow of ₹ 3,024 Crores from finance activities primarily reflect the repayment of non-current borrowings (net) ₹ 442 Crores, current borrowings ₹ 334 Crores, interest & other payments of ₹ 208 Crores, dividend payment of ₹ 2,041 Crores (FY'24 – ₹ 1,453 Crores & FY'25 – ₹ 588 Crores), realization from sale of equity shares ₹ 2 Crores.

Dividend

During the year, your Company has declared two interim dividends ie., first one at ₹ 2 per share per equity share of ₹ 1/- each in November and second one @ ₹ 4.25 per share in May '25 a week before the adoption of accounts for the financial year ended Mar '25. In all your Company has declared a total interim dividend of ₹ 6.25 per share per equity share of ₹ 1/- each representing 625% dividend. First interim dividend of ₹ 2/- per share has been paid during the financial year and the second interim dividend is expected to be paid in June '25.

Cash flow statement

₹ in Crores

Particulars	31.03.2025	31.03.2024
Profit from operations after tax	4,078.74	4,026.01
(inc)/Dec in Net working capital	3,740.68	(1,522.89)
Net cash (outflow) / inflow from operating activities	7,819.42	2503.12
Payment for acquisition of assets – net	(924.31)	(481.46)
Cash inflow / (outflow) for investing activities	(3,153.55)	1,383.59
Cash inflow (outflow) from financing activities	(3,023.50)	(1,917.47)
Net cash inflow / (outflow)	718.06	1,487.78

The year ahead

FY 2024-25 has been truly a remarkable year with your Company achieving historic highs in revenue, profit and profitability. This was third year in row where your Company created new all-time high numbers, bolstering its confidence of creating more records and achieving its stated vision.

While revenue grew by 1% YOY, net profit was higher by 26% at ₹ 3,303 Crores (FY '24 ₹ 2,618 Crores). This corroborates our commitment of profitable and sustainable growth through the levers of product premiumization, cost leadership and expansion of service reach.

EBITDA margin has touched 12.7% in FY 2024-25 as against 12.0% in FY 2023-24. This was possible because of our continued focus on price realization, efficiency in sourcing and operations supported by softer steel prices. Revenue mix was beneficial with higher growth in better margin businesses covering spare parts and international operations.

Your Company has cash surplus of ₹ 4,242 Crores at the end of FY 2024-25 giving the ability to invest in future growth. Market has also shown confidence in your Company's ability to grow in the future. Your Company's share price touched an all-time high of ₹ 264.65 per share. In FY 2024-25, Your Company's share delivered a return of 19.3% against -0.6% of NIFTY Auto.

CV industry volume was almost in line with our expectation at the beginning of the FY 2024-25. During the year however, quarterly volumes defied estimates and projections from various research firms. In Q1, while the industry experts predicted degrowth, industry volumes went up. In Q2, when everybody turned optimistic, industry volumes fell significantly. In Q3 the fall decelerated before better than expected growth in Q4. In Q4, domestic MHCV TIV was up 27% sequentially and 4% year-on-year.

ANNEXURE F TO THE BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

While there are geopolitical concerns – recent Indo-Pak border skirmishes, worsening Russia-Ukraine conflict, US tariff flip flops, Chinese restrictions on export of key rare earth minerals etc., domestic macroeconomic parameters remain favorable. The pulse on the ground is very positive. Monsoon is expected to be above normal. Core sectors – cement, steel and mining are expected to grow. Crude prices remain stable and lower. Union capex budget is favorable. Changes in personal income tax slabs will increase disposable income and improve consumption. Inflation is in comfortable zone leading to two 25 bps rate cuts in CY 2025. All these augurs well for the future of CV industry.

We wish to remain cautiously optimistic for CV industry in FY 2025-26, with growth in all segments – Passenger, Tippers, Tractor Trailers and ICVs. Your Company's product portfolio is very robust and the future pipeline is strong. Your Company would further strengthen its mainstays of reliability and fuel economy. Your Company has launched initiatives targeting customer experience and transforming service operations and they have started to yield results with improved customer, dealer and sales satisfaction indices. Leveraging on these, your Company is confident of increasing its market share in both trucks and bus segment in MHCV. Its medium-term goal of achieving 35% market share remains intact.

Your Company launched multiple new LCV products in FY 2024-25. With these launches, your Company expanded its product portfolio coverage - with SAATHI stretching the lower end of the tonnage spectrum and Bada Dost i5 the higher end. Your Company is confident of improving market shares from these new launches in FY 2025-26. Your Company remains committed to expanding its LCV product portfolio coverage to 70-80% in the next few years. LCV segment presents a huge potential and is our focus area to grow Company's volumes in future.

Your Company's market share in exports has improved significantly in the last couple of years. Many of the markets around the world, especially SAARC and some parts of Africa, have been subdued due to local and global economic conditions. Your Company delivered exports volume growth of 29% in FY 2024-25 with volume gains in all the geographies of presence. This reflects that its strategy for local market presence, focused product development for international markets and strong distribution relationships in key markets are working well. Your Company has identified ASEAN geography as the next engine of exports volume growth and commenced working on the same during FY 2024-25.

Spare parts and power solutions revenues have grown considerably in the current financial year and have significantly contributed to the bottom line of your Company. These businesses are expected to continue to do well. Defence order pipeline remains strong for FY 2025-26.

Your Company's focus on profitability remains. Your Company is not going to resort to discounting to improve market share. Your Company is confident that its product superiority and expanding reach will enable it to achieve 35% market share while expanding its margin at the same time.

Your Company has complete portfolio of products in all the alternate fuel technologies – CNG, LNG, Fuel Cell, Battery Electric Vehicle (BeV), Bi-Fuel and H2ICE (Hydrogen Internal Combustion Engine). Your Company made significant progress on the centers of excellence focused on eVs. In FY 2024-25 your Company received an order of more than 180 electric trucks (19T ICV and 55T TT), delivered Fuel Cell buses to NTPC and showcased eV terminal tractor at Auto Expo. Customer trials continues with Reliance on H2ICE trucks.

Switch and Ohm have made significant progress during FY 2024-25. The segment first e-LCV models launched during the year are doing extremely well. For the year ended March '25, with e-Bus sales of 452 numbers and e-LCV sales of 1,028 numbers, Switch India was EBITDA positive, achieving the targeted milestone of EBITDA breakeven in FY 2024-25. We are committed to PAT breakeven in near term. At the end of FY 2024-25, Switch India has an order book of 1,759 vehicles. In FY '25, Switch Mobility launched Switch E1 designed for Europe and GCC, and Switch EiV12 low-floor electric bus tailored for the Indian market. Switch mobility will continue to launch new products tailored to Indian and international markets.

OHM, the E-MaaS subsidiary, is operating more than 650 buses with best-in-class fleet availability. OHM is targeting to add more than 1,700 buses to fleet during FY 2025-26. Part of these additions will be from the current order book of Switch India and remaining from the fresh win. OHM has all projects under execution at healthy double-digit IRR.

H. HUMAN RESOURCES

During the year under review, the total number of people on the rolls of the Company is 9,695. 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 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 K M Balaji, President 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.

London
May 23, 2025

Shenu Agarwal
Managing Director and Chief Executive Officer

K M Balaji
President and Chief Financial Officer

ANNEXURE H TO THE BOARD'S REPORT

SECRETARIAL AUDIT REPORT

To

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

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

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

Signature:

Chennai
May 23, 2025

Name of Company Secretary in Practice : B. CHANDRA
ACS No.: 20879
C P No.: 7859
UDIN: A020879G000416318

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

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, 2025, 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, 2025, 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 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, 2021
- e. The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations 2018
- (vi) I am informed that the Company, during the year, was not required to comply with the following regulations and consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns under:
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;
 - 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. The transactions with certain related parties of the subsidiaries were duly ratified by the Audit Committee/ members.
- I further report that
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - Based on the minutes made available to us, we report that majority decision is carried through and that there were no dissenting votes from any Board member that was required to be captured and recorded as part of the minutes.
- I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor, report deviations to the Board, take corrective actions and ensure compliance with applicable laws, rules, regulations and guidelines.
- I further report that during the year under review, the company had allotted 2,00,000 Equity shares to the Whole Time Director of the Company pursuant to exercise of options granted under the Ashok Leyland Employees Stock Option Plan 2016.
- Further, the Board of Directors of Hinduja Leyland Finance Limited, a material subsidiary of the Company, had approved a Scheme of Merger with NDL Ventures Limited (formerly NXTDIGITAL Limited), is pending receipt of necessary approvals from various statutory and regulatory authorities.
- The company declared an Interim dividend of ₹ 2/- per share at the Board meeting held on November 8, 2024.

Signature:

Name of Company Secretary in Practice: B. CHANDRA
ACS No.: 20879 C P No.: 7859
PEER REVIEW Certificate No 6198/2024
UDIN: A020879G000416318

Chennai
May 23, 2025

ANNEXURE I TO THE BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FY 2024-25

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. Please [click here](#) to view the Company's CSR policy that has been uploaded in the website of the Company.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Dheeraj G Hinduja	Executive Chairman / Chairman of the CSR Committee	1	1
2.	Ms. Manisha Girotra	Independent Director / Member of the CSR Committee	1	1
3.	Mr. Sanjay K Asher	Non-Executive Non- Independent Director / Member of the CSR Committee	1	1
4.	Mr. Shenu Agarwal	Managing Director & Chief Executive Officer / Member of the CSR Committee	1	1

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company: <https://www.ashokleyland.com/managementteam> and <https://www.ashokleyland.com/investor/policies>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.:

The impact assessment reports with respect to the Road to school undertaken at various locations is uploaded on the website in the link <https://www.ashokleyland.com/investor/policies>.

5.	(a)	Average net profit of the company as per sub-section (5) of section 135:	₹ 1,899.06 Crores
	(b)	Two percent of average net profit of the company as per sub-section (5) of section 135:	₹ 37.98 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: - Surplus from FY 2022-23 being set off during the FY 2024-25 – ₹ 4.66 Crores - Surplus from FY 2023-24 being set off during the FY 2024-25 – ₹ 16.30 Crores	₹ 20.96 Crores*
	(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]:	₹ 17.02 Crores

*During the FY 2022-23, the Company had spent ₹15.16 Crores towards CSR as against the obligated CSR spend of ₹0.11 Crores. Hence, the excess amount of ₹15.05 Crores relating to FY 2022-23 is available for set-off during the FY 2023-24, FY 2024-25 & FY 2025-26. Out of this excess, ₹10.39 Crores has been set off against the CSR obligation for the FY 2023-24. The balance amount of ₹4.66 Crores was set off during the FY 2024-25.

*During the FY 2023-24, the Company had spent ₹16.30 Crores towards CSR as against the obligated CSR spend of Nil, after setting off previous years spend. Hence, the excess amount of ₹16.30 Crores relating to FY 2023-24 was available for set-off during the FY 2024-25, FY 2025-26 & FY 2026-27. Out of this excess, ₹16.30 Crores has been set off against the CSR obligation for the FY 2024-25.

6.	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):	₹ 33.37 Crores
	(b)	Amount spent in Administrative overheads:	₹ 1.76 Crores
	(c)	Amount spent on Impact Assessment, if applicable:	₹ 0.14 Crores
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]:	₹ 35.27 Crores

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

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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
35.27	Nil	Nil	Nil	Nil	Nil

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

Sl. No.	Particular	Amount (₹ in Crores)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	17.02*
(ii)	Total amount spent for the Financial Year	35.27
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	18.25
(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)]	18.25

*After setting off the excess CSR amount relating to FY 2022-23 and FY 2023-24 as specified in notes to point no. 5 above

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (₹ in Crores)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (₹ in Crores)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹ in Crores.)	Deficiency, if any
					Amount (₹ in Crores)	Date of transfer		
1.	FY 2021-22	0.32	-	-	0.09	20.09.2022	-	-
2.	FY 2022-23	-	-	-	-	-	-	-
3.	FY 2023-24	-	-	-	-	-	-	-

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

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

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

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

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

London
May 23, 2025

Dheeraj G Hinduja
Executive Chairman and Chairman of CSR Committee

Mr. Shenu Agarwal
Managing Director & Chief Executive Officer

LINKS TO COMPANY'S POLICIES AND DISCLOSURES

Sl. No	Particulars	Link
1.	Dividend Distribution Policy	Click here
2.	Material Subsidiary Policy	Click here
3.	Audited Financial Statements of subsidiaries	Click here
4.	Terms and conditions of appointment of the Independent Directors	Click here
5.	Director's familiarization programme	Click here
6.	Annual Return	Click here
7.	Remuneration Policy	Click here
8.	Disclosure on ESOP	Click here
9.	Related Party Transactions Policy	Click here
10.	Corporate Social Responsibility Policy	Click here
11.	Vigil Mechanism / Whistle Blower Policy	Click here
12.	Code of Conduct	Click here
13.	Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015	Click here
14.	All policies	Click here

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BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Section A: General Disclosures

I Details of the listed entity

1.	Corporate Identity Number (CIN) of the listed entity	L34101TN1948PLC000105
2.	Name of the Listed Entity	Ashok Leyland Limited
3.	Year of incorporation	1948
4.	Registered office address	No. 1, Sardar Patel Road, Guindy, Chennai – 600 032
5.	Corporate address	No. 1, Sardar Patel Road, Guindy, Chennai – 600 032
6.	Email	secretarial@ashokleyland.com
7.	Telephone	+91 – 44 – 2220 6000
8.	Website	www.ashokleyland.com
9.	Financial year for which reporting is being done	April 1, 2024, to March 31, 2025
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd and National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 293.65 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: +91 – 44 – 2220 6091 Email: Alok.Verma@ashokleyland.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis The reporting of data on safety incidents, water consumption, waste generation, and air emissions from Sales Offices has not been accounted for in the current financial year. However, Ashok Leyland Limited ('AL' or the 'Company') plans to implement procedures and systems to track and account these figures in the future reporting period.
14.	Name of assurance provider	DNV Business Assurance India Private Limited ("DNV")
15.	Type of assurance obtained	Reasonable Assurance – Core Attributes Limited Assurance – Selected BRSR Attributes which are not part of BRSR Core Attributes

II. Products or Services

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

Sl. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacture and sale of Medium and Heavy Commercial Vehicles	Automobile Manufacturing	73.70
2	Manufacture and sale of Light Commercial Vehicles	Automobile Manufacturing	11.33
3	Spare Parts and Others	Automobile Manufacturing	11.89
4	Sale of Power Solution Systems	Automobile Manufacturing	3.08

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

Sl. No	Product/Service	NIC Code	% of total Turnover contributed
1	Trucks (M&HCV) Medium & Heavy Commercial Vehicles	29102	58.04
2	Bus (M&HCV) Medium & Heavy Commercial Vehicles	29109	15.66
3	LCV – Light Commercial Vehicles	29104	11.33
4	Spare Parts and Others	50300	14.97

III. Operations

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

Location	Number of Plants	Number of Offices	Total
National	9	47*	56
International	0	0	0

*Out of forty-seven offices, forty-five offices are the sales offices that come under the control of Ashok Leyland.

19. Markets served by the entity

a. No. of Location

Locations	Number
National (No. of States)	28 States and 7 Union Territories
International (No. of Countries)	49

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

5.5%

c. A brief on types of customers

Ashok Leyland is an Indian multinational automotive manufacturer based in Chennai and serves as the Indian flagship of the Hinduja Group. AL serves a diverse customer segment as follows:

- **Commercial Fleet Operators:** This segment includes transportation companies operating truck fleets for long-distance cargo movement, third-party logistics providers managing supply chains, corporate entities requiring employee shuttle services, private operators running intercity bus services and tourist transportation, and educational institutions needing student transportation. These customers value AL's vehicles for their reliability in continuous operation, fuel efficiency for cost management, and appropriate configurations for specific transportation needs.
- **Retail Customers:** The retail segment comprises individual entrepreneurs operating single vehicles as their primary business, small family enterprises with limited fleets serving regional markets, and businesses requiring power generation solutions. These customers typically finance their purchases through loans and depend heavily on their vehicles for livelihood. AL serves them through an extensive dealer network offering sales, service, and parts support across urban and rural areas.
- **Government Agencies:** Government customers include State Transport Undertakings operating city and intercity public transit systems that transport millions of passengers daily,

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municipal corporations requiring specialized vehicles for waste management and civic functions, rural administrative bodies (panchayats) needing smaller commercial vehicles for development projects, and various central government departments with specific transportation requirements. This segment typically procures vehicles through formal tender processes with detailed specifications, expecting long service life, standardized maintenance protocols, and extensive after-sales support networks.

- **Industrial Sector:** The industrial segment encompasses construction companies requiring tipplers for material transport at infrastructure projects, mining operations deploying heavy-duty vehicles in challenging terrain, manufacturing facilities using AL engines for various production applications, power generation companies requiring Industrial engines, Agricultural engines, Gensets and Marine engines. These customers demand robust engineering specifications, customized solutions for specific operational environments, high uptime guarantees, and specialized technical support for maintenance and repairs to minimize operational disruptions.
- **Defence:** For decades, Ashok Leyland has been a trusted partner in Defence mobility. AL has been the largest supplier of logistics vehicles to the Indian Army, with platforms ranging from 4x4 to 12x12 configurations. The vehicles are designed to operate

in challenging terrains while maintaining reliability for various operational requirements of the armed forces

- **International Markets:** Ashok Leyland exports a substantial volume of commercial vehicles, including trucks and buses, to customers at various countries worldwide. International customers benefit from vehicles adapted to local regulations, climate conditions, and operating environments, supported by regional service networks and training programs.
- **Special Application Vehicles:** This segment showcases AL's engineering versatility through specialized vehicles including tanker trucks designed for safe transport of petroleum products and hazardous chemicals, temperature-controlled refrigerated vehicles maintaining cold chain integrity for pharmaceuticals and perishables, ambulances configured for emergency medical services with appropriate equipment integration, airport tarmac buses featuring ultra-low entry designs for passenger convenience, and utility service vehicles modified for telecommunications and electrical maintenance. These applications require extensive customization, special regulatory compliance, purpose-built features, and specialized driver training programs to ensure safe and efficient operation.

However, Ashok Leyland's success stems from adaptable vehicle platforms, extensive R&D, comprehensive service networks, and specialized engineering capability across diverse applications.

IV. Employees

20. Details as at the end of Financial Year

a. Employees and workers (including difally abled)

Sl. No	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	5,278	4,886	92.57	392	7.43
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total Employees (D+E)	5,278	4,886	92.57	392	7.43
Workers						
4.	Permanent (F)	4,417	4,364	98.80	53	1.20
5.	Other than Permanent (G)	25,171	23,469	93.23	1,702	6.76
6.	Total Workers (F+G)	29,588	27,833	94.07	1,755	5.93

b. Differently abled employees and workers

Sl. No	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Differently abled Employees						
1.	Permanent (D)	12	11	91.67	1	8.33
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total Employees (D+E)	12	11	91.67	1	8.33
Differently abled Workers						
4.	Permanent (F)	58	58	100	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total Workers (F+G)	58	58	100	0	0

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21 Participation/Inclusion/Representation of Women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	10	1	10
Key Management Personnel	3	0	0

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

22. Turnover rate for permanent employees and workers

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	7.87%	7.74%	7.86%	7.62%	10.05%	7.77%	5.16%	11.51%	5.53%
Permanent Workers	5.57%	0.00%	5.52%	3.44%	0.00%	3.42%	4.23%	0.00%	4.20%

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

23. Names of holding/subsidiary/associate companies/joint ventures

Sl. No	Name of the holding/ subsidiary/associate/ companies/ joint ventures (A)	Indicate whether holding/subsidiary/ associate/joint venture	% of shares held
1	Hinduja Automotive Limited, U.K.	Holding	50.86
2	Albonair GmbH, Germany	Wholly owned subsidiary	100.00
3	Albonair (Taicang) Automotive Technology Co., Ltd, China	Wholly owned subsidiary (Step down)	100.00
4	Albonair (India) Private Limited	Wholly owned subsidiary	100.00
5	Ashok Leyland (Nigeria) Limited	Wholly owned subsidiary	100.00
6	Ashok Leyland (Chile), S.A.	Wholly owned subsidiary	100.00
7	Ashok Leyland Foundation	Wholly owned subsidiary	100.00
8	OHM Global Mobility Private Limited	Wholly owned subsidiary	100.00
9	Ashley Aviation Limited	Wholly owned subsidiary	100.00
10	Ashok Leyland (UAE) LLC (including shareholding held in beneficial position)	Wholly owned subsidiary	100.00
11	LLC Ashok Leyland Russia*	Wholly owned subsidiary (Step down)	100.00
12	Ashok Leyland West Africa SA	Wholly owned subsidiary (Step down)	100.00
13	Vishwa Buses and Coaches Limited	Wholly owned subsidiary	100.00
14	Gulf Ashley Motor Limited	Subsidiary	93.15
15	Optare Plc., U.K.	Subsidiary	92.59
16	Optare UK Limited	Subsidiary (Step down)	92.59
17	Switch Mobility Limited, U.K. (formerly Optare Group Limited)	Subsidiary (Step down)	91.26
18	Switch Mobility Automotive Limited	Subsidiary (Step down)	91.26
19	Switch Mobility Europe S.L., Spain	Subsidiary (Step down)	91.26
20	OHM International Mobility Limited*	Subsidiary (Step down)	73.01
21	HLF Services Limited	Subsidiary	82.05
22	Gro Digital Platforms Limited	Subsidiary	80.56
23	Hinduja Tech Limited	Subsidiary	72.99
24	Hinduja Tech (Shanghai) Co., Limited	Subsidiary (Step down)	72.99
25	Hinduja Tech Inc., USA	Subsidiary (Step down)	72.99

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Sl. No	Name of the holding/ subsidiary/associate/ companies/ joint ventures (A)	Indicate whether holding/subsidiary/ associate/joint venture	% of shares held
26	Drive System Design Inc., USA	Subsidiary (Step down)	72.99
27	Hinduja Tech Canada Inc., Canada	Subsidiary (Step down)	72.99
28	Hinduja Tech Limited, U.K.	Subsidiary (Step down)	72.99
29	Drive System Design Limited, U.K.	Subsidiary (Step down)	72.99
30	Drive System Design s.r.o., Czech	Subsidiary (Step down)	72.99
31	Hinduja Tech GmbH, Germany	Subsidiary (Step down)	72.99
32	TECOSIM Group GmbH, Germany	Subsidiary (Step down)	72.99
33	TECOSIM GmbH, Germany	Subsidiary (Step down)	72.99
34	TECOSIM Limited, U.K.	Subsidiary (Step down)	72.99
35	TECOSIM Engineering S.R.L, Romania	Subsidiary (Step down)	72.99
36	TECOSIM Inc, USA	Subsidiary (Step down)	72.99
37	TECOSIM Japan Ltd, Japan	Subsidiary (Step down)	72.99
38	TECOSIM Engineering Services Private Limited, India	Subsidiary (Step down)	72.99
39	ZeBeyond Limited, U.K.	Joint Venture of Subsidiary	36.50
40	Global TVS Bus Body Builders Limited	Subsidiary	66.67
41	Hinduja Leyland Finance Limited	Subsidiary	61.12
42	Hinduja Housing Finance Limited	Subsidiary (Step down)	61.12
43	Gaadi Mandi Digital Platforms Limited	Subsidiary (Step down)	61.12
44	Ashley Alteams India Limited	Joint Venture	50.00
45	TVS Trucks and Buses Private Limited	Joint Venture	49.90
46	Ashok Leyland Defence Systems Limited	Associate	48.49
47	Mangalam Retail Services Limited	Associate	37.48
48	Lanka Ashok Leyland PLC	Associate	27.85
49	Rajalakshmi Wind Energy Limited	Associate	26.00
50	Prathama Solar Connect Energy Private Limited	Associate	26.00
51	HR Vaigai Private Limited	Associate	26.00
52	Ashok Leyland John Deere Construction Equipment Company Private Limited (Under liquidation process)	Joint Venture	46.90

**Dissolved during FY 2024-25*

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

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

VI. CSR Details

24.	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
	(ii) Turnover (in ₹ Crores)	38,752.74
	(iii) Net Worth (in ₹ Crores)	11,518.79

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VII Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

Stakeholder group whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		No. of complaint filed during the year	No. of complaints pending resolution at close of the year	Remark	No. of complaints filed during the year	No. of complaint pending resolution at close of the year	Remark
Communities	No	0	0	-	0	0	-
Investors (other than shareholders)	Yes Policy	0	0	-	0	0	-
Shareholders	Yes Policy	22	0	-	10	0	-
Employees and workers	Yes POSH Policy	80	1	POSH, Working conditions, Health, and Safety	32	0	POSH, Working conditions, Health, and Safety
Customers	Yes	6,208	23	Complaints from Reach us (secretarial or mail to MD), AL India Official Social Media accounts	1,465	192	Complaints from Reach us (secretarial or mail to MD), AL India Official Social Media accounts
Value Chain Partners	Yes Whistle-blower Policy	4	0	Complaints received through online whistleblower portal	3	0	Part of Whistle-blower Policy.
Others (please specify)	No	0	0	-	0	0	-

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

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

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (Indicate positive or negative implications)
1	Product Stewardship	Opportunity	Companies that excel in innovation are more likely to experience growth and resilience, enhancing their competitive advantage in the market and responding more adeptly to the evolving needs and demands of society. Disclosing research and development (R&D) expenditures and activities allows companies to demonstrate their commitment to sustainable solutions and efficient production, signalling their preparedness for future challenges		Positive Implication

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Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (Indicate positive or negative implications)
2	Customer Relationships and Satisfaction	Risk	Ensuring that the Company's products and services exceed customer expectations helps to avoid costly litigation, strengthens customer trust, and boosts sales.	- Provision of transparent information and honest advice regarding its products and services. - Enhancement of customer relationships and responsiveness to their needs, utilizing initiatives like PRISM 2.0, LEAD, SELECT, and i-alert. - Maintenance of an attentive aftersales service, including a 24/7 toll-free call center, website, social media, and a dedicated complaint management system for prompt resolution of issues.	Negative Implication
3	Business Growth and Profitability	Risk	The Company's failure to absorb losses due to unexpected contingencies and sudden external shocks could have severe repercussions, threatening the business's sustainability.	- Implementing robust Environmental, Social, and Governance (ESG) policies. - Developing systems and processes centered on sustainability. - Crafting a business model resilient to disruptions.	Negative Implications
4	Corporate Governance	Risk	Violating regulatory compliance typically incurs legal punishment, such as fines and penalties.	- Cultivating an ethical organizational culture with an emphasis on transparency and compliance. - Routinely conducting risk assessments to pinpoint and address potential compliance risks.	Negative Implication
5	Occupational Health and Safety	Opportunity	The Company's implementation of health and wellbeing initiatives is leading to higher employee productivity and lower attrition, while its road safety awareness programs are effectively promoting adherence to safety rules among the community and drivers.		Positive Implication
6	Community Development	Opportunity	The Company secures goodwill with local and marginalized communities by implementing community development programs, thereby affirming its social license to operate.		Positive Implication
7	Sustainable Supply Chain and Sourcing	Opportunity	The Company commits to maintaining a supply chain that is environmentally friendly, locally sourced, and socially responsible, contributing to both stability and diversity as well as generating local job opportunities.		Positive Implication

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Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (Indicate positive or negative implications)
8	Recruitment and Talent Retention	Opportunity	Initiating employee benefit schemes, providing competitive salaries, and embracing workforce diversity are strategies the Company employs to retain top talent and foster diverse perspectives in its decision-making process.		Positive Implication
9	Cybersecurity	Risk	The Company risks economic and reputational losses, as well as diminished customer trust, due to insufficient data security and privacy protections.	- The deployment of robust information security systems and the enactment of stringent policies for handling sensitive customer data. - The establishment of an Information Security/ Cybersecurity policy that is accessible to all employees within the organization.	Negative Implication
10	Resource Optimisation and Operational Eco-Efficiency	Opportunity	By optimizing resource utilization, the Company not only enhances its operational efficiency but also appeals to eco-conscious customers.		Positive Implication
11	Human Rights	Risk	Non-compliance with human rights norms risks incurring penalties and reputational harm.	The company ensures adherence to international and national human rights standards across its operations and throughout its value chain.	Negative Implication
12	Training and Education	Opportunity	The company is committed to providing skill enhancement and qualification opportunities to employees, fostering career advancement, and leading to improved employee retention.		Positive Implication
13	Labour Management Relationship	Risk	The company actively supports its workers' and employees' right to form unions and negotiate collectively, leading to increased satisfaction among the workforces.	- Encouraging employees and workers to join autonomous unions. - Engaging with union representatives to further the well-being of workers and employees.	Positive Implication

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									

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Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management processes										
	Affirmative Action			Y		Y			Y	Y
	AL Fair Disclosure Policy	Y								
	Anti-Bribery and Anti-Corruption Policy	Y		Y		Y				Y
	Archival Policy	Y								
	Biodiversity Policy and No-Deforestation Commitment						Y			
	Board Diversity Policy						Y			
	Code of Conduct for Executives	Y	Y	Y	Y	Y		Y	Y	Y
	Code of Conduct for the Board Members and the Senior Management	Y	Y	Y	Y	Y		Y	Y	Y
	Code of conduct to regulate, monitor and report trading by designated persons	Y	Y	Y	Y	Y		Y		
	Conflict Mineral Policy		Y				Y			
	Conflict of Interest Policy	Y								
	Contact details of Key Managerial Personnel as required under Regulation 30(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Y								
	Corporate Social Responsibility Policy of Ashok Leyland Limited	Y			Y			Y		
	Dividend Distribution Policy	Y							Y	
	Environment Health and Safety Policy		Y	Y	Y		Y		Y	
	ESG (Environmental, Social, Governance) Policy		Y	Y	Y		Y			
	Green Procurement Policy		Y				Y			
	Information Security Policy									Y
	Information Security Policy Statement									Y
	Penalty for Contravention of Company's Code of Conduct to Regulate, Monitor and Report Trading by Insiders	Y								
	Policy on disclosure of material events or information	Y								Y
	Policy on Material Subsidiary	Y								
	Policy on Related Party Transaction	Y								
	Prevention of Sexual Harassment at Workplace			Y	Y	Y				
	Quality Policy									Y
	Re-dream - Back to Work Program for Women			Y		Y				
	Remuneration Policy	Y		Y						
	Supplier Code of Conduct		Y						Y	Y
	Sustainability Policy		Y							
	Whistleblower Policy			Y	Y	Y				
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

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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.	1. ISO 14001:2015 Environmental Management System 2. ISO 45001:2018 3. IATF – International Automotive Task Force 4. ISO 27001:2022 – Information Security Management System 5. ISO 31000:2018 – Integrated COSO ERM Framework 6. ISO 14064-1:2018 – Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals 7. Global Reporting Initiatives (GRI) Standards 8. Sustainable Development Goals (UN-SDG) 9. S&P Global Corporate Sustainability Assessment (CSA) 10. OHSAS 11. General Data Protection Regulation (GDPR) and Digital Personal Data Protection Act (DPDP) 2023
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Ashok Leyland has identified and set goals and targets for each principle along with defined timelines. The following are the goals committed by the Company: - Net Zero – Achieve Net Zero by 2048 - Carbon Neutrality – Achieve Carbon Neutrality in operations by 2030. - Committed to the RE100 initiative, aiming to power AL's operations with 100 percent renewable electricity by 2030 - Water Positivity - Attain 80 percent self-reliance on Water by 2030 - Diversity, Equity, and Inclusion - Improve gender diversity across business operations targeting 10 percent by FY 2025-26 - Health and Safety – Instil a Zero Harm Work environment. - Community Development - Improved coverage of Road to school, Road to Livelihood, and Jal Jeevan aspiring to reach one million beneficiaries - Board Independence & Practices - Improve Board Diversity - Compliance – AL is committed to maintain 100 percent compliance with all applicable law and standards
6.	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	The performance of the commitments on each goal and targets are reviewed on a periodic basis by the respective internal team. The performance for each topic is depicted in the Annual Report FY 2024-25.
Governance, Leadership, and Oversight		
7.	Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)	AL's strategic journey from compliance to competitive sustainability underscores a commitment to responsible business practices and delivering meaningful outcomes through impactful initiatives. Embedded within this strategy is a bold ESG vision with ambitious targets—achieving carbon neutrality for operations and RE100 by 2030 and net-zero emissions by 2048. Remarkable progress has been made in renewable energy, with the footprint rising from 61 percent in FY 2023-24 to 69 percent in FY 2024-25, driven by a 26 MW solar capacity addition in FY 2024-25, and is slated to reach 80 percent by FY 2025-26. Sustainable water initiatives have boosted rainwater utilisation from 2 percent in FY 2023-24 to 14 percent in FY 2024-25, achieving 51 percent self-reliance. AL attained Platinum certification from M/s IRClass for achieving "Zero Waste to Landfill" and also met 100 percent compliance for Extended Producer Responsibility (EPR) targets, fulfilling 80 percent internally. Futuristic vehicles showcased include India's first electric Port Terminal Tractor and Switch's category-leading 7.5T GVW LCV Truck at Bharat Auto Expo. Customer pilots with advanced BEVs, hydrogen fuel cell buses, and LNG trucks have accelerated decarbonisation pathways. Life Cycle Assessment Pilots have further uncovered emission reduction opportunities. Plans for Registered Vehicle Scrappage Facilities (RVSF) reflect your company's alignment with the circular economy. The Road to School (RTS) program has transformed the lives of 276,584 children across 7 states. With the establishment of the Ashok Leyland Foundation, aspirations to impact one million children are within reach. Gender diversity goals are progressing, with representation rising to 9.52 percent in FY 2024-25, targeting 10 percent by FY 2025-26. Driver initiatives have trained 2.78 Lakh drivers and placed 6,437 through comprehensive programs, while "Re-AL," the e-marketplace for used vehicles, onboarded 2,229 users and listed 1,978 pre-owned vehicles, offering greater transparency.

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		Sustainability reporting is aligned with value creation models, supported by robust disclosure frameworks along with assurance of BRSR Reports by M/s DNV. AL has also pioneered ESG data collection across top suppliers to support their decarbonization efforts well ahead of regulatory schedules to help drive their sustainability agenda. Achieved distinguished rankings and rated high by prestigious ESG rating agencies in India and globally in the Heavy Machinery and Trucks sector, affirms your Company's leadership. Engaging with forums like C40, LeadIT, CII, TERI, CDP, FICCI, SIDBI and SteelZero, AL is actively shaping the ecosystem for sustainability while driving transformative change. This approach underscores the impact and innovation inherent in your company's sustainability journey.
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Alok Verma Head of Corporate Strategy & ESG
9.	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Board has constituted the Environmental, Social and Governance Committee ('ESG Committee') to oversee the sustainability related issues. The details for the same is detailed out in Annexure C to the Board's Report.

10. Details of Review of NGRBC by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/Any other committee									Frequency (Annually/Half Yearly/Quarterly/Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	All policies are reviewed periodically or on need basis from time to time and updates are made wherever required.								
Compliance with statutory requirement of relevance to the principles &, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	A	A	A	A	A	A	A	A

11.	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P1	P2	P3	P4	P5	P6	P7	P8	P9
		N	N	N	N	N	N	N	N	N

12.	If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated									
	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	The entity does not consider the principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
	It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

*A – Annually, Y - Yes, N – No, NA – Not Applicable

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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

- 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	8	Principle 1, 3, 5, and 6	100%
Key Managerial Personnel	1	Principle 3	100%
Employees other than BoD and KMPs	545	Principle 1, 3 and 5	76%
Workers	274	Principle 1, 3 and 5	98%

- 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 ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Nil. There were no monetary fines/penalties/punishment/award/compounding fees/settlement amount paid during the financial year.				
Settlement					
Compounding Fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil. There were no non-monetary cases leading to imprisonment and punishments during the financial year.			
Punishment				

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

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NA – Not Applicable as there cases during the financial year.	

- 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

Yes, Ashok Leyland has implemented an [Anti-Corruption and Anti-Bribery Policy](#) and committed to act professionally and fairly with integrity in all its business dealings, relationship and in its all operations and to enforce effective systems to counter bribery. AL has maintained a zero-tolerance on bribery, facilitation payments, or corrupt practices.

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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 2024-25	FY 2023-24
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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

NA - Not Applicable. There were no cases of corruption and conflict of interest during the financial year.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024-25	FY 2023-24
Number of days of accounts payable	78	76

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameters	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0.78	0.06
	b. Number of trading houses where purchases are made from	5	4
	c. Purchases from top ten trading houses as % of total purchases from trading houses	0.78	0.06
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	84.85	91.2
	b. Number of dealers/ distributors to whom sales are made	1,346	1,136
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	29.61	25.2
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	0.06	0.06
	b. Sales (Sales to related parties / Total Sales)	0.05	0.03
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0.00	0.42
	d. Investments (Investments in related parties/Total Investments made)	0.63	1.00

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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
1	Strategic Partners Meet – P1 to P9	>80
1	Supplier Summit – P1 to P9	>90
2	ESG Awareness and Training to Supplier – P1 to P9	75.45
2	BRSR Requirements & ESG Digital Tool Awareness & Training	76
1	Panel Meeting – P1 to P9	10.33
1	WRI Engagement on 10 MSME – P1 to P9	0.90

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.
 - AL is dedicated to conducting its operations in a way that guarantees its Directors, Employees, and all other stakeholders engage in decision-making processes free from conflicts of interest. A clearly defined conflict of interest policy is available on the AL website.
 - Additionally, AL has established a distinct Code of Conduct for the Board of Directors and Senior Management, providing explicit guidelines for preventing and disclosing any actual or potential conflicts of interest. Annually, the Board of Directors and senior management affirm their adherence to this Code of Conduct.

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 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	20	27	• Alternate fuel projects like BEV, LNG, H2 ICE, Fuel cell, Emission reduction projects like CEV V, CPCB IV+, TREM IV and Pass By Noise regulation project. • Safety improvement projects like FAS and FPS implementation in School Bus, Seat Belt Anchorage, Indirect Vision improvement, Engine Brake Development, Defence projects, Improvement of driver comfort and Ergonomics with features like AMT, AC, Air Suspension. • Roof sheet upgradation, Fire Safety improvements in the R&D centre.
Capex	16	26	• Manufacturing facilities and tooling related to Emission projects, Alternate energy vehicle development, Defence. • Transition to cleaner energy alternatives (electric, LPG, CNG) for plant operations, Water conservation and Energy saving projects. Improvements in Scrap management, Sewage disposal. • Safety improvements related to fire, electrical, working at heights etc., Security improvement with face reader, turnstile & CCTV, Restroom improvements, Improvements in canteen infrastructure, AC / fan for employees, Drinking water facilities, Infrastructure for Skill development of workforce.

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

Yes, Ashok Leyland has devised a procedure to source materials sustainably through our Supplier Code of Conduct. This proactive approach guarantees the fulfilment of production demands while safeguarding the environment from the potential negative effects of operations. The Supplier Code of conduct and Supplier ESG assessment and development process is disclosed on company website.

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

100%

At AL, we have a large network of suppliers, and we encourage them to adopt the same sustainability standards that we practice. Our endeavour is to prioritise environmental and social risk parameters and have formal mechanisms in place to monitor and track its performance.

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

(a) Plastics: The packaging plastic materials are managed in accordance with Extended Producer Responsibility requirements. Plastic coverings used in vehicles are symbolically marked to facilitate easy identification of their recyclability characteristics. Post-consumer plastic packaging waste derived from vehicles and spare parts is processed through authorized vendors approved by the Pollution Control Board to meet EPR targets.

(b) E-Waste: E-Waste is recycled through authorised recyclers by the Pollution Control Board (PCB) as per E-Waste Management Rules.

(c) Hazardous Waste: All Hazardous Waste generated/installed in our vehicles are removed safely at the initiation process of the scrapping of vehicle. This includes collection of used oil and other hazardous waste such as refrigerants, battery waste, etc. The Hazardous Waste is sent to recycling/reusing through vendors authorised getting co-processing certificates.

(d) Other Waste: As part of the RVSF initiative in the finalisation stage, going forward, all ferrous and non-ferrous metals would be extracted from the vehicles for recycling, thus increasing the circularity and reducing the environmental footprint to produce new vehicles without compromising on the quality and standards. Also, during the financial year, AL has carried out recycling of Cast Iron through AL Foundry and Ashley Alteams respectively accounting to 86 percent of recycling of Cast Iron. As part of the RECON Initiative 5,383 engines were reconditioned as well. On the packaging plastics, AL has ensured compliance to EPR. AL has carried out effective recycling and met 100 percent compliance for Extended Producer Responsibility (EPR) targets, fulfilling 80 percent internally.

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

Yes, Extended Producer Responsibility (EPR) registration has been done in the Central Pollution Control Board (CPCB) Portal for Plastic Waste management and Imported Batteries. AL has adhered to all the norms stipulated by the PCB and follows a zero waste to landfill approach where all the wastes are segregated at sources.

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
29109	12-Meter Bus BS-VI Diesel	-	Cradle to Grave	No	No

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

Name of Product/Service	Description of the risk/concern	Action taken
12-Meter Bus BS-VI Diesel	-	No significant risks were identified from the LCA carried out.

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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 2024-25	FY 2023-24
Cast Iron	86% (Overall Production of 96,829 MT)	85.83% (Overall Production of 94,317 MT)

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 2024-25			FY 2023-24		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely disposed
Plastics (including packaging)	Plastic Recycling as part of EPR compliance to meet the compliance mandate of 1,879 MT by CPCB			Plastic Recycling as part of EPR compliance to meet the compliance mandate of 1,694 MT by CPCB		
E-Waste						
Hazardous Waste						
Other Waste						

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastics	100%

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

Essential Indicator

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

Category	Total (A)	% of employees covered by									
		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	4,886	4,886	100	4,886	100	0	0	4,886	100	0	0
Female	392	392	100	392	100	392	100	0	0	0	0
Total	5,278	5,278	100	5,278	100	392	7.42	4,886	92.58	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

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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	4,364	4,364	100	4,364	100	0	0	0	0	4,364	100
Female	53	53	100	53	100	53	100	0	0	53	100
Total	4,417	4,417	100	4,417	100	53	1.19	0	0	4,417	100
Other than Permanent Workers											
Male	23,469	23,469	100	23,469	100	0	0	0	0	23,469	100
Female	1,702	1,702	100	1,702	100	1,702	100	0	0	1,702	100
Total	25,171	25,171	100	25,171	100	1,702	6.76	0	0	25,171	100

*AL facilitates the health insurance coverage for its permanent workers by centralising the negotiation of terms and the payment of premiums upfront. While for the non-permanent workforce, AL ensures to they have the ESI provision

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2024-25	FY 2023-24
Cost incurred on well-being measures as a % of total revenue of the company	0.57%	0.53%

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

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority. (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority. (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	100 (Eligible Employees)	100	Y	100 (Eligible Employees)	100	Y
Others – please specify	0	0	NA	0	0	NA

3. Accessibility of workplaces

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

- Yes, Ashok Leyland's premises and offices are accessible to differently abled employees and workers, in accordance with the Rights of Persons with Disabilities Act, 2016.
- AL is dedicated to fostering an accessible and inclusive environment for individuals with disabilities across all its locations, including offices and plants.
- AL has proactively implemented comprehensive infrastructure enhancements to address mobility challenges.
- Facilities are designed or adapted to meet the diverse needs of differently abled individuals, with accommodations provided on a case-by-case basis.
- AL encourages feedback from employees, workers, and visitors to further refine its accessibility measures.
- Additionally, a meticulous feasibility analysis is being conducted to ascertain the specific needs of differently abled individuals within each unit.

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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.
- Ashok Leyland upholds a policy of equal opportunity in accordance with the Rights of Persons with Disabilities Act, 2016. As part of its Code of Conduct for executives, the organisation has integrated equal opportunity employment, irrespective of race, creed, caste, religion, nationality, gender, colour, ancestry, ethnic origin, marital status, sexual orientation, or disability unrelated to job requirements. Link to the Policy: [Code of Conduct](#)
 - Recognising that AL's competitiveness is intrinsically linked to the wellbeing of all segments of society, the organisation is committed to the following principles: to adhere to an inclusive growth policy, thereby maintaining its status as an equal opportunity employer; to abstain from engaging in or endorsing any form of discrimination; and to offer equal opportunities to applicants from disadvantaged backgrounds, provided they possess the requisite skills and credentials as publicly advertised. Link to the Policy: [Affirmative-Action](#)
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%	89.86%	Not Applicable	Not Applicable
Female	93.33%	94.29%	Not Applicable	Not Applicable
Total	99.00%	90.48%	Not Applicable	Not Applicable

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

Ashok Leyland has established mechanisms to receive and address grievances from its employees and workers. The organisation is committed to fostering a work environment where grievances are promptly and effectively resolved. To this end, it has instituted a comprehensive Prevention of Sexual Harassment (PoSH) policy that aligns with the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013." This policy is designed to ensure a workplace that is secure and free from harassment and discrimination. AL has formulated the policy by:

- Defining protocols that must be adhered to, with the utmost respect for the dignity of all colleagues.
- Establishing a structured mechanism for the resolution of complaints related to workplace harassment targeting women.
- Stipulating that any disciplinary actions should correspond with the severity of the infraction.
- Emphasising a preventive approach that adheres to a zero-tolerance principle for such misconduct.

Link to the Policy: HYPERLINK "<https://www.ashokleyland.com/investor/policies>" POSH

The Human Resources (HR) and Employee Relations (ER) department has implemented a 'Red Book' system for permanent employees to register complaints related to transport, canteen services, maintenance, and administrative matters.

- Complaints will be addressed within a specified timeframe, depending on the issue's nature. Permanent associates may report grievances verbally or non-verbally, individually or through union representatives, with designated HR or ER executives managing these concerns.
- Apprentices and third-party employees are encouraged to approach HR for any issues, which will be resolved promptly.
- Non-permanent associates can also reach out to HR or the Learning Centre for immediate assistance. Contract workmen may register grievances with their Contract Supervisors or during monthly forums held by the Employee Relations team.
- All work-related grievances will be discussed in GEMBA Meetings on the shop floor, providing a structured platform for resolution.

	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	NA

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

Category	FY 2024-25			FY 2023-24		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	5,278	Not Applicable	Not Applicable	5,003	Not Applicable	Not Applicable
Male	4,886	Not Applicable	Not Applicable	4,697	Not Applicable	Not Applicable
Female	392	Not Applicable	Not Applicable	306	Not Applicable	Not Applicable
Total Permanent Workers	4,417	4,417	100	4,604	4,604	100
Male	4,364	4,364	4,364	100	4,575	4,575
Female	53	53	53	100	29	29

8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and Safety measures		On Skill upgradation		Total (D)	On Health and Safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	4,886	1,572	32.17	3,227	66.05	4,697	1,394	29.68	2,903	61.81
Female	392	230	58.67	354	90.31	306	267	87.25	273	89.22
Total	5,278	1,802	34.14	3,581	67.85	5,003	1,661	33.20	3,176	63.48
Workers										
Male	27,833	27,833	100	27,833	100	25,848	25,848	100	25,848	100
Female	1,755	1,755	100	1,755	100	923	923	100	923	100
Total	29,588	29,588	100	29,588	100	26,771	26,771	100	26,771	100

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

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	4,886	4,886	100	4,697	4,697	100
Female	392	392	100	306	306	100
Total	5,278	5,278	100	5,003	5,003	100
Workers						
Male	4,364	Not Applicable	Not Applicable	4,575	Not Applicable	Not Applicable
Female	53	Not Applicable	Not Applicable	29	Not Applicable	Not Applicable
Total	4,417	Not Applicable	Not Applicable	4,604	Not Applicable	Not Applicable

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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 an in-house developed Health and Safety management system across all its manufacturing facilities. This system is aligned with global best practices and processes.
 - All the AL's manufacturing facilities are certified under ISO 45001:2018 - Occupational Health and Safety Management System.
- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
- Across Ashok Leyland's manufacturing facilities, Hazard Identification and Risk Assessment (HIRA) has been implemented for routine activities, while Job Safety Analysis (JSA) is employed for non-routine activities.
 - These initiatives are mapped to the in-house developed Health and Safety management system and ISO 45001:2018, as applicable. In accordance with HIRA and relevant compliance requirements, periodic internal audits are conducted across all manufacturing facilities.
 - For those facilities certified under ISO 45001:2018, audits are conducted by external auditors. During FY 2024-25, no major non-conformances were reported across all ISO 45001:2018 certified manufacturing facilities.
 - AL has instituted a well-defined Environment, Health, and Safety (EHS) policy, governed by the EHS council, which is responsible for regular performance monitoring. The EHS management system is audited periodically, with results reviewed monthly by the leadership team.
 - As part of the monthly risk prevention theme, all manufacturing facilities conduct checklist-based audits, taking necessary actions on identified hazards and risks.
 - Risk mitigation projects have been undertaken in areas such as rooftop safety, electrical safety, paint process safety, material handling safety, and work height safety, with necessary Common Standard Operating Procedures (SOPs) developed and adopted for compliance.
 - Link to the Policy: [EHS Policy](#).
- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)
- Yes, Ashok Leyland has adopted a formal process across its manufacturing facilities that allows all workforce members, including contractual workers, to report work-related hazards.
 - AL promotes a culture of empowerment, enabling staff to confidently report workplace hazards and ensuring that all safety incidents are duly recorded. This process is periodically reviewed by the safety committee at the site level.
 - The identified risks and hazards are integrated into the in-house Occupational Health and Safety Management System. These incidents include, but are not limited to, injury-related occurrences, safety breaches, near misses, mechanical hazards, and vehicular accidents.
 - Employees play a crucial role in discussions regarding the establishment of corrective and preventive strategies, as well as in the implementation of these measures. They are provided with a structured platform to present their input and proposals concerning safety matters.
 - AL acknowledges and rewards employees for their contributions to safety suggestions and the execution of safety initiatives, thereby fostering a positive safety culture within the organisation.
 - Awareness programmes are conducted for all workforce members on the process of reporting work-related hazards upon joining, which is a mandatory requirement. Additionally, periodic awareness sessions are carried out to assess the effectiveness of these initiatives.
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
- Yes, all employees and workers have access to non-occupational medical and healthcare services and medical insurance facilities.

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

Safety Incident/Number	Category*	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.12
	Workers	0.15	0.11
Total recordable work-related injuries	Employees	0	1
	Workers	10	8
No. of fatalities	Employees	0	0
	Workers	1	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	1
	Workers	0	0
Number of Permanent Disabilities	Employees	0	1
	Workers	0	0

*Including in the contract workforce

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

- Ashok Leyland has established a comprehensive Environment, Health, and Safety (EHS) policy, supported by a management system featuring a robust monitoring strategy.
- Relevant health and safety practices and processes have been implemented across manufacturing facilities, tailored to the nature of the work undertaken.
- Monthly evaluations of EHS performance are conducted and discussed in EHS committee meetings, presided over by members of AL's senior leadership. The detailed process is outlined in the company's in-house Health and Safety Management System.
- The long-term plan is designed to ensure the effective implementation of the EHS policy, constructed on the Plan-Do-Check-Act cycle to facilitate continuous improvement. This approach encompasses assessments of various risks, including workplace safety, fire hazards, process safety, ergonomics, machinery, occupational health, and chemical threats.
- Across its manufacturing facilities, AL has established in-house First Aid centres, staffed with doctors and paramedics available 24/7. AL has also partnered with nearby hospitals to address any medical emergencies. A First Aid centre has been set up at the corporate office and technical centre as well.
- AL designates a specific risk prevention theme each month to focus on effective safety communication. Daily safety briefings in three languages, based on the monthly theme, are disseminated across all manufacturing sites to enhance awareness. Additionally, tailored training is provided to relevant stakeholders in alignment with the monthly themes.
- An EHS e-learning module has been developed for executives to enhance awareness of safety. The initiative named 'Manthan' encompasses a Safety Cross-Functional Team (CFT) dedicated to proactively cultivating a safety culture aimed at zero harm. AL has piloted the AL-Foundry in Sriperumbudur and the AL-CPPS Plant as Safety Model Plants for the implementation of benchmark safety practices. Ashok Layland also actively engages all stakeholders during Safety Month, featuring numerous competitions and enlightenment sessions conducted by industry experts.

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

	FY 2024-25			FY 2023-24		
	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	45	0		25	0	-
Health & Safety	28	1	Approval from seniors sought & Hiring process of new & upgraded Ambulance will be completed by end of April 2025	5	0	-

14 Assessment for the year:

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

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

- During FY 2024-25, Ashok Leyland experienced one fatality involving a worker. In response, the organisation has initiated subway access controls at the applicable manufacturing facilities.
- Additionally, several reportable work-related incidents occurred, prompting AL to undertake corrective actions to prevent the recurrence of such injuries. These actions include raising awareness among workforce members and periodically monitoring adherence to safety protocols.
- AL has implemented a comprehensive incident management communication protocol, disseminated daily across all manufacturing facilities. This initiative ensures that relevant locations are informed of incidents, including near-miss events, enabling them to implement necessary preventive strategies to avert similar occurrences.
- Following any safety-related incidents, a thorough inquiry is conducted, encompassing a detailed analysis based on the 6M framework (Man, Machine, Method, Material, Measurement, and Mother Nature), along with a Why-Why analysis. This systematic approach is essential for uncovering the underlying causes of incidents and fostering the development of appropriate corrective measures, which are then applied comprehensively across relevant sectors.

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- In alignment with its commitment to safety, AL undertakes Hazard Identification and Risk Assessment (HIRA) for a range of operations, formulating control strategies to mitigate risks in accordance with the established hierarchy of controls. Within this framework, hazard elimination is recognised as the most effective method of control, followed by hazard substitution, the application of engineering and administrative controls, and the use of Personal Protective Equipment (PPE).
- Subsequent to the introduction of corrective actions, a detailed action report is generated and provided to the pertinent stakeholders. Furthermore, to address the issue of unsafe practices, AL has initiated a Behaviour-Based Safety (BBS) Train-the-Trainer programme and developed BBS Master Trainers to enhance BBS awareness at respective plants, furthering its commitment to fostering a culture of safety through the implementation of these programmes.
- In the case of non-reportable incidents, proactive practice is followed, involving workforce members in the implementation of corrective actions.

Leadership Indicator

- 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 provides comprehensive compensatory benefits to the bereaved family members in the unfortunate event of an employee's or worker's demise.
 - Associates are covered under the Employees' Deposit Linked Insurance (EDLI) scheme with a life cover of ₹ 7.02 Lakh and Group Personal Accident (GPA) insurance for accidental death, with a sum insured of 48 times their monthly PF gross salary.
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners
During the financial year, there were no abnormalities identified in the value chain. Hence, Not Applicable.
- 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 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	0	1	0	1
Workers	0	0	0	0

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)
 - Yes, for retired executives, Ashok Leyland facilitates relocation assistance for those moving back to their hometowns.
 - Additionally, AL provides health insurance benefits for retired executives and their spouses for the duration of their lives.
 - For prospective retirees, AL offers comprehensive training to ensure a smooth transition into retirement. This training covers various topics, including managing retirement challenges, yoga and well-being, the impact on family, provident fund and insurance, financial management, and retirement benefits.

- 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	76.06
Working Conditions	76.06

- 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.

During the financial year, there were no corrections undertaken as there were no cases identified during the assessments. Hence, not applicable.

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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 is committed to prioritising the needs and concerns of its stakeholders and its businesses to ensure sustainable value creation for all. AL employs a robust mechanism to identify both its internal and external stakeholders, considering the impact of AL's operations on these stakeholders and their ability to influence. This assessment identified six external stakeholders (Investors/Shareholders, Suppliers, Local Communities, Customers, Government and Regulatory Bodies and Channel Partners) and one internal stakeholder (Employees) groups. A stakeholder survey was then conducted to understand the potential material topics, resulting in a prioritised list of material topics based on their significance and overall impact. AL aims to stay attuned to evolving stakeholder concerns by engaging with them regularly through various channels, reinforcing stakeholder trust.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors/ Shareholders	No	- Email - Newspaper - Stock Exchange - Website - Annual General Meeting - Analyst Meets - Press Conference	- Monthly - Quarterly - Annual - Need-based	- Financial Results - Business Outlook - Key Risks - Dividend
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
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

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Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
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

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.
 - The Stakeholder Relationship Committee of Ashok Leyland is committed to maintaining strong stakeholder relationships and fulfilling its responsibilities to all investors.
 - AL has implemented appropriate mechanisms to ensure compliance with all relevant regulatory requirements. Compliance Reports that indicate adherence to the Code of Conduct (CoC) are systematically reviewed by the senior management at regular intervals.
 - Furthermore, the ESG Committee provides insights and guides AL's ESG initiatives. The committee's primary function is to provide oversight and guidance on company-wide ESG initiatives, priorities, key focus areas and leading practices.
 - ESG committee integrates 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

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

Yes, stakeholder consultation is utilized to aid in the identification and management of environmental and social issues. Ashok Leyland conducted a Materiality Assessment by engaging with its key stakeholder groups. Through direct interactions, AL gathered feedback from these groups, which include both internal and external stakeholders, to identify and prioritize the sustainability matters that are most significant to its business operations.

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

We believe engagement with stakeholders is very important for projects to deliver the intended outcomes and therefore identifying & engaging with vulnerable/marginalized stake holders are done before a project is finalized. Engagement starts with the respective State Government's education department in identification of educationally backward blocks followed by a situational analysis of the region. The situational analysis involves survey at the village level, focus group discussions, community meets and one on one interactions with the Headmaster/Headmistress of schools, village panchayat leader, block development officials, influential people in the community and various other departments that are associated in the development process. For example,

Road To School Program: Aims to improve learning levels in numeracy and literacy among children from classes 1 to 8 studying in State Government Schools in remote rural locations through interventions in academics, sports, art and wellness. Our key stake holders identified are the Officials from State Education department, District Collector i/c of district administration, Headmaster/Mistress, Teachers, parents of children, School Management committee, Local village representatives, other departments like health, sports, social welfare. Some of the instances of engagement with stakeholders are collaboration with State Government in aligning teaching content, with school HM's & teachers for content implementation, with parents of children to ensure children are sent to school, with School Management committee members for school development etc

Water Management & Conservation Program: Addresses water challenges in rural villages in Alwar and Uttarakhand through rainwater harvesting ponds, roof rainwater harvesting system at individual homes, community rainwater harvesting systems in community, recharging springs etc. The entire program is based on the challenges & problems faced by the community and the projects are done with active participation from the local community both physical participations in work, reviews as well financial contributions.

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BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Principle 5: Businesses should respect and promote human rights

Essential Indicator

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

Category	Total (A)	FY 2024-25			FY 2023-24	
		No. of employees/ workers (B)	% (B/A)	Total (C)	No. of employees/ workers (D)	% (D/C)
Employees						
Permanent	5,278	2,086	39.52	5,003	3,554	71.04
Other than Permanent	0	0	0	0	0	0
Total Employees	5,278	2,086	39.52	5,003	3,554	71.04
Workers						
Permanent	4,417	4,417	100	4,604	4,604	100
Other than Permanent	25,171	25,171	100	22,167	22,167	100
Total Workers	29,588	29,588	100	26,771	26,771	100

- Details of minimum wages paid to employees and workers, in the following format

Category	Total (A)	FY 2024-25					FY 2023-24			
		Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	5,278	0	0	5,278	100	5,003	0	0	5,003	100
Male	4,886	0	0	4,886	100	4,697	0	0	4,697	100
Female	392	0	0	392	100	306	0	0	306	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	4,417	0	0	4,417	100	4,604	0	0%	4,604	100
Male	4,364	0	0	4,364	100	4,575	0	0%	4,575	100
Female	53	0	0	53	100	29	0	0%	29	100
Other than Permanent	25,171	15,077	59.90	10,094	40.10	22,167	13,325	60.11	8,841	39.88
Male	23,469	14,410	61.40	9,059	38.60	21,273	12,977	61	8,296	39
Female	1,702	667	39.19	1,035	60.81	894	348	38.93	545	60.96

- Details of remunerations/salary/wages

- Median remuneration/wages

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	12	₹ 11,140,000	1	₹ 10,860,000
Key Managerial Personnel*	3	₹ 6,72,19,909	0	Nil
Employees other than BoD and KMP*	4,883	₹ 1,923,232	392	₹ 643,372
Workers*	4,364	₹ 1,280,609	53	₹ 724,048

*The median has been calculated taking into consideration the employees that have served for the full year

*Key Managerial Personnel includes Managing Director & CEO

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b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	2.79	2.31

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

- Yes, Ashok Leyland has instituted a robust Policy on the Prevention of Sexual Harassment (PoSH), accompanied by a corresponding governance structure to manage any grievances reported by the employees.
- The entire workforce, including all employees and workers, has been thoroughly informed and educated about the significance of this mechanism and the procedures by which it operates.
- AL is committed to enhancing the overall quality of life, dignity, and well-being of its stakeholders by upholding the highest standards of ethical conduct in its business practices. It believes that a culture of ethics ensures that decisions and actions are guided by honesty, fairness, integrity, transparency, and respect for all stakeholders.
- AL has established a Whistleblower hotline, which includes a toll-free number and a web portal, functioning in conjunction with the existing mechanism for reporting via postal means. This platform is accessible to employees, vendors, and dealers, enabling them to report any concerns or violations of the organisation's code, policies, or applicable laws.
- To safeguard the identity of the complainant, this service is provided by Integrity Matters, an external and independent third-party service provider appointed by AL.

Reporting Channel	Mode of Communication	Availability
1	Phone	India toll-free: 1800-102-6969
2	Web Site	https://ashokleyland.integritymatters.in
3	Email	ashokleyland@integritymatters.in
4	Post	Ashok Leyland Limited, C/o Integrity Matters, Unit 1211, CENTRUM IT Park, Plot No C-3, S.G. Barve Road, Wagale Estate, Thane West – 400604, Maharashtra, India

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

- Ashok Leyland has implemented a comprehensive procedure within the organisation that includes conducting awareness campaigns on sexual harassment to prevent and mitigate its incidence in the workplace.
- Furthermore, AL has established an Internal Complaints Committee (ICC) with the mandate to address, investigate, and resolve all matters related to complaints of sexual harassment, whether received directly or through indirect channels.
- The Leymobile platform offers user-friendly access for registering complaints.

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

Category	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remark	Filed during the year	Pending resolution at the end of year	Remark
Sexual Harassment*	7	0	-	2	1	The complaint was received in the last week of March 2024 hence the enquiry is ongoing
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	-

*This includes 4 complaints from employees and 3 complaints from workers

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7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)*	7	2
Complaints on POSH as a % of female employees / workers*	0.33	0.16
Complaints on POSH upheld	7	2

* This includes 4 complaints from employees and 3 complaints from workers

*Denominator includes the headcount of both employees and workers

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

Ashok Leyland has established a comprehensive and effective grievance redressal mechanism to ensure prompt and efficient resolution of any issues that arise. AL has instituted a robust gender-neutral Prevention of Sexual Harassment (PoSH) policy and an associated governance framework to address grievances registered by all employees, in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. This policy aims to safeguard a work environment free from harassment and discrimination.

The implementation of the policy includes the following provisions:

- Establishment of protocols that uphold the respect and dignity of all colleagues.
- Creation of a system for addressing complaints of workplace harassment directed against women.
- Stipulation of appropriate sanctions corresponding to the severity of any infraction, alongside a preventive framework that enforces a zero-tolerance policy.

The Sexual Harassment Prevention Policy is displayed on the notice board, and posters are prominently placed throughout the office premises on all floors.

AL has also facilitated training for members of the newly constituted Internal Complaints Committee (ICC) at the corporate level. Mandatory training on the Prevention of Sexual Harassment at the Workplace (POSH) has been conducted online for all employees. Furthermore, awareness programmes are integrated into induction sessions for new hires, and informational standees are placed at various locations. Lastly, AL's Service Rules include an explicit clause pertaining to sexual harassment, reinforcing its commitment to maintaining a respectful workplace.

Ashok Leyland's Code of Conduct policy for employees delineates the expected standards of behaviour, placing a strong emphasis on honesty, integrity, confidentiality, and respect. It encompasses various areas, including the avoidance of conflicts of interest and the maintenance of confidentiality. The policy further underscores the significance of whistleblowing and the necessity of reporting potential violations.

In addition to the aforementioned provisions, the Ethics helpline (<https://ashokleyland.integritymatters.in>) addresses all related issues, which are subsequently reviewed by the Ethics Committee. The Ethics Committee of Ashok Leyland, functioning as a sub-committee of the Audit Committee, is tasked with investigating whistleblower complaints and recommending actions based on the findings of the investigation report. The primary objective of the Ethics Committee is to ensure ethical conduct and transparency within the organisation.

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

Yes, human rights requirements form a part of the AL's business agreements and contracts wherever relevant.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100
Forced/Involuntary Labour	100
Sexual Harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	-

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11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.
 - Ashok Leyland continuously monitors and audits the process as part of our commitment to responsible business practices and identified no risks or concerns.
 - Furthermore, AL provides comprehensive education and awareness programmes regarding international disciplinary protocols to all members of the workforce.
 - AL ensures compliance with the processes established in accordance with the statutory controls and governance prescribed under its framework.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints
Not applicable, during the financial year, AL did not receive any human rights grievances/complaints requiring modifying the business processes or introduce new business processes.
2. Details of the scope and coverage of any Human rights due diligence conducted
Ashok Leyland has conducted a thorough evaluation of human rights compliance as an integral component of the terms of its long-term agreements dedicated to welfare.
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
The facilities at AL are designed to accommodate visitors with disabilities.
4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child Labour	0
Forced/Involuntary Labour	0
Sexual Harassment	76.06
Discrimination at workplace	0
Wages	76.06
Others – please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.
During the financial year, there were no corrections undertaken as there were no cases identified during the assessments. Hence, 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	Unit	FY 2024-25	FY 2023-24
For Renewable Sources			
Total Electricity Consumption (A)	'000 GJ	796.70	677.04
Total Fuel Consumption (B)	'000 GJ	0	0
Energy Consumption through other sources (C)	'000 GJ	0	0
Total energy consumed from renewable sources (A+B+C)	'000 GJ	796.70	677.04
For Non-Renewable Sources			
Total Electricity Consumption (D)	'000 GJ	344.69	426.94
Total Fuel Consumption (E)	'000 GJ	422.74	452.11
Energy Consumption through other sources (F)	'000 GJ	0	0
Total energy consumed from non-renewable sources (D+E+F)	'000 GJ	767.43	879.05
Total Energy Consumed (A+B+C+D+E+F)	'000 GJ	1,564.13	1,556.09

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Parameter	Unit	FY 2024-25	FY 2023-24
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	GJ/INR Crore	40.36	40.56
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) ^o (Total energy consumed/Revenue from operations adjusted for PPP)	GJ/USD	0.0000834	0.0000928
Energy intensity in terms of physical output (Total energy consumed (Automotive)/No. of vehicles)	GJ/Vehicle	4.65	4.70
Energy intensity (optional) – the relevant metric may be selected by the entity			

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

- **Energy Intensity for Automotive operations = 24.14 GJ/INR Crore**
- **Energy Intensity – Foundry operations** (Energy consumed in Foundry/Total revenue generated by Foundry) = **571.57 GJ/INR Crore**

^o The conversion factor considered for adjusting revenue from operations for PPP is based on the International Monetary Fund (IMF) of 20.66 INR/USD for India as published on the website. Link to the website: [PPP - IMF](#)

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.

- 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.

No

- Provide details of the following disclosures related to water, in the following format

Parameter	Unit	FY 2024-25	FY 2023-24
Water Withdrawal by source (in kilolitres)			
(i) Surface Water	kL	25,229.20	8,508.00
(ii) Ground Water	kL	479,518.74	621,715.00
(iii) Third party Water	kL	371,929.02	467,222.70
(iv) Sea Water/ Desalinated Water	kL	0	0
(v) Others	kL	1,329.85	6,278.09
Total volume of water withdrawal (in kilolitres) (i+ ii+ iii+ iv+ v)	kL	878,006.81	1,103,723.79
Total volume of water consumption (in kilolitres) ^	kL	967,278.34	1,124,412.79
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	kL/INR Crore	24.96	29.24
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	kL/USD	0.000052	0.000067
Water intensity in terms of physical output (Total water consumed/No. of vehicles)	kL/Vehicles	4.35	4.80
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 = 22.58 kL/INR Crore**
- **Water Intensity – Foundry** (Water consumed in Foundry/Total revenue generated by Foundry) = **103 kL/INR Crore**

[^] The total water consumption is cumulation of total water withdrawal and rainwater consumption.

^o The conversion factor considered for adjusting revenue from operations for PPP is based on the International Monetary Fund (IMF) of 20.66 INR/USD for India as published on the website. Link to the website: [PPP - IMF](#)

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.

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4. Provide the following details related to water discharged:

Parameter	Unit	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)			
(i) Surface Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(ii) Ground Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(iii) Third party Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(iv) Sea Water/ Desalinated Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(v) Others	kL	21,010	2,410
- No treatment	kL	0	0
- With treatment – please specify level of treatment (Primary Treatment)	kL	21,010	2,410
Total water discharged (in kilolitres)	kL	21,010	2,410

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

Yes, third party verification was carried out by DNV.

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

- Yes, at Ashok Leyland, we are dedicated not only to treating effluent but also to reintroducing it into our processes to conserve groundwater.
- We have successfully recycled 68 percent of our effluent, utilizing it for both production processes and gardening initiatives.
- Our facilities are committed to achieving zero liquid discharge, with the exception of our Pantnagar unit in Uttarakhand, where the state pollution control board has mandated that the generated effluent be connected to a common effluent treatment plant after undergoing primary treatment on-site.
- Our typical zero liquid discharge system includes a primary treatment process designed to reduce Total Dissolved Solids (TDS) and eliminate oil content. The treated water is then subjected to advanced filtration methods such as Reverse Osmosis (RO) and Electro Dialysis Reversal (EDR). The permeate produced is redirected back into our production processes, while the reject water undergoes further filtration using a Sea Water Reverse Osmosis system. The permeate is then fed into our process tank, and the reject water is processed through our ZLD plant, which features a Multi-effect Evaporator and an Agitated Thin Film Drier. The salt collected from this system is subsequently repurposed as an alternative raw material for cement industries.

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

Parameter	Unit	FY 2024-25	FY 2023-24
NOx	Tons	75.80	76.33
SOx	Tons	27.40	22.56
Particulate Matter	Tons	0.00	133.80
Persistent Organic Pollutants (POP)	Tons	0.00	0.00
Volatile Organic Compounds (VOC)	Tons	5.85	5.09
Hazardous Air Pollutants (HAP)	Tons	0.00	0.00
Other – please specify – Suspended Particulate Matter	Tons	93.03	0.00

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.

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

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	30,986.68	33,110.17 [#]
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	69,608.31	90,354.20
Total Scope 1 and Scope 2 emission intensity per rupee of turnover* (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	tCO ₂ e/INR Crore	2.60	3.22
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)^o (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	tCO ₂ e/USD	0.0000054	0.0000074
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO ₂ e/Vehicle	0.34	0.38
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

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

- **Emission Intensity for Automotive operations = 1.78 tCO₂e/INR Crore**

- **Emission Intensity – Foundry (Total Emission in Foundry/Total revenue generated by Foundry) = 27.11 tCO₂e/INR Crore**

[#]Total Scope 1 emission is a cumulative of the refrigerants consumed in the business operation of Ashok Leyland accounting to **2,679.16 tCO₂e**.

^oThe conversion factor considered for adjusting revenue from operations for PPP is based on the International Monetary Fund (IMF) of 20.66 INR/USD for India as published on the website. Link to the website: [PPP - IMF](#)

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

Yes, third party verification was carried out by DNV.

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

Ashok Leyland is committed to achieving carbon neutrality in operations by 2030 and net-zero emissions by 2048. The organization has undertaken several initiatives to support these goals, including:

- Increasing the capacity of our solar plant by 26 MW
- Converting food waste into biogas
- Conducting energy audits with the assistance of M/s CII
- Implementing various energy conservation measures, such as replacing existing motors with premium efficiency IE3 and IE4 rated motors, utilizing energy-efficient compressors, employing melt managers, recovering waste heat, and converting air hoists to electric hoists.

9. Provide details related to waste management by the entity, in the following format

Parameter	Unit	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)			
Plastics (A)	MT	1,152.95	1,247.87
E-Waste (B)	MT	20.01	10.41
Bio-Medical Waste (C)	MT	0.87	0.63
Construction and Demolition Waste (D)	MT	302.41	-
Battery Waste (E)	MT	45.06	34.12
Radioactive Waste (F)	MT	-	-

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Parameter	Unit	FY 2024-25	FY 2023-24
Other Hazardous waste. Please specify, if any. (G)	MT	2,299.79	3,073.56
<i>Used/Spent oil</i>	MT	340.55	452.70
<i>Wastes and residues - Paint sludge</i>	MT	409.51	821.13
<i>Discarded containers/barrels/Liners contaminated with hazardous waste/chemicals</i>	MT	432.89	448.29
<i>Waste/Residues containing Oil-Soaked Cotton Waste</i>	MT	363.22	385.51
<i>Filter, Residues</i>	MT	6.87	15.64
<i>Chemical sludge from wastewater treatment (ETP Sludge)</i>	MT	451.16	630.21
<i>Waste/Residues containing Oil - Grinding sludge</i>	MT	158.52	157.47
<i>Phosphate sludge</i>	MT	95.36	102.16
<i>Spent Solvent (from Paint Shop)</i>	MT	3.02	2.92
<i>Wastes/residues (sealant/PVC residues from painting process)</i>	MT	1.45	6.30
<i>Oil and Grease Skimming Residue</i>	MT	12.55	22.85
<i>Filter and Filter Material</i>	MT	22.47	28.10
<i>Alkali Residue</i>	MT	1.11	0.00
<i>Sludge and filters contaminated with oil</i>	MT	0.00	0.29
<i>Spent Ion Exchange Resin containing Toxic Metal (MT)</i>	MT	1.11	0.00
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	MT	161,542.77	187,298.72
<i>Cable & Electrical Scrap</i>	MT	50.49	30.55
<i>Aluminium scrap</i>	MT	289.24	263.97
<i>Steel dust/ Shot blast dust/ grinding dust</i>	MT	161.42	278.78
<i>Wood Waste</i>	MT	1,547.73	2,175.95
<i>Cardboard/ Wastepaper</i>	MT	3,148.19	3,553.64
<i>Waste sand</i>	MT	120,544.75	1,06,529.48
<i>Food waste</i>	MT	140.07	116.66
<i>Steel castings, MS scrap</i>	MT	25,748.93	28,934.52
<i>Rubber Scrap</i>	MT	22.13	75.91
<i>Garden waste (jungle wood, dry leaves etc.)</i>	MT	676.72	619.28
<i>Scrap Tyres and Tubes</i>	MT	9,184.80	44,720.00
<i>Glass Waste</i>	MT	1.29	0.00
Total (A+B + C + D + E + F + G + H)	MT	165,363.85	191,665.31
Waste intensity per rupee of turnover (Total waste consumed/Revenue from operations)	MT/INR Crore	4.27	5.00
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste consumed/Revenue from operations adjusted for PPP)	MT/USD	0.000009	0.000011
Waste intensity in terms of physical output	MT/Vehicle	0.85	0.98
Waste intensity (optional) – the relevant metric may be selected by the entity			

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Parameter	Unit	FY 2024-25	FY 2023-24
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Category of Waste			
(i) Recycled	MT	154,798.48	174,532.64
Plastic waste	MT	1,142.87	1,248.85
E-waste	MT	20.01	10.41
Battery waste	MT	46.05	35.22
Other Hazardous waste. Please specify if any	MT	347.68	444.78
Used/Spent oil	MT	344.66	441.86
Spent Solvent (from Paint Shop)	MT	3.02	2.92
Other Non-hazardous waste generated. Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	MT	153,241.88	172,793.39
Cable & Electrical Scrap	MT	52.84	30.55
Aluminium scrap	MT	282.10	266.20
Steel dust/Shot blast dust/grinding dust	MT	161.42	278.78
Wood Waste	MT	1,563.82	2,181.39
Cardboard/ Wastepaper	MT	3,140.00	3,552.10
Waste sand	MT	111,754.75	99,119.78
Food waste	MT	119.08	116.66
Steel castings, MS scrap	MT	26,118.64	28,708.26
Rubber Scrap	MT	23.38	80.41
Garden waste (jungle wood, dry leaves etc.)	MT	676.75	619.28
Scrap Tyres and Tubes	MT	9,348.00	37,840.00
Glass Waste	MT	1.11	0
(ii) Re-used	MT	461.47	467.83
Other Hazardous waste. Please specify if any - Discarded containers/barrels/Liners contaminated with hazardous waste/chemicals	MT	461.47	467.83
(iii) Other recovery operations – Coprocessing	MT	1,517.26	2,002.66
Other Hazardous waste. Please specify if any	MT	1,517.28	2,002.66
Alkali Residue	MT	1.11	0.00
Wastes and residues - Paint sludge	MT	401.72	819.98
Spent Ion Exchange Resin containing Toxic Metal	MT	1.11	0.00
Waste/Residues containing Oil-Soaked Cotton Waste	MT	364.65	225.72
Filter, Residues	MT	6.87	15.64
Chemical sludge from wastewater treatment (ETP Sludge)	MT	451.46	667.82
Waste/Residues containing Oil - Grinding sludge	MT	158.52	113.80
Phosphate sludge	MT	95.36	102.16
Waste/residues (sealant/PVC residues from painting process)	MT	1.45	6.30
Oil and Grease Skimming Residue	MT	12.55	22.85
Filter and Filter Material	MT	22.47	28.10
Sludge and filters contaminated with oil	MT	0.00	0.29
Total	MT	156,777.21	177,003.12

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BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Parameter	Unit	FY 2024-25	FY 2023-24
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of Waste			
(i) Incineration	MT	0.87	0.44
<i>Bio-medical waste</i>	MT	0.87	0.44
(ii) Landfilling	MT	323.40	0
Construction and Demolition Waste	MT	302.41	0
Other Non-hazardous waste generated. Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) – Food Waste	MT	20.99	0.00
(iii) Other disposal operations	MT	0.00	0.00
Total	MT	324.27	0.44

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

- **Waste Intensity for Automotive operations = 0.94 MT/INR Crore**

- **Waste Intensity – Foundry (Total Waste Generated in Foundry/Total revenue generated by Foundry) = 105.75 MT/INR Crore**

° The conversion factor considered for adjusting revenue from operations for PPP is based on the International Monetary Fund (IMF) of 20.66 INR/USD for India as published on the website. Link to the website: [PPP - IMF](#)

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

Yes, third party verification was carried out by DNV

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

As Earth Overshoot continues to diminish each year, Ashok Leyland has established a sustainable system aimed at consistently reducing resource usage and waste generation. The organization practices the 5R principles—Refuse, Reduce, Reuse, Repurpose, and Recycle—across all operations.

We strictly adhere to waste segregation at the source. In the fiscal year 2024, we achieved “Zero Waste to Landfill” status and received a Platinum rating from M/s IRClass. Continuing this commitment, we have ensured that this year, all waste, except for biomedical waste – has been recycled through authorized recyclers or utilized in cement industries as alternative fuel or raw material.

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

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

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

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

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

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

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Leadership Indicators

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

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

(i) Name of the area	Ennore, Bhandara, Sriperumbudur, Alwar, Hosur, Pantnagar
(ii) Nature of operations	Automobile Manufacturing and Foundry Operations
(iii) Water withdrawal, consumption, and discharge in the following format:	

Parameter	Unit	FY 2024-25	FY 2023-24
Water Withdrawal by source (in kilolitres)			
(vi) Surface Water	kL	25,229.20	8,508.00
(vii) Ground Water	kL	479,518.74	621,715.00
(viii) Third party Water	kL	371,929.02	467,222.70
(ix) Sea Water/ Desalinated Water	kL	0	0
(x) Others	kL	1,329.85	6,278.09
Total volume of water withdrawal (in kilolitres) (i+ ii+ iii+ iv+ v)	kL	878,006.81	1,103,723.79
Total volume of water consumption (in kilolitres)	kL	967,278.34	1,124,412.79
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	kL/INR Crore	24.96	29.24
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	kL/USD	0.000052	0.000067
Water intensity in terms of physical output	GJ/Vehicle	4.35	4.80
Water intensity (optional) – the relevant metric may be selected by the entity			
Water discharge by destination and level of treatment (in kilolitres)			
(i) Surface Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(ii) Ground Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(iii) Third party Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(iv) Sea Water/ Desalinated Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(v) Others	kL	21,010	2,410
- No treatment	kL	0	0
- With treatment – please specify level of treatment – (Primary Treatment)	kL	21,010	2,410
Total water discharged (in kilolitres)	kL	21,010	2,410

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

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BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	144,225.00	145,575.43
Total Scope 3 emission intensity per rupee of turnover	tCO ₂ e/INR Crore	3.72	3.97
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.			
Yes, third party verification was carried out by DNV			

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Two of our facilities, the Ennore unit and the Ennore foundries, are situated along the banks of the Bay of Bengal and have been operational for over 50 years. Recognizing the environmental sensitivity of the area, we have developed and maintained mini eco-forests within our premises.

In addition to treating the wastewater generated by the Ennore and Ennore foundries, the Ennore unit also collects wastewater from nearby communities. This treated wastewater is utilized for gardening to prevent seawater intrusion into the land.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Energy Saving Initiative	The energy conservation drive through dedicated CFT has led to avoiding 17,799 GJ of the fuel and electricity consumption across operational locations. The initiatives do include replacement of energy efficient compressors, waste heat recovery, melt manager at foundries, energy efficiency	17,799 GJ
2	Emission Reduction Initiative	With special focus and drive to attain RE100 by 2030, AL had enhanced its Solar capacity by 26 MW which resulted in an increase of renewable energy percentage share from 61 percent to 69 percent when compared to the previous financial year.	158,648 tCO ₂ e

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link

- Ashok Leyland understands the critical importance of a Business Continuity Plan (BCP) to ensure the smooth operation of business, especially during challenging times such as a pandemic. We prioritize business continuity from both the perspective of operational sustainability and employee welfare.
- A dedicated team of executives is responsible for developing the BCP, focusing on essential action steps, roles and responsibilities, trigger mechanisms, and turnaround times to ensure we are always ready to address any situation that may impact business operations. Our emergency preparedness strategy is designed to minimize the consequences of unexpected incidents, including accidents, fires, sabotage, spills, natural disasters, and medical emergencies.
- AL has Emergency preparedness and response plan for manufacturing units, corporate office and technical centre also includes all the risks and emergencies associated with the locations. Regularly conducted mock drills help to ensure preparedness towards these emergencies.
- This strategy outlines a series of actions to be taken in the event of such emergencies, detailing preventive measures, preparations for adverse situations, mitigation strategies, and positive controls to protect lives and minimize property damage

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

During the financial year, there were no significant adverse impacts to the environment arising from the value chain was identified. Hence, no mitigation or adaptation measures undertaken.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

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ANNEXURE J TO THE BOARD'S REPORT

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicator

1.	a. Number of affiliations with trade and industry chambers/ associations	
	3. CII, ASSOCHAM and FICCI	
	b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.	
Sl. No	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National and International
2	Confederation of Indian Industry (CII)	National and International
3	The Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National and International
4	Society of Indian Automobile Manufacturers (SIAM)	National and International
5	Automobile Components Manufacturer Association (ACMA)	National and International
6	Federation of Automobile Dealers Association (FADA)	National
7	Society of Indian Defence Manufacturers (SIDM)	National
8	PHD Chamber of Commerce and Industry (PHDCCI)	National and International
9	European Automobile Manufacturers' Association (ACEA) French	International
10	Society for Manufacturers of Electric Vehicles (SMEV)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Name of authority	Brief of the case	Corrective action taken
Not Applicable as there were no cases related to anti-competitive conduct by Ashok Leyland.		

Leadership Indicators

Details of public policy positions advocated by the entity

Sl. No	Public policy advocated	Method resorted by such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half Yearly/Quarterly/Others – please specify)	Web-Link, if available
1	PM-E Drive	Policy paper submission to NITI Aayog, MoHI and other ministries during various deliberations	Yes	Quarterly	PME Drive
2	CAFÉ for N1/ CSFC tightening for MHCV	BEE has been holding closed-door deliberations.	No	Quarterly	Media is covering extensively for the PV segment. CV segment is not covered.
3	Import clearance of Steel lots for which technology is not available in India. Representation for Safeguard Duty	Industry representation to the Ministry of Steel through SIAM. AL representation and meetings with Secretary Steel and his team.	Yes	Quarterly	Covered extensively by the media.
4	Compounding Fee removal from the state of Tamil Nadu	Represented Transport, Industry and ACS Home along with other OEMs of the State	No	Quarterly	Compounding fee removed from 27 th Jan 2025

ANNEXURE J TO THE BOARD'S REPORT

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Sl. No	Public policy advocated	Method resorted by such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half Yearly/Quarterly/Others – please specify)	Web-Link, if available
5	Permit Tax in the State of Tamil Nadu	Represented Transport, Industry and ACS Home along with other OEMs of the State	No	Quarterly	It is under approval from the State
6	Signing of a MoU with the State of Rajasthan	As per RIPS 2024, signed a non-binding MoU with the State for incentives based on Investments	Yes	Quarterly	MoU with Rajasthan

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicator

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-Link
There were no Social Impact Assessment (SIA) conducted during the financial year based on the applicable laws pertaining to CSR.					

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

Sl. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In INR)
Not Applicable. There were no rehabilitation and resettlement undertaken by Ashok Leyland in any of its operational location.						

- Describe the mechanisms to receive and redress grievances of the community

Ashok Leyland values the feedback from the various stake holders in the community during implementation of its CSR initiatives. Understanding the concerns of stakeholders including those who are disadvantaged, vulnerable & marginalized and therefore addressing these concerns through the key CSR initiatives have been a priority.

- The engagement begins with understanding the challenges, needs through various methods like interactions with the Panchayat Leader & the ward members, direct interactions with the community people either in groups or individually, Gram Sabha meetings etc.
- Our resource persons & community development executives present across various regions are accessible to the local communities and stakeholders since they are working directly in the school & community.
- AL hire local resources for our CSR initiatives, and they act as a bridge between AL and communities, to receive feedback and relaying it to the leadership team for appropriate actions. Using the participatory approach for engagement with the community has enabled understanding of the requirements rather than having a formal grievance redressal mechanism.

- Percentage of input material (inputs to total inputs by value) sourced from suppliers

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/small producers	Business spends: ₹ 25,483 Crores Total Business spends with MSME vendors: ₹ 1,235.21 Crores MSME vendors with MSME certification (production vendors): 51 with a business spend of ₹ 72.20 Crores with % Input material (parts) at 0.30%	Business spends: ₹ 24,443 Crores MSME vendors with MSME certification (production vendors): 76 with a business spend of ₹ 600 Crores Business from small vendors (< ₹ 5 Crores business spend with AL): - Vendor count: 423 with spend < 5 Crores (also includes 50 MSME vendors) and Business Spend is ₹ 869 Crores % input material (parts) sourced from 423 small/MSME = 3.6% % Input material (parts) sourced from 76 MSME alone = 2.53%
Directly from within India	97.73%	98.60%

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BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost*

Location	FY 2024-25	FY 2023-24
Rural	14.34%	17.61%
Semi-urban	13.31%	12.93%
Urban	23.49%	20.37%
Metropolitan	48.86%	49.09%

(Place to be categorized as per RBI Classification System – Rural, Semi-urban, Urban, and Metropolitan)

*The job creation parameter considers the total wages paid to all the permanent employees and permanent workers employed (irrespective of duration of employment) at the plant sites, corporate offices, and sales offices during the respective financial year. These plant sites, corporate offices and sales offices are then categorized as per the RBI classification system.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above:

Details of negative social impact identified	Corrective action taken
Not Applicable as there was no social impact assessment carried out at Ashok Leyland.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No	State	Aspirational District	Amount Spent (In INR)
1	Jammu & Kashmir	Baramulla & Kupwara	7,200,000
2	Jharkhand	Ranchi	7,780,000
3	Uttarakhand	Udham Singh Nagar	8,096,800

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
Yes
- b. From which marginalized /vulnerable groups do you procure?
MSME's
- c. What percentage of total procurement (by value) does it constitute?
0.20
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
	Nil			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Name of Authority	Brief of the Case	Corrective actions taken
There were no corrective actions taken/underway on any IPR related disputes		

ANNEXURE J TO THE BOARD'S REPORT

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

6. Details of beneficiaries of CSR Project

Sl. No	CSR Project	No. of persons benefitted from CSR Project	% of beneficiaries from vulnerable and marginalized groups
1	Road To School (RTS) & Road to Livelihood (RTL) – The RTS supports children in grades 1 to 8 by bridging foundational learning gaps in literacy, numeracy, and overall development. It creates a nurturing ecosystem through arts, sports, wellness and community engagement. The RTL empowers students in grades 9 to 12 with career guidance, digital skills, spoken English and well-being	175,231*	100%
2	Water shed Management in Alwar – Sustainable Water Management Project	25,202	90%
3	Spring shed management program in Nainital – Spring shed development and management in Gaula River	8,687	100%
4	Type 1 diabetes program to support children – The project aims to provide comprehensive support including treatment, research, awareness, and education to young Type 1 Diabetes patients from lower socioeconomic backgrounds across multiple sites in India	900	100%
5	Mobile Medical Clinics – To provide screening services, free of cost, to diagnose defective vision, diabetes, hypertension, AIDS Awareness, general health counselling for drivers and community	76,971	70%

**The Road to School and Road to Livelihood Projects has benefitted 175,231 students covering 1,828 schools during the reporting period. However, cumulative beneficiaries of the project are 277,210 covering 2,641 schools which also includes AL and its other group companies. AL facilitates implementation of the overall program.*

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicator

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Ashok Leyland has implemented a customer management system that follows industry best practices and is regularly reviewed. Senior management evaluates the outcomes of reported cases, and customers can access the system 24/7 via email, social media, a toll-free number, and the website. Complaints are monitored until resolution, with customer feedback encouraged, and data protection is ensured through regular external audits.

For inquiries, Ashok Leyland can be contacted through:

- Email: reachus@ashokleyland.com
- Shareholder queries: secretarial@ashokleyland.com
- M&HCV: 1800-266-3340 (24/7)
- LCV: 1800-1022-666 (6 am to 10 pm)
- Power Solutions: 1800-419-19216 (6 am to 10 pm)
- Twitter: @ALIndiaOfficial

AL Care by Ashok Leyland is a digital platform offering comprehensive customer service for AL vehicles, featuring:

- Service alerts and history
- Warranty information
- Real-time vehicle tracking
- Document management
- Spare parts purchasing
- Fleet management through iAlert
- Live tracking of mobile service vans
- Uptime Solution Centre for remote diagnostics and ECU updates.

ANNEXURE J TO THE BOARD'S REPORT

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

3. Number of consumer complaints in respect of the following:

	FY 2024-25		Remarks	FY 2023-24		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	1	1	Compliant related to DTI
Other	1,145	31		1,040	178	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	-
Forced recalls	0	-

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. We have framework/Policies, and we are an ISO 27001:2022 – Information Security Management System certified organization.
6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.
NA – Not Applicable as there were no penalties or issues relating to advertising and other parameters during the financial year
7. Provide the following information relating to data breaches

a. Number of instances of data breaches	0
b. Percentage of data breaches involving personally identifiable information of customers	0
c. Impact, if any, of the data breaches	Not Applicable, as there were no data breaches during the financial year.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
Details about all products and services are available on the company's website: www.ashokleyland.com.
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
- Ashok Leyland supplies an Operator Manual for every product that we offer to our customers.
 - Our dedicated Training Centres provide thorough training for regional teams and channel partner personnel, local mechanics on all of our products and services. We have developed a comprehensive training program specifically tailored for all sales and service staff.

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- In addition, our Driver Training Institutes focus on cultivating skilled drivers by instructing them in safe driving practices (such as achieving optimal fuel efficiency), traffic discipline, and road safety. Training is conducted in compliance with the Motor Vehicle Rules and Act, which includes:
 - Testing and evaluation before certificates are issued
 - Following ISO standards throughout the training process

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Toll-free Number – 1800 266 3340 to keep vehicles up and running 24x7

- With AL Quick Response Service, AL's technician will reach the breakdown location within 4 hrs
- AL Restoration will ensure that your vehicle is back on- road within 48 hrs

*Exclusive toll free for ELITE Customers

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)

Ashok Leyland offers service manuals for its various vehicle models, including trucks, buses, and light commercial vehicles. They contain detailed information on maintenance, repair, and troubleshooting procedures. At AL, product labelling for the Medium and Heavy Commercial Vehicle (M&HCV) range is meticulously designed to include essential information such as the brand, model name, Vehicle Identification Number (VIN), engine specifications, rear axle ratio, weight particulars, and homologation certification details. This ensures that customers have access to critical data regarding their vehicles.

Additionally, AL prioritizes customer feedback by conducting regular surveys focused on Customer Satisfaction related to aftermarket support, Sales Satisfaction concerning channel partners and sales processes, and Product Satisfaction. These surveys are instrumental in identifying areas for improvement and enhancing overall customer experience and product quality.

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, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and total comprehensive income (comprising of profit and other comprehensive loss), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our

responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the standalone financial statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment Carrying value of equity investment including deemed equity investment in Optare Plc and its subsidiary, Switch Mobility Automotive Limited ("Optare group"). (Refer to Note 1E.16, Note 1E.10 and Note 1D to the standalone financial statements regarding the recognition, valuation and disclosure methods of equity instruments in subsidiaries, 'Impairment Losses' and 'Critical accounting judgements and key sources of estimation uncertainty' respectively). In the standalone financial statements of the Company, the gross carrying value of equity investment in Optare group including deemed equity is INR 2,759.25 crores* as at March 31, 2025. Determination of carrying value of equity investment including deemed equity in Optare group is a key audit matter as the determination of recoverable value and/ or impairment assessment involves significant management judgement. The key inputs and judgements involved in the model for impairment assessment of investment include future cash flows, the discount rate and the long-term growth rate used.	As part of our audit, our procedures included the following: • We obtained an understanding and evaluated the design, implementation and tested the operating effectiveness of relevant internal controls to identify whether there are any indicators of impairment and where such indicators exist, the method by which the recoverable amount is determined by the management. • We evaluated the following: - Terminal growth rate by comparing it with the long-term outlook based on the relevant macroeconomic factors for the geography in which the entities are operating. - Board approved budgets considering growth and other cash flow projections provided by the Company's management and compared those with the actual results of prior years to assess the appropriateness of the forecast. - The competence, capabilities and objectivity of the management's expert involved in the valuation process.

INDEPENDENT AUDITORS' REPORT

Key audit matter	How our audit addressed the key audit matter
	- We, along with the auditors' experts, evaluated the appropriateness of the measurement model and reasonableness of key assumptions like terminal growth rate and discount rate. - We performed sensitivity tests on the model by analysing the impact of using other possible growth rates and discount rates within a reasonable and foreseeable range. - We evaluated the adequacy of the disclosures made in the standalone financial statements.

* Includes application money paid amounting to INR 498.76 crores (Refer note 1.5 to the standalone financial statements)

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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, Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

INDEPENDENT AUDITORS' REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- Report on other legal and regulatory requirements**
13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 14. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian 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, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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, 2025 under the applicable law or Indian Accounting Standards, as it does not have any material foreseeable losses on long-term contract including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 3.19 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company

INDEPENDENT AUDITORS' REPORT

("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 3.19 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The interim dividend declared and paid by the Company during the year is in compliance with Section 123 of the Act. Further, the Board of Directors of the Company has approved a second interim dividend for the year and the dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination, which included test checks, the Company has used accounting software for

maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit log of modification does not contain (i) pre-modified values at database level and (ii) the changes made by certain users with specific access at database and application level. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company as per the statutory requirements for record retention.

- 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

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 25213126BMODGJ5147

Place: Chennai
Date: May 23, 2025

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14(g) of the Independent Auditors' Report of even date to the members of Ashok Leyland Limited on the standalone financial statements as of and for the year ended March 31, 2025

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, 2025 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 specified 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, 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, 2025, 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

Baskar Pannarselvam
Partner
Membership Number: 213126
UDIN: 25213126BMODGJ5147

Place: Chennai
Date: May 23, 2025

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, 2025

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.
(B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 1.1 on property, plant and equipment and note 1.1A on right-of-use asset, to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (INR Crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held (i.e date of capitalisation)	Reason for not being held in the name of the Company
Ennore, Tamil Nadu- Freehold land	81.00	Hinduja Foundries Limited	No	Refer Note 1 below	Refer note 1.1 of the standalone financial statements
Uppal, Telangana- Freehold land	123.00	Hinduja Foundries Limited	No	Refer Note 1 below	Refer note 1.1 of the standalone financial statements
Mallavalli, Andhra Pradesh-Freehold land	13.02	Agreement for sale registered in the name of the Company. Final Conveyance deed is to be executed.	No	March 2018	Refer note 1.1 of the standalone financial statements
Sriperumbudur, Tamil Nadu - Leasehold land	11.47	Hinduja Foundries Limited	No	Refer Note 1 below	Refer note 1.1A of the standalone financial statements
Pillaiakkam, 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) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements does not arise.
- ii. (a) The physical verification of inventory excluding goods-in-transit has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

- (b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account (Also refer note 3.6.1 to the standalone financial statements).
- iii. (a) The Company has made investments in six companies and eleven mutual funds and granted unsecured loan to seven companies and stood guarantee to two companies. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates and to parties other than subsidiaries, joint ventures and associates are as per the table given below:

	Amount in ₹ Crores			
	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year				
Subsidiaries	1,054.89	-	-	-
Joint Ventures	-	-	-	-
Associates	-	-	-	-
Others	-	-	1,330.00	-
Balance outstanding as at balance sheet date in respect of the above cases				
Subsidiaries	1,020.83	-	-	-
Joint Ventures	-	-	-	-
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 loan, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (d) In respect of the loan, there is no amount which is overdue for more than ninety days.
- (e) There were no loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.
- (f) The loans granted during the year 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, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.
- iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its certain products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 3.9 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) There are no statutory dues of provident fund, employees' state insurance which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2025 which have not been deposited on account of a dispute, are as follows:

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Name of the Statute	Nature of Dues	Gross Demand (₹ crores)	Paid under protest (₹ crores)	Period	Forum where the dispute is pending
State and Central Sales Tax Act	Sales tax and Value added Tax	147.84	48.18	Various periods from 1985 - 2018	Appellate Authority up to Commissioner Level
		190.93	78.81	Various periods from 1987 - 2017	Appellate Authority -Tribunal
		1.22	0.13	Various periods from 2006 - 2011	High Court
Central Excise Act, 1944	Excise duty and Cess thereon	4.36	0.06	Various periods from 2006 - 2017	Appellate Authority up to Commissioner Level
		5.22	0.48	Various periods from 1996 - 2018	Appellate Authority -Tribunal
		0.47	0.44	Various periods from 1995 - 2002	High Court
Customs Act, 1962	Customs Duty	0.53	0.19	Various periods from 2019 - 2023	Appellate Authority up to Commissioner Level
		0.44	0.14	Various periods of 2006 and 2016	Appellate Authority - Tribunal
Service Tax - Finance Act, 1994	Service Tax and Cess thereon	58.57	2.81	Various periods from 2005 - 2016	Appellate Authority - Tribunal
		1.86	0.02	Various periods from 2008 - 2017	Appellate Authority up to Commissioner Level
Goods and Services Tax Act, 2017	Goods and Services Tax	13.58	4.68	Various periods from 2017 - 2022	Appellate Authority - Tribunal (Yet to be formed)
		858.96	56.59	Various periods from 2017 - 2022	Appellate Authority up to Commissioner Level
The Income Tax Act, 1961	Income tax	0.37	-	Assessment year 2009-10	Assessing officer
		4.07	4.07	Assessment year 2010-11	Assessing officer
		0.04	-	Assessment year 2013-14	Commissioner of Income- tax (Appeals)
		0.15	-	Assessment year 2017-18	Assessing officer
		3.00	3.00	Assessment year 2019-20	Assessing officer
		36.58	-	Assessment year 2022-23	Assessing officer
		29.36	-	Assessment year 2023-24	Commissioner of Income-tax (Appeals)

- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, the term loans have been applied for the purposes for which they were obtained. Also, refer note 1.16 to the standalone financial statements.
- (d) On the basis of the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.
- (e) On 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) On the basis of the procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. In respect of certain complaints, for which preliminary findings of the investigations have been provided to us by management, our consideration of the complaints having any bearing on our audit is limited to such preliminary findings.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
(b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
(b) The Company has not conducted non-banking financial/ housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
(d) In our opinion, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam

Partner

Membership Number: 213126

UDIN: 25213126BMODGJ5147

Place: Chennai

Date: May 23, 2025

BALANCE SHEET AS AT MARCH 31, 2025

Particulars	Note	As at March 31, 2025 ₹ Crores	As at March 31, 2024 ₹ Crores
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	4,406.64	4,502.22
Capital work-in-progress	1.1	276.87	95.53
Right-of-use asset	1.1A	275.33	235.30
Goodwill		449.90	449.90
Other intangible assets	1.2	713.62	764.38
Intangible assets under development	1.2	147.89	106.00
Financial assets			
(i) Investments	1.3	5,654.26	5,310.71
(ii) Trade receivables	1.4	-	0.25
(iii) Other financial assets	1.5	575.01	64.94
Income tax assets (net)	1.6A	34.32	50.34
Other non-current assets	1.7	659.69	369.09
		13,193.53	11,948.66
Current assets			
Inventories	1.8	2,957.32	3,190.69
Financial assets			
(i) Investments	1.9	3,018.70	249.06
(ii) Trade receivables	1.10	2,887.32	3,569.65
(iii) Cash and cash equivalents	1.11A	2,659.82	1,941.87
(iv) Bank balances other than (iii) above	1.11B	46.13	1,496.31
(v) Loans	1.12	-	95.00
(vi) Other financial assets	1.12A	118.21	241.80
Other current assets	1.13	621.12	812.69
		12,308.62	11,597.07
Assets classified as held for sale	1.5A	23.68	66.02
TOTAL ASSETS		25,525.83	23,611.75
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1.14	293.65	293.63
Other equity	1.15	11,225.14	8,516.74
		11,518.79	8,810.37
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1.16	902.23	1,131.64
(ii) Lease liabilities		31.74	29.40
(iii) Other financial liabilities	1.17	12.57	21.31
Contract liabilities	1.18	372.86	283.45
Provisions	1.19	708.97	724.07
Deferred tax liabilities (net)	1.20	547.89	556.31
		2,576.26	2,746.18
Current liabilities			
Financial liabilities			
(i) Borrowings	1.21	533.21	1,122.89
(ii) Lease liabilities		14.54	15.47
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	1.22	56.58	79.54
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,248.11	6,225.65
(iv) Other financial liabilities	1.23	1,211.22	2,463.77
Contract liabilities	1.24	422.85	476.02
Provisions	1.25	825.15	650.68
Other current liabilities	1.26	492.78	478.11
Current tax liabilities (net)	1.6B	621.69	526.24
		11,426.13	12,038.37
Liabilities directly associated with assets classified as held for sale	1.5B	4.65	16.83
TOTAL EQUITY AND LIABILITIES		25,525.83	23,611.75

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

Baskar Pannarselvam

Partner

Membership Number : 213126

May 23, 2025

Chennai

For and on behalf of the Board of the Directors

Dheeraj G Hinduja

Executive Chairman

DIN : 00133410

K.M. Balaji

Chief Financial Officer

May 23, 2025

London

Shenu Agarwal

Managing Director and

Chief Executive Officer

DIN : 03485730

N. Ramanathan

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
		₹ Crores	₹ Crores
Income			
Revenue from operations	2.1	38,752.74	38,367.03
Other income	2.2	250.25	246.57
Total Income		39,002.99	38,613.60
Expenses			
Cost of materials and services consumed		25,711.74	26,916.54
Purchases of stock-in-trade		1,680.46	1,506.41
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.3	230.58	(510.94)
		27,622.78	27,912.01
Employee benefits expense	2.4	2,406.27	2,233.38
Finance costs	2.5	216.91	249.44
Depreciation and amortisation expense	2.6	719.34	717.81
Other expenses	2.7	3,793.13	3,615.06
Total Expenses		34,758.43	34,727.70
Profit before exceptional items and tax		4,244.56	3,885.90
Exceptional items	2.8	103.73	(93.72)
Profit before tax		4,348.29	3,792.18
Tax expense:			
Current tax - Charge		1,497.40	1,285.44
Deferred tax - Credit		(452.40)	(111.13)
		1,045.00	1,174.31
Profit for the year		3,303.29	2,617.87
Other Comprehensive (Loss) / Income			
A (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		(7.80)	(14.83)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		1.96	3.73
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		(8.18)	(16.87)
(ii) Income tax relating to items that will be reclassified to Profit or Loss		2.06	6.91
Total Other Comprehensive Loss		(11.96)	(21.06)
Total Comprehensive Income for the year		3,291.33	2,596.81
Earnings per share (Face value Re. 1 each)	3.3		
- Basic (in ₹)		11.25	8.92
- Diluted (in ₹)		11.23	8.90

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

Baskar Pannerselvam
Partner
Membership Number : 213126

May 23, 2025
Chennai

For and on behalf of the Board of the Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

K.M. Balaji
Chief Financial Officer

N. Ramanathan
Company Secretary

May 23, 2025
London

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Cash flow from operating activities		
Profit for the year	3,303.29	2,617.87
Adjustments for :		
Tax expense charge/ (credit) - net	1,045.00	1,174.31
Depreciation and amortisation expense	696.16	699.69
Depreciation of Right-of-use asset	23.18	18.12
Share based payment cost	2.71	2.96
Impairment / (Reversal) of loss allowance, write off on trade receivable / other receivable (net)	21.06	4.27
Impairment loss in the value of equity instruments in subsidiary	3.20	4.00
(Gain) / Loss on fair valuation of investment in fellow subsidiary	(120.53)	124.99
Obligation relating to discontinued products of LCV division (net of reversal)	-	(53.68)
Write off of intangible assets under development / capital work-in-progress	13.60	18.28
Foreign exchange (gain) / loss - net	(2.70)	(2.46)
Profit on sale of Property, plant and equipment (PPE) and intangible assets - net	(20.44)	(10.46)
Profit on sale of investments - net	(43.12)	(60.61)
Net (Gain) / Loss arising on financial asset mandatorily measured at FVTPL	(29.96)	0.02
Finance costs	216.91	249.44
Interest income	(40.27)	(58.03)
Dividend income	(48.54)	(78.17)
Gain on preclosure of leases	(0.08)	-
Adjustments for changes in :		
Trade receivables	653.95	495.03
Inventories	233.37	(416.21)
Other non-current and current financial assets	(28.96)	22.93
Movement in Interim dividend designated bank account (Refer Note 1.23)	1,453.48	(1,453.48)
Other non-current and current assets	182.64	143.01
Utilisation from escrow account	-	4.27
Related party advances / receivables (net)	4.32	(4.64)
Trade payables	1,002.77	(867.97)
Non-current and current financial liabilities	141.77	122.83
Asset and liabilities classified as held for sale	(16.62)	11.86
Contract liabilities	36.25	146.60
Other current liabilities	14.67	(36.02)
Other non-current and current provisions	63.04	308.90
Cash from operations	8,760.15	3,127.65
Income tax paid (net of refunds, if any)	(940.73)	(624.53)
Net cash from operating activities [A]	7,819.42	2,503.12

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Cash flow from investing activities		
Purchase of PPE and intangible assets	(954.29)	(495.50)
Proceeds on sale of PPE and intangible assets including sale of immovable properties	29.98	14.04
Purchase of non-current investments	(218.30)	(1,567.02)
Sale proceeds from redemption of preference shares by subsidiary	23.90	-
Proceeds from (purchase) / sale of current investments (net)	(2,743.40)	2,602.45
Investment in subsidiary pending allotment	(498.76)	-
Inter corporate deposit / Loan - given to subsidiary	-	(500.00)
Inter corporate deposit / Loan - repaid by subsidiary	95.00	605.00
Inter corporate deposits - given	(1,330.00)	(154.00)
Inter corporate deposits - repaid	1,430.00	54.00
Investment in bank deposits	(130.00)	-
Proceeds from bank deposits	130.00	200.00
Interest received	39.47	64.99
Dividend received	48.54	78.17
Net cash (used in) / from investing activities [B]	(4,077.86)	902.13
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	1.67	1.67
Proceeds from non-current borrowings	247.00	-
Repayments of non-current borrowings	(688.73)	(1,104.98)
Proceeds from current borrowings	4,695.02	5,993.94
Repayments of current borrowings	(5,029.30)	(5,778.58)
Payments of Lease liability	(59.33)	(20.02)
Interest paid	(149.06)	(246.11)
Dividend paid	(2,040.77)	(763.39)
Net cash used in financing activities [C]	(3,023.50)	(1,917.47)
Net cash Inflow [A+B+C]	718.06	1,487.78
Opening cash and cash equivalents	1,941.87	454.11
Exchange fluctuation on foreign currency bank balances	(0.11)	(0.02)
Closing cash and cash equivalents [Refer Note 1.11A to the standalone financial statements]	2,659.82	1,941.87

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

Baskar Pannarselvam

Partner

Membership Number : 213126

May 23, 2025

Chennai

For and on behalf of the Board of the Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

K.M. Balaji
Chief Financial Officer

N. Ramanathan
Company Secretary

May 23, 2025
London

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

1. For the year ended March 31, 2025

A. Equity Share Capital

	₹ Crores
Balance at the beginning of April 1, 2024	293.63
Changes in equity share capital during the year	0.02
Balance at the end of March 31, 2025	293.65

B. Other Equity

Particulars	₹ Crores							Total
	Reserves and Surplus							Other Comprehensive Income
	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, 2024	263.87	1,915.35	3.33	39.68	1,021.70	5,265.04	7.77	8,516.74
Profit for the year	-	-	-	-	-	3,303.29	-	3,303.29
Other comprehensive (loss)	-	-	-	-	-	(5.84)	(6.12)	(11.96)
Total Comprehensive Income for the year	-	-	-	-	-	3,297.45	(6.12)	3,291.33
Transactions with owners:								
Dividend paid	-	-	-	-	-	(587.29)	-	(587.29)
Transfer to general reserve pursuant to exercise of ESOP	-	-	-	(1.15)	1.15	-	-	-
Pursuant to exercise of ESOP	-	1.65	-	-	-	-	-	1.65
Recognition of share based payments	-	-	-	2.71	-	-	-	2.71
Balance as at the end of March 31, 2025	263.87	1,917.00	3.33	41.24	1,022.85	7,975.20	1.65	11,225.14

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

2. For the year ended March 31, 2024									
A. Equity Share Capital									
Balance at the beginning of April 1, 2023			Changes in equity share capital during the year			Balance at the end of March 31, 2024			₹ Crores
293.61			0.02			293.63			
B. Other Equity									
Particulars		Reserves and Surplus					Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	Cash Flow Hedge Reserve		
Balance as at the beginning of April 1, 2023	263.87	1,913.70	3.33	37.87	1,020.55	4,875.14	17.73		8,132.19
Profit for the year	-	-	-	-	-	2,617.87	-		2,617.87
Other comprehensive (loss)	-	-	-	-	-	(11.10)	(9.96)		(21.06)
Total Comprehensive Income for the year	-	-	-	-	-	2,606.77	(9.96)		2,596.81
Transactions with owners:									
Dividends paid / payable	-	-	-	-	-	(2,216.87)	-		(2,216.87)
Transfer to general reserve pursuant to exercise of ESOP	-	-	-	(1.15)	1.15	-	-		-
Pursuant to exercise of ESOP	-	1.65	-	-	-	-	-		1.65
Recognition of share based payments	-	-	-	2.96	-	-	-		2.96
Balance as at the end of March 31, 2024	263.87	1,915.35	3.33	39.68	1,021.70	5,265.04	7.77		8,516.74
The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.									

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

Baskar Pannerseelvam
 Partner
 Membership Number : 213126
 May 23, 2025
 Chennai

For and on behalf of the Board of the Directors

Dheeraj G Hinduja Executive Chairman DIN : 00133410	Shenu Agarwal Managing Director and Chief Executive Officer DIN : 03485730
K.M. Balaji Chief Financial Officer May 23, 2025 London	N. Ramanathan Company Secretary

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1A. General information

Company Background:

Ashok Leyland Limited ("the Company") (CIN: L34101TN1948PLC000105) is a public limited company incorporated and domiciled in India and governed by the Companies Act, 2013 ("Act"). The Company's registered office is situated at 1, Sardar Patel Road, Guindy, Chennai, Tamil Nadu, India. The main activities of the Company are those relating to manufacture and sale of a wide range of commercial vehicles. The Company also manufactures engines for industrial and marine applications, forgings and castings.

1B. Basis of Preparation and Presentation

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, as amended from time to time.

The standalone financial statements have been prepared on the historical cost basis except for certain assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

The standalone financial statements are presented in Indian Rupees (₹) 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, 2025.

Recent accounting pronouncements

The Ministry of Corporate Affairs vide notification dated September 9, 2024 and September 28, 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 01, 2024

- Insurance contracts – Ind AS 117 and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

MCA notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2025.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1C. Material Accounting Policies

1C.1 Property, plant and equipment

Cost:

Property, plant and equipment are stated in the balance sheet at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses. Cost of all civil works (including electrification and fittings) is capitalised with the exception of alterations and modifications of a capital nature to existing structures where the cost of such alteration or modification is ₹ 100,000 and below.

Fixtures, plant and equipment (including patterns and dies) where the cost exceeds ₹ 10,000 and the estimated useful life is two years or more, is capitalised and stated at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses.

Depreciation/ amortisation:

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

Classes of Property, Plant and Equipment	Useful life (years)	Useful life (years) As per Schedule II
Buildings	30 / 60	30 / 60
Non-factory service installations:		
- In customer premises	12	10
Quality equipment, canteen assets, major Jigs and fixtures and hand tools	5 – 12	15
Other plant and machinery	15 – 20	15
Patterns and dies	5	15
Furniture and fittings	8	10
Aircraft	18	20
Vehicles:		
- Trucks and buses including electric vehicles	5 / 10	8
- Cars and motorcycles	3	8 / 10
Office equipment	8	5
Office equipment – Data processing system (including servers)	5	6

1C.2 Intangible assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately, where the cost exceeds ₹ 10,000 and the estimated useful life is two years or more, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from development phase of internal project) is recognised, if and only if, all of the following have been demonstrated:

- technical feasibility of completing the intangible asset;
- intention to complete the intangible asset and intention/ ability to use or sell it;
- how the intangible asset will generate probable future economic benefit;
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the attributable expenditure during the development stage.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Useful lives of intangible assets:

Estimated useful lives of the intangible assets, based on technical assessment, are as follows:

Classes of Intangible Assets	Useful life (years)
Computer Software:	
Acquired	5
Developed	5/10
Technical Knowhow:	
Acquired	5/6
Developed	6/10

1C.3 Inventories

Cost of inventories are determined as follows:

- Raw materials and components, stores, spares, consumable tools, stock in trade: on moving weighted average basis; and
- Work-in-progress, works-made components and finished goods: on moving weighted average basis plus appropriate share of overheads.

1C.4 Revenue recognition

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of Products

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product / based on terms of contract. The Company operates predominantly on cash and carry basis excepting sale to State Transport Undertaking (STU), Government project customers based on tender terms and certain export / domestic customers which are on credit basis. The average credit period is in the range of 7 days to 90 days.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., extended warranties, freight etc). In determining the transaction price for the sale of product, the Company considers the effects of variable consideration, the existence of consideration payable to the customer, etc.

Sale of Service

Revenue from services includes certain performance obligations which are recognised over a period of time as and when the services are rendered in accordance with the specific terms of contract with customer. The receipt of consideration for extended warranty services, free services, AMC and freight is generally received when consideration receivable from sale of products is received from customer. In certain cases, the AMC contracts are sold as a separate product on cash basis or on credit as per the contract with customer. On the recognition of the receivable from customer, the Company recognises a contract liability which is then recognised as revenue as once the services are rendered. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. For other cases, the revenue reflects the cash selling price that the customer would have paid for the promised services when the services are transferred to customer. Thus there is no significant financing component.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Incentives

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Significant financing component

The Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. Thus, there is no significant financing component.

Warranty obligations

Refer Note 1E.13 on warranty obligations

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

Trade receivables is part of contract balances as per Ind AS 115.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the services are provided as set out in the contract.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

1C.5 Exceptional Items

The Company considers factors including materiality, the nature and function of the items of income and expense in determining exceptional item and discloses the same in Note 2.8 to the financial statements.

1D. Critical accounting judgments and key sources of estimation uncertainty:

The preparation of standalone financial statements in conformity with Ind AS requires the Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the standalone financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the Management in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the standalone financial statement and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sale prices of inventory item, changes in the related laws / emission norms and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilised.

Provision for product warranty

The product warranty obligations and estimations thereof are determined using historical information on the type of product, nature, frequency and average cost of warranty claims and the estimates regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can materially affect warranty expense.

Impairment of goodwill

The carrying amount of goodwill significant to the Company are stated in Note 3.16. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections covering generally a period of five years (which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations/ extrapolation of normal increase/ steady terminal growth rate which approximates the long term industry growth rates) and appropriate discount rates that reflects current market assessments of time value of money and risks specific to these investments. The Management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Fair value measurements and valuation processes

Some of the assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, third party qualified valuers perform the valuations. The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 3.6

1E. Summary of other accounting policies

1E.1 Revenue recognition

Other Operating Revenues:

Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

Dividend, Interest Income and Other Income:

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Fee on financial guarantee provided by the Company is accrued as Other income.

1E.2 Foreign currency transactions

The Company's foreign operations (including foreign branches) are an integral part of the Company's activities. In preparing the standalone financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

are restated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not restated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange difference on translation of derivative instruments designated as cash flow hedge (see Note 1E.16 below for hedging accounting policies).

1E.3 Borrowing costs

Borrowing costs (general and specific borrowings) that are attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1E.4 Government Grants

Government grants (including export incentives and incentives on specified goods manufactured in the eligible unit) are recognised only when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Grant relating to assets are netted off against the acquisition cost of the asset.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured at the difference between proceeds received and the fair value of the loan based on prevailing market rates.

1E.5 Employee benefits

Retirement benefit costs and termination benefits:

Payments to defined contribution plans i.e., Company's contribution to superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

For defined benefit plans i.e. Company's liability towards gratuity (funded), Company's contribution to provident fund, other retirement/ termination benefits and compensated absences, the cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. In respect of provident fund, contributions made to trusts administered by the Company, the interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be contributed by the Company and charged to the Statement of Profit and Loss.

Defined benefit costs are comprised of:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity and remeasurement of net defined liability pertaining to provident fund comprise of actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Liability for termination benefits like expenditure on Voluntary Retirement Scheme is recognised at the earlier of when the Company can no longer withdraw the offer of termination benefit or when the Company recognises any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1E.6 Share-based payment arrangements

Equity-settled share-based payments to employees (primarily employee stock option plan) are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding account.

1E.7 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax:

Current tax is determined on taxable profits for the period chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits (MAT credit entitlement) to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Uncertainty over income tax treatments

If there is uncertainty over tax treatment of an item, the Company will predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amounts of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. If it is not probable that tax authority will accept the tax treatment, company will show the effect of the uncertainty for each uncertain tax treatment by using either the most likely outcome or the expected outcome of the uncertainty

1E.8 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet. Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees, and other direct costs and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment and accordingly the depreciation is computed based on estimated useful lives of the assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

De-recognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1E.9 Intangible assets

Intangible assets acquired separately:

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets.

1E.10 Impairment losses

At the end of each reporting period, the Company determines whether there is any indication that its assets (property, plant and equipment, intangible assets and investments in equity instruments in subsidiaries, joint ventures and associates carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets under development and goodwill are tested for impairment annually at each balance sheet date. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses (other than impairment of goodwill), the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount carried had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1E.11 Leases

The Indian Accounting Standard on leases (Ind AS 116) requires entity to determine whether a contract is or contains a lease at the inception of the contract.

Ind AS 116 requires lessee to recognise a liability to make lease payments and an asset representing the right-of-use asset during the lease term for all leases except for short term leases and leases of low-value assets, if they choose to apply such exemptions.

Payments associated with short-term leases and low-value assets are recognized as expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of office equipment 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.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

At the commencement date, the lease payments included in the measurement of the lease liability comprise (a) fixed payments less any lease incentives receivable; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; (c) amounts expected to be payable by the lessee under residual value guarantees; (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Depreciation on Right-of-use asset is recognised in Statement of Profit and Loss on a straight line basis over the period of lease and the Company separately recognises interest on lease liability as a component of finance cost in statement of profit and Loss.

1E.12 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost of raw materials and components, stores, spares, consumable tools and stock-in-trade comprises cost of purchases and includes taxes and duties and is net of eligible credits under CENVAT/ VAT/GST schemes. Cost of work-in-progress, work-made components and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overheads, which is allocated on a systematic basis. Cost of inventories also includes all other related costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

1E.13 Provisions and Contingent liabilities

Provisions:

Provisions are recognised when the Company has a present obligation (legal, contractual or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Warranties:

Provisions for expected cost of warranty obligations under legislation governing sale of goods are recognised on the date of sale of the relevant products at the Management's best estimate of the expenditure required to settle the obligation which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidences.

Contingent liabilities:

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

1E.14 Business Combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for in accordance with Appendix C to Ind AS 103 'Business Combinations'.

Other business combinations, involving entities or businesses are accounted for using acquisition method. Consideration transferred in such business combinations is measured at fair value as on the acquisition date, which comprises the following:

- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interests issued by the Company

Goodwill is recognised and is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net fair value of assets and liabilities acquired.

1E.15 Goodwill

Goodwill arising on business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to the Company's cash-generating unit that is expected to benefit from the synergies of the combination.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash generating unit is determined for each cash generating unit based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1E.16 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification of financial assets

The financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (except for financial assets carried at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement:

- (i) Financial assets (other than investments and derivative instruments) are subsequently measured at amortised cost using the effective interest method.

Effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments on principal and interest on the principal amount outstanding.

Income on such debt instruments is recognised in profit or loss and is included in the "Other Income".

The Company has not designated any debt instruments as fair value through other comprehensive income.

- (ii) Financial assets (i.e. derivative instruments and investments in instruments other than equity of subsidiaries, joint ventures and associates) are subsequently measured at fair value.

Such financial assets are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss and included in the "Other Income".

Investments in equity instruments of subsidiaries, joint ventures and associates

The Company measures its investments in equity instruments of subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27.

Impairment of financial assets:

A financial asset is regarded as credit impaired or subject to significant increase in credit risk, when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 through 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.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Derivatives embedded in all other host contracts are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss.

Hedge accounting:

The Company designates certain derivatives as hedging instruments in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 3.6 sets out details of the fair values of the derivative instruments used for hedging purposes.

Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the "Other Income".

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and are included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

1E.17 Assets held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and disclosed separately in balance sheet. Liabilities associated with assets classified as held for sale are estimated and disclosed separately in the balance sheet.

1E.18 Segment Reporting

The Company is principally engaged in a single business segment viz. commercial vehicles and related components based on nature of products, risks, returns and the internal business reporting system. The Board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicators of the Company as a single unit. Accordingly, there is no other reportable segment in terms of Ind AS 108 'Operating Segments'. The Company has opted for exemption under Ind AS 108 'Operating Segments', as the segment reporting is reported in its consolidated financial statements.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

DESCRIPTION	GROSS CARRYING AMOUNT (COST)					DEPRECIATION					NET CARRYING AMOUNT 31.03.2025
	01.04.2024	Additions	Disposals	Reclassified from held for Sale (Refer Note 1.5A & 1.5B)	Reclassified as held for Sale (Refer Note 1.5A & 1.5B)	31.03.2025	Charge during the year	Disposals	Reclassified from held for Sale (Refer Note 1.5A & 1.5B)	Reclassified as held for Sale (Refer Note 1.5A & 1.5B)	
Freehold land	717.60	-	-	-	-	717.60	-	-	-	-	717.60
Buildings	1,889.60	84.39	0.21	0.63	-	1,974.41	562.57	0.21	0.09	-	1,338.52
Buildings given on lease	13.24	-	-	-	-	13.24	2.37	-	-	-	10.58
Plant and equipment	5,853.17	260.07	107.07	0.27	-	6,006.44	3,555.28	400.36	0.03	-	2,148.37
Plant and equipment given on lease	0.03	-	-	-	-	0.03	0.01	#	-	-	0.02
Furniture and fittings	78.81	3.86	1.18	0.09	-	81.58	62.71	5.23	0.03	-	14.79
Furniture and fittings given on lease	0.25	-	-	-	-	0.25	0.25	-	-	-	-
Vehicles including electric vehicles	109.51	6.85	3.28	63.66	-	176.74	48.02	33.51	3.25	17.78	80.68
Aircraft given on lease	77.99	-	-	-	-	77.99	70.56	1.57	-	-	-
Office equipment	231.41	56.19	7.69	0.04	-	279.95	167.62	23.90	7.66	0.01	96.08
Total	8,971.61	411.36	119.43	64.69	77.99	9,250.24	4,469.39	538.30	109.90	72.13	4,406.64

Description	01.04.2024	Additions / Adjustments	Impairment (Refer Note 2.8)	Capitalised during the year	31.03.2025
Capital work-in-progress (CWIP)	95.53	603.15	10.45	411.36	276.87

amount is below rounding off norms adopted by the Company.

CWIP Ageing Schedule

Amount in CWIP for a period of	₹ Crores			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	257.19	18.93	0.47	0.28
				276.87

Of the above, there are no projects where the cost has exceeded the budget and project whose completion is delayed. As at March 31, 2025, there are no temporarily suspended projects.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (Contd.)

Notes:

Title deeds of Freehold land not held in the name of the Company

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:

- Cost of Buildings as at March 31, 2025 includes:
 - ₹ 0.03 crores being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings there at.
 - ₹ 1.32 crores representing cost of residential flats including undivided interest in land.
- For details of assets given as security against borrowings, Refer Note 3.11(a).
- For amount of contractual commitments for the acquisition of PPE, Refer Note 3.10(a).
- Expenses capitalised ₹ 16.54 crores - Refer Notes 2.4, 2.5 and 2.7 to the standalone financial statements.
- 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 ₹ 244.74 crores and ₹ 192.49 crores respectively.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				DEPRECIATION		NET CARRYING AMOUNT
	01.04.2023	Additions	Disposals	31.03.2024	Charge during the year	Disposals	31.03.2024
Property, plant and equipment (PPE)							
Freehold land	717.25	0.35	-	717.60	-	-	717.60
Buildings	1,826.58	63.45	0.43	1,889.60	71.91	0.42	1,327.03
Buildings given on lease	13.24	-	-	13.24	0.29	-	10.87
Plant and equipment	5,776.74	122.67	46.24	5,853.17	430.20	42.76	2,297.89
Plant and equipment given on lease	0.03	-	-	0.03	#	-	0.02
Furniture and fittings	74.16	5.12	0.47	78.81	4.87	0.45	16.10
Furniture and fittings given on lease	0.25	-	-	0.25	-	-	-
Vehicles including electric vehicles	53.76	65.49	9.74	109.51	7.50	9.74	61.49
Aircraft given on lease	77.99	-	-	77.99	6.65	-	7.43
Office equipment	191.75	41.34	1.68	231.41	19.05	1.61	63.79
Total	8,731.75	298.42	58.56	8,971.61	540.47	54.98	4,469.39

Description	01.04.2023	Additions / Adjustments	Capitalised during the year	31.03.2024
Capital work-in-progress (CWIP)	48.95	345.00	298.42	95.53

amount is below rounding off norms adopted by the Company.

CWIP Ageing Schedule

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	83.41	1.21	0.38	10.53	95.53

Of the above, there are no projects where the cost has exceeded the budget. Project whose completion is delayed (temporarily suspended) is as follows:

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project relating to certain facilities / infrastructure development	10.44	-	-	-	10.44

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (Contd.)

Notes:

Title deeds of Freehold land not held in the name of the Company

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:

- Cost of Buildings as at March 31, 2024 includes:
 - ₹ 0.03 crores being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings there at.
 - ₹ 1.32 crores representing cost of residential flats including undivided interest in land.
- For details of assets given as security against borrowings, Refer Note 3.11(a).
- For amount of contractual commitments for the acquisition of PPE, Refer Note 3.10(a).
- Expenses capitalised ₹ Nil - Refer Notes 2.4, 2.5 and 2.7 to the standalone financial statements.
- The gross carrying value and net carrying value of buildings located on freehold and leasehold land for which title is yet to be transferred in the name of the Company amounts to ₹ 233.82 crores and ₹ 189.88 crores respectively.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.1A RIGHT-OF-USE ASSET

₹ Crores

Description	Net Carrying Amount 01.04.2024	Additions	Depreciation	Closure / Pre closure	Reclassified from held for Sale (Refer Note 1.5A)	Net Carrying Amount 31.03.2025
Leasehold Land	203.58	41.44	5.19	-	-	239.83
Buildings	23.34	16.01	14.39	0.11	5.87	30.72
Plant and equipment	4.67	-	1.16	-	-	3.51
Vehicle	3.71	-	2.44	-	-	1.27
Total	235.30	57.45	23.18	0.11	5.87	275.33

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	10.34	The leasehold rights were originally granted to Hinduja Foundries Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Pillaipakkam, Tamil Nadu (Refer Sub-Note 6)	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaipakkam, Sriperumbudur, Tamil Nadu	113.00	48.96	45.35	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:

- Escalation clause - the percentage of escalation is up to a maximum of 15%.
- Discounting rate used for the purpose of computing right to use asset ranges from 6% to 9%.
- Rental amount per annum ranges from ₹ 0.03 crores to ₹ 2.27 crores, which also carries a clause for extension of agreement based on mutual understanding between Lessor and Lessee.
- The lease period ranges from 2 years to 90 years over which the right to use asset is depreciated on a straight line basis.
- 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.
- During the year ended March 31, 2023, a portion of leasehold land was surrendered to State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) and surrender value was received by the Company. The Company is in the process of registering the modified lease deed for the balance portion of leasehold land.
- The Company was allotted land in Lucknow, Uttar Pradesh, under the applicable State Incentive Policy and received an upfront land subsidy of ₹ 115.84 crores. The land has been mortgaged in favor of the Uttar Pradesh State Industrial Development Authority and will remain so until the commencement of commercial production. A right-of-use asset has been recognized for the net value, excluding the subsidy amount, and is being amortized over the lease term of 90 years.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.1A RIGHT-OF-USE ASSET

₹ Crores

Description	Net Carrying Amount 01.04.2023	Additions	Depreciation	Net Carrying Amount 31.03.2024
Leasehold Land	199.79	6.70	2.91	203.58
Buildings	23.49	9.64	9.79	23.34
Plant and equipment	5.46	0.10	0.89	4.67
Vehicle	8.24	-	4.53	3.71
Total	236.98	16.44	18.12	235.30

Title deeds of Leasehold land not held in the name of the Company

₹ Crores

Property Description	Asset Class	Address	Total Acres (Approx.)	Gross carrying value * (Also Refer Note 1.1 Sub-Note 5)	Net carrying value * (Also Refer Note 1.1 Sub-Note 5)	Reason for not in the name of the Company	Property in the name of
Sriperumbudur, Tamil Nadu	Leasehold Land	Plot Nos. Phase II, K-1, K-2 SIPCOT Industrial Park, Sriperumbudur, Tamil Nadu	79.44	11.47	10.48	The leasehold rights were originally granted to Hinduja Foundries Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Pillaiakkam, Tamil Nadu (Refer Sub-Note 6)	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaiakkam, Sriperumbudur, Tamil Nadu	113.00	48.96	45.87	The leasehold rights were originally granted to Ashok Leyland Nissan Vehicles Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Ashok Leyland Nissan Vehicles Limited (merged with Ashok Leyland Limited)
Bhandara, Maharashtra	Leasehold Land	P O Box 15, Plot No.1, MIDC Industrial Area, Gadegao Lakhani Taluk, Bhandara, Maharashtra	15.82	0.01	0.01	This is a land leased to the Company by the Maharashtra Industrial development Corporation. However, a portion of the land (6.40 hectares) occupied and used by the Company for factory building has been considered unauthorised being a Forest Land. The Company had approached the Mumbai High Court and subsequently pursuant to its orders has applied for the regularisation of the said portion of forest land in exchange of alternate land for afforestation.	Ashok Leyland Limited (under regularisation)

* excludes security deposit

Notes:

1. Escalation clause - the percentage of escalation is up to a maximum of 15%.
2. Discounting rate used for the purpose of computing right to use asset ranges from 6% to 9%.
3. Rental amount per annum ranges from ₹ 0.01 crores to ₹ 2.27 crores, which also carries a clause for extension of agreement based on mutual understanding between Lessor and Lessee.
4. The lease period ranges from 2 years to 90 years over which the right to use asset is depreciated on a straight line basis.
5. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.
6. During the year ended March 31, 2023, a portion of leasehold land was surrendered to State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) and surrender value was received by the Company. The Company is in the process of registering the modified lease deed for the balance portion of leasehold land.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.2 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)			AMORTISATION			NET CARRYING AMOUNT
	01.04.2024	Additions	Disposals	31.03.2025	Charge during the year	Disposals	31.03.2025
Other intangible assets							
Computer software							
- Developed	103.38	-	-	103.38	-	-	-
- Acquired	151.10	29.61	0.50	180.21	9.23	0.50	43.77
Technical knowhow (Includes Product Development)							
- Developed	1,491.72	77.49	-	1,569.21	140.53	-	667.84
- Acquired	40.48	-	-	40.48	8.10	-	2.01
Total	1,786.68	107.10	0.50	1,893.28	157.86	0.50	713.62

Description	01.04.2024	Additions / Adjustments*	Write off (Refer Note 2.8)	Capitalised during the year*	31.03.2025
Intangible assets under development (IAUD)	106.00	152.14	3.15	107.10	147.89

* Includes acquired computer software.

Ageing of Intangible assets under development

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	90.92	34.17	20.74	2.06	147.89

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
Projects relating to Technical knowhow - Product development	25.72	13.36	-	-

As at March 31, 2025, there are no temporarily suspended projects.

Notes:

- Additions to other intangible assets and Intangible assets under development include:
Expenses capitalised ₹ 126.34 crores - Refer Notes 2.4, 2.5 and 2.7 to the standalone financial statements.
- 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

₹ Crores

1.2 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				AMORTISATION		NET CARRYING AMOUNT
	01.04.2023	Additions	Disposals	31.03.2024	Charge during the year	Disposals	31.03.2024
Other intangible assets							
Computer software							
- Developed	103.38	-	-	103.38	-	-	-
- Acquired	139.27	11.83	-	151.10	7.02	-	23.39
Technical knowhow (Includes Product Development)							
- Developed	1,449.37	42.35	-	1,491.72	144.10	-	730.88
- Acquired	40.48	-	-	40.48	8.10	-	10.11
Total	1,732.50	54.18	-	1,786.68	159.22	-	764.38

Description	01.04.2023	Additions / Adjustments*	Impairment (Refer Note 2.8)	Capitalised during the year*	31.03.2024
Intangible assets under development (IAUD)	83.57	94.89	18.28	54.18	106.00

* Includes acquired computer software.

Ageing of Intangible assets under development

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	69.43	26.41	5.44	4.72	106.00

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion is delayed (includes temporarily suspended projects) is as follows:

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects relating to Technical knowhow - Product development	48.94	-	-	-

Notes:

- Additions to other intangible assets and Intangible assets under development include:
Expenses capitalised ₹ 81.17 crores - Refer Notes 2.4, 2.5 and 2.7 to the standalone financial statements.
- 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, 2025		As at March 31, 2024	
	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	2,97,000	0.56	27,000	0.56
Ashley Aviation Limited	4,59,00,000	44.90	4,27,00,000	41.70
Albonair (India) Private Limited (Refer Sub-Note 3)	4,50,00,000	56.15	4,50,00,000	56.15
Hinduja Leyland Finance Limited (Refer Sub-Note 4 and 9)	33,32,46,338	2,131.16	32,32,46,338	1,931.16
OHM Global Mobility Private Limited (Refer Sub-Note 3)	30,00,00,000	300.00	30,00,00,000	300.00
Hinduja Tech Limited	15,39,50,000	167.57	15,39,50,000	167.57
Vishwa Buses and Coaches Limited (Refer Sub-Note 3)	3,98,00,000	39.80	3,98,00,000	39.80
b) Equity Shares of ₹ 100 each				
Gulf Ashley Motor Limited (Refer Sub-Note 3)	27,66,428	27.94	27,66,428	27.94
c) Equity Shares				
Optare Plc (Refer Sub-Note 3)				
Ordinary shares of British Pence 0.1 each	1,00,61,38,53,568	2,130.89	1,00,61,38,53,568	2,130.89
Deferred shares of British Pence 0.9 each	19,55,57,828	-	19,55,57,828	-
d) Deemed Equity				
Switch Mobility Automotive Limited (Refer Sub-Note 5)	-	129.60	-	129.60
e) Equity shares of Naira 1 each				
Ashok Leyland (Nigeria) Limited	99,99,999	0.36	99,99,999	0.36
f) Equity shares of USD 20 each				
Ashok Leyland (Chile) S.A.	28,499	3.76	28,499	3.76
g) Equity Shares of Euro 1 each				
Albonair GmbH (Refer Sub-Note 3)	5,24,95,000	460.09	5,24,95,000	460.09
h) Equity shares of UAE Dirhams of 1,000 each				
Ashok Leyland (UAE) LLC (Refer Sub-Note 3) (including beneficial interest of ₹ 56.41 crores)	35,770	110.49	35,770	110.49
i) Section 8 Company				
Ashok Leyland Foundation	10,000	0.01	-	-
2) Associates (at cost)				
a) Equity Shares of ₹ 10 each				
Ashok Leyland Defence Systems Limited (Refer Sub-Note 3)	79,92,218	25.39	79,92,218	25.39
Mangalam Retail Services Limited	37,470	0.04	37,470	0.04
b) Equity shares of Srilankan ₹ 10 each - (quoted)				
Lanka Ashok Leyland, Plc	10,08,332	0.57	10,08,332	0.57
3) Joint Ventures (at cost)				
Equity Shares of ₹ 10 each				
Ashley Alteams India Limited (Refer Sub-Note 3)	7,59,47,500	46.51	7,59,47,500	46.51
Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)	17,27,270	1.73	17,27,270	1.73
TVS Trucks and Buses Private Limited	2,49,50,000	24.95	2,49,50,000	24.95
Gro Digital Platforms Limited	3,50,00,000	35.00	2,50,00,000	25.00
Sub Total		5,751.97		5,538.76

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd.)

DESCRIPTION	As at March 31, 2025		As at March 31, 2024	
	Nos	₹ Crores	Nos	₹ Crores
Less: Impairment in Value of Investments				
Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)		1.73		1.73
Ashley Aviation Limited		44.90		41.70
Gulf Ashley Motor Limited		12.34		12.34
Albonair GmbH		460.09		460.09
Ashok Leyland (Chile) S.A.		3.76		3.76
Aggregate of Impairment in Value of Investments		522.82		519.62
Sub Total		5,229.15		5,019.14
4) Others				
a) Equity Shares of ₹ 10 each				
Rajalakshmi Wind Energy Limited (formerly Ashok Leyland Wind Energy Limited) (Refer Sub- Note 12)	78,12,950	9.12	78,12,950	9.12
Chennai Willingdon Corporate Foundation (Cost ₹ 900) (Refer Sub-Note 11)	100	#	100	#
Hinduja Energy (India) Limited (Refer Sub-Note 10) (Refer Sub-Note 11)	6,11,47,058	142.53	6,11,47,058	22.01
Kamachi Industries Limited (Refer Sub-Note 11)	5,25,000	-	5,25,000	-
Prathama Solarconnect Energy Private Limited (Refer Sub-Note 12)	1,86,56,912	8.01	1,86,56,912	18.67
HR Vaigai Private Limited (Refer Sub-Note 12)	1,78,073	0.74	2,600	#
b) Equity shares of ₹ 100 each partly paid-up				
Adyar Property Holding Co. Limited (₹ 65 paid up) [Cost ₹ 19,500] (Refer Note 3.10 (b))	300	#	300	#
Sub Total		160.40		49.80
Total Investments in Equity Instruments (net)		5,389.55		5,068.94
B) Investments in Preference Shares (At Fair value through profit or loss) (unquoted)				
1) Subsidiaries				
Ashok Leyland (UAE) LLC	23,000	48.67	23,000	44.60
6% Non-Cumulative Non-Convertible Redeemable Preference shares of AED 1,000 each				
Switch Mobility Automotive Limited (Refer Sub-Note 5)	3,01,00,000	183.29	3,01,00,000	164.88
8.5% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 100 each				
2) Associates				
Ashok Leyland Defence Systems Limited	1,00,00,000	7.73	1,00,00,000	7.27
6% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 10 each				
Total Investments in Preference Shares		239.69		216.75
C) Investment in Special Limited Partnership (At Fair value through profit or loss)				
Vasuki SCSp (Refer Sub-Note 7)		25.02		25.02
		25.02		25.02
Total		5,654.26		5,310.71

amount is below rounding off norms adopted by the Company.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd.)

Notes:

1.	Particulars	March 31, 2025	March 31, 2024
		₹ Crores	₹ Crores
	Aggregate value of unquoted investments (including deemed equity investment of ₹ 129.60 crores)	6,176.51	5,829.76
	Aggregate value of quoted investments	0.57	0.57
	Aggregate value of impairment in value of investments	522.82	519.62

- Investments are fully paid-up unless otherwise stated.
- Equity investments held in certain subsidiaries, joint ventures, and associates may be transferred or otherwise disposed of, subject to prior intimation to, or consent from, as applicable, the banks that have extended credit facilities to such entities, in the event that such transfer or disposal results in the shareholding falling below the prescribed threshold limits.
- 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

- During the year ended March 31, 2023, Switch Mobility Automotive Limited, a step-down subsidiary of the Company, settled the consideration on transfer of Electric vehicle business along with the interest accrued and working capital adjustments thereon, aggregating to ₹ 301 crores by issuing 3,01,00,000 8.5% Non-Cumulative Non-Convertible Redeemable Preference Shares (NCRPS), at a nominal value and issue price of ₹ 100/- each. Consequently, the Company recognised a deemed equity portion on fair valuation of the aforementioned preference shares of Switch Mobility Automotive Limited, being a transaction between common control entities.
- Number of shares held by the Company includes joint holding / beneficial interest.
- The Company holds 9.13% of Class A units in the special limited partnership.
- 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.
- During the year ended March 31, 2023, the Board of Directors of Hinduja Leyland Finance Limited (HLFL), a subsidiary of the company, had approved a scheme of merger by absorption of HLFL into NXT DIGITAL Limited (currently NDL Ventures Limited). HLFL has reapplied for necessary approvals from RBI which is currently under process. Thereafter, HLFL will take necessary approvals from various statutory and regulatory authorities, respective shareholders for swap ratios and approvals from creditors.
- The Company has recorded a gain on fair valuation of equity investment in Hinduja Energy (India) Limited (HEIL) amounting to ₹ 120.53 crores (March 31, 2024: loss on fair valuation ₹ 124.99 crores) under exceptional item based on business plan of HEIL, external factors and the independent valuers report. The discounted cash flow method uses post tax discount rate of 12.50% (March 31, 2024 :11.60%). Both pre tax discount rate and post tax discount rate gives the same recoverable amount. Also Refer Note 3.6.4 (B).
- These Investments are measured at fair value through profit and loss.
- The Company has invested in certain entities to secure electricity from renewable sources and are considered as associate companies under the Companies Act, 2013. Under Ind AS guidelines, these entities do not qualify as associate companies due to the agreements that limit the Company's influence over financial and operational decisions. These agreements also impose limitations on the sale of shares and their associated value. Consequently, the investments are now measured at amortized cost as per Ind AS 109.

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.4 NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
(Unsecured, considered good)		
Trade receivables		
Related parties (Refer Note 3.8)	-	0.25
	-	0.25

Refer note 1.10 for ageing of trade receivables

Note:

These are carried at amortised cost.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.5	NON-CURRENT - OTHER FINANCIAL ASSETS		
	(Unsecured, considered good unless otherwise stated)		
a)	Other receivables *		
	Considered doubtful	3.95	3.95
	Less: Allowance for doubtful receivables	3.95	3.95
		-	-
b)	Derivatives designated as hedging instruments carried at fair value	-	4.48
c)	Others		
i.	Employee Advances	0.98	1.96
ii.	Others (paid under protest against legal dispute)	17.85	17.85
		18.83	19.81
d)	Security deposits		
	Considered good	57.42	40.65
	Considered doubtful	1.29	1.33
	Less: Allowance for doubtful receivables	1.29	1.33
		57.42	40.65
e)	Related parties (Refer Note 3.8)		
	Application money paid towards investment in subsidiary (Refer Note 3.19)	498.76	-
		575.01	64.94

* includes receivable on sale of windmill undertaking of the Company.

Notes:

- These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss / other comprehensive income.
- Movement in allowance for doubtful other receivables is as follows:

Particulars	March 2025	March 2024
Opening	3.95	3.99
Add: Additions	-	-
Less: Utilisations / Reversals	-	0.04
Closing	3.95	3.95

- Movement in allowance for doubtful security deposits is as follows:

Particulars	March 2025	March 2024
Opening	1.33	0.43
Add: Additions	0.16	1.13
Less: Utilisations / Reversals	0.20	0.23
Closing	1.29	1.33

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.5A ASSETS CLASSIFIED AS HELD FOR SALE		
Electric Vehicle Mobility As A Service (EMAAS) (Refer Sub-Note 1) :		
Property, plant and equipment and Capital work-in-progress (net of provision for assets held for sale relating to EMAAS business)	-	47.15
Right-of-use asset	-	5.87
Non-current and current financial assets (includes trade and other receivables, etc)	-	6.33
Non-current and current assets	-	0.40
Inventories	-	6.27
Aircraft (Refer Sub-Note 2) :		
Property, plant and equipment	23.68	-
	23.68	66.02
1.5B LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE		
Electric Vehicle Mobility As A Service (EMAAS) (Refer Sub-Note 1) :		
Non-current and current financial liabilities (includes trade and other payables, etc)	-	15.75
Non-current and current liabilities (includes contract liabilities, etc)	-	1.02
Non-current and current provision (includes provision for employee benefits)	-	0.06
Aircraft (Refer Sub-Note 2) :		
Non-current and current financial liabilities (includes trade and other payables, etc)	4.65	-
	4.65	16.83

Notes:

- Owing to delay in obtaining customer approvals, the Board has withdrawn the plan to transfer Electric Vehicle Mobility As A Service (EMAAS) business. Accordingly, EMAAS assets have been reclassified from "assets held for sale" to their respective asset classes and the impact of same is not significant.
- The Board of Directors of the Company had approved the disposal of aircraft and the sale is expected to be completed before the end of next financial year.

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.6A NON-CURRENT - INCOME TAX ASSETS (NET)		
Advance income tax (net of provision)	34.32	50.34
	34.32	50.34

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.6B CURRENT TAX LIABILITIES (NET)		
Provision for taxation (net of advance tax)	621.69	526.24
	621.69	526.24

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.7 OTHER NON-CURRENT ASSETS		
(Unsecured, considered good unless otherwise stated)		
a) Capital advances		
i. Advances to related parties (Refer Note 3.8)		
Considered good	1.83	1.83
ii. Others		
Considered good	362.53	95.89
Considered doubtful	1.65	1.65
Less: Allowance for doubtful advances	1.65	1.65
	364.36	97.72
b) Balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc. (including paid under protest)		
Considered good	66.83	30.67
Considered doubtful	2.90	2.90
Less: Allowance for doubtful balances	2.90	2.90
	66.83	30.67
c) Others		
i. Sales tax paid (including paid under protest)	209.60	212.25
ii. Other advances (includes prepaid expenses, etc.)	18.90	28.45
	228.50	240.70
	659.69	369.09

Notes :

1. Movement in allowance for doubtful advances towards capital advances is as follows:

Particulars	March 2025	March 2024
Opening	1.65	1.66
Add: Additions	-	-
Less: Utilisations / Reversals	-	0.01
Closing	1.65	1.65

2. Movement in allowance for doubtful balances towards balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc. is as follows:

Particulars	March 2025	March 2024
Opening	2.90	2.90
Add: Additions	-	-
Less: Utilisations	-	-
Closing	2.90	2.90

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.8 INVENTORIES		
(a) Raw materials and components	896.34	903.43
(b) Work-in-progress	342.21	344.18
(c) Finished goods	1,304.67	1,526.49
(d) Stock-in-trade		
Spare parts and auto components (including works made)	281.97	288.76
(e) Stores, spares and consumable tools	132.13	127.83
	2,957.32	3,190.69

Notes:

	March 2025	March 2024
1. Goods-in-transit included above are as below :		
Raw materials and components	55.74	20.94
2. Cost of inventories (including cost of stock-in-trade purchased and write down of inventories) recognised as an expense during the year are ₹ 27,622.78 crores (2023-24: ₹ 27,912.01 crores).		
3. For details of assets given as security against borrowings - Refer Notes 3.11 and 3.12		

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.9 CURRENT FINANCIAL ASSETS - INVESTMENTS		
(Unquoted unless otherwise stated)		
Units in mutual funds	3,018.70	225.16
(March 31, 2025: 2,02,68,236.58 units; March 31, 2024: 12,76,761.54 units)		
Investments in Preference Shares		
Hinduja Tech Limited (Subsidiary)	-	23.90
1% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 10 each (March 2024: 2,39,00,000 shares)		
	3,018.70	249.06

Note:

These are carried at fair value through profit or loss

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.10 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
(Unsecured)		
Considered good		
Related parties (Refer Note 3.8)	302.99	368.28
Others	2,722.97	3,319.07
	3,025.96	3,687.35
Less: Loss allowance	138.64	117.70
	2,887.32	3,569.65

Ageing for trade receivable (Refer Note 1.4 and 1.10)

₹ Crores

Year ended March 31, 2025	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables							
- considered good	1,411.01	1,244.93	42.70	32.21	10.07	22.95	2,763.87
(ii) Disputed Trade Receivables							
- considered good	-	0.09	0.36	3.78	10.18	247.68	262.09
Gross Receivables	1,411.01	1,245.02	43.06	35.99	20.25	270.63	3,025.96
Less: Loss allowance							138.64
Total							2,887.32

Year ended March 31, 2024	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables							
- considered good	1,471.79	1,697.90	171.16	56.82	1.10	24.85	3,423.62
(ii) Disputed Trade Receivables							
- considered good	-	1.88	1.90	10.13	17.94	232.13	263.98
Gross Receivables	1,471.79	1,699.78	173.06	66.95	19.04	256.98	3,687.60
Less: Loss allowance							117.70
Total							3,569.90

Notes :

1. Movement in loss allowance is as follows:

Particulars	March 2025	March 2024
Opening	117.70	117.43
Add: Additions	21.51	8.81
Less: Utilisations / Reversals	0.57	8.54
Closing	138.64	117.70

2. These are carried at amortised cost.
3. For details of assets given as security against borrowings - Refer Notes 3.11 and 3.12.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.11A. CASH AND CASH EQUIVALENTS		
i) Balance with banks:		
a) In current accounts	31.15	15.98
b) In cash credit accounts	1,128.60	1,015.49
c) In deposit accounts *	1,500.00	910.00
ii) Cheques, drafts on hand	-	0.34
iii) Cash and stamps on hand	0.07	0.06
	2,659.82	1,941.87

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.11B. BANK BALANCES OTHER THAN (A) ABOVE		
i) Unclaimed dividend accounts (earmarked)	13.52	10.22
ii) Unpaid dividend accounts (Refer Note 1.15 (G) & 1.23)	-	1,453.48
iii) Escrow bank account (earmarked)	32.61	32.61
	46.13	1,496.31

* This represents deposits with original maturity of less than or equal to 3 months.

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.12 CURRENT FINANCIAL ASSETS - LOANS		
(Unsecured, considered good)		
Loans to related parties	-	95.00
(Refer Note 3.8)		
	-	95.00

Notes:

- These are carried at amortised cost.
- There are no loans/ advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) that are repayable on demand and that are without specifying any terms or period of repayment.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.12A	CURRENT - OTHER FINANCIAL ASSETS		
	(Unsecured, considered good unless otherwise stated)		
a)	Interest accrued	2.71	1.92
b)	Employee advances	24.64	26.15
c)	Derivatives designated as hedging instruments carried at fair value	15.43	48.64
d)	Receivable from related parties (Refer Note 3.8)		
	Other receivable	1.17	1.90
e)	Intercompany deposits	-	100.00
f)	Revenue grants receivable		
	Considered good	19.61	25.21
	Considered doubtful	9.03	9.03
		28.64	34.24
	Less: Allowance for doubtful receivable	9.03	9.03
		19.61	25.21
g)	Receivable from Government authorities		
	Considered good	3.75	3.75
	Considered doubtful	3.90	3.90
		7.65	7.65
	Less: Allowance for doubtful amount	3.90	3.90
		3.75	3.75
h)	Others (includes expenses recoverable, etc.)		
	Considered good		
	Related parties (Refer note 3.8)	-	3.59
	Others	48.45	28.84
	Considered doubtful	36.55	36.55
		85.00	68.98
	Less: Allowance for doubtful amount	36.55	36.55
		48.45	32.43
i)	Security deposits		
	Considered good	2.45	1.80
	Considered doubtful	0.07	0.07
		2.52	1.87
	Less: Allowance for doubtful deposits	0.07	0.07
		2.45	1.80
		118.21	241.80

Notes:

- These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss / other comprehensive income.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.12A CURRENT - OTHER FINANCIAL ASSETS (Contd.)

2. Movement in Allowance for doubtful receivable (Revenue grants receivable) is as follows:

Particulars	March 2025	March 2024
Opening Balance	9.03	8.89
Add: Additions	-	0.14
Less: Utilisations / Reversals	-	-
Closing Balance	9.03	9.03

3. Movement in Allowance for doubtful receivable (others) is as follows:

Particulars	March 2025	March 2024
Opening Balance	36.55	36.55
Add: Additions	-	-
Less: Utilisations / Reversals	-	-
Closing Balance	36.55	36.55

4. Movement in Allowance for doubtful receivable (Receivable from government authorities) is as follows:

Particulars	March 2025	March 2024
Opening Balance	3.90	3.90
Add: Transfer	-	-
Less: Utilisations / Reversals	-	-
Closing Balance	3.90	3.90

5. Movement in Allowance for doubtful security deposits is as follows:

Particulars	March 2025	March 2024
Opening Balance	0.07	0.07
Add: Addition	-	-
Less: Utilisations / Reversals	-	-
Closing Balance	0.07	0.07

6. There are no intercorporate deposits granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) that are repayable on demand and that are without specifying any terms or period of repayment.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.13 OTHER CURRENT ASSETS		
(Unsecured, considered good unless otherwise stated)		
a) Supplier advances		
Considered good	21.87	36.62
Considered doubtful	0.97	0.97
	22.84	37.59
Less: Allowance for doubtful advances	0.97	0.97
	21.87	36.62
b) Balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc.	512.41	694.59
c) Others*	86.84	81.48
	621.12	812.69
* Includes:		
- Prepaid expenses	83.14	78.15

Note:

Movement in Allowance for doubtful advances is as follows:

Particulars	March 2025	March 2024
Opening	0.97	0.97
Add: Additions	-	-
Less: Utilisations / Reversals	-	-
Closing	0.97	0.97

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.14 EQUITY SHARE CAPITAL		
Authorised		
27,85,60,00,000 (March 2024: 27,85,60,00,000) Equity shares of Re. 1 each	2,785.60	2,785.60
	2,785.60	2,785.60
Issued		
a) 2,29,02,12,796 (March 2024: 2,29,00,12,796) Equity shares of Re. 1 each	229.02	229.00
b) 64,63,14,480 (March 2024: 64,63,14,480) Equity shares of Re. 1 each issued through Global Depository Receipts	64.63	64.63
	293.65	293.63
Subscribed and fully paid up		
a) 2,29,02,12,796 (March 2024: 2,29,00,12,796) Equity shares of Re. 1 each	229.02	229.00
b) 64,63,14,480 (March 2024: 64,63,14,480) Equity shares of Re. 1 each issued through Global Depository Receipts	64.63	64.63
	293.65	293.63
Add: Forfeited shares (amount originally paid up in respect of 760 shares) #	0.00	0.00
	293.65	293.63

amount is below rounding off norms adopted by the Company.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Shares held by promoters as at March 31, 2025				
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 JP Morgan Chase Bank NA)	1,34,86,28,818	45.926	(0.003)
2	Hinduja Bank (Switzerland) Ltd (held on behalf of Hinduja Automotive Limited)	14,49,04,064	4.935	-
3	Hinduja Foundries Holdings Limited	71,27,379	0.243	-
Total		1,50,06,60,261	51.104	(0.003)

Shares held by promoters as at March 31, 2024				
S. No	Name of the Promoter	No. of Shares	% of total shares	% Change during the year
1	Hinduja Automotive Limited (including shares held through GDRs through Citibank N A, New York)	1,34,86,28,818	45.929	-
2	Hinduja Bank (Switzerland) Ltd (held on behalf of Hinduja Automotive Limited)	14,49,04,064	4.935	-
3	Hinduja Foundries Holdings Limited	71,27,379	0.243	-
Total		1,50,06,60,261	51.107	-

Notes:

1. Reconciliation of number of equity shares subscribed

Particulars	March 2025	March 2024
Balance as at the beginning of the year	2,93,63,27,276	2,93,61,27,276
Add: Issued during the year (Refer Note 3.4)	2,00,000	2,00,000
Balance as at end of the year	2,93,65,27,276	2,93,63,27,276

2. As on March 31, 2025, there are 35,28,70,140 (March 2024: 35,28,70,140) equity shares representing the outstanding Global Depository Receipts (GDRs). The balance GDRs have been converted into equity shares.

3. Shares held by the Holding Company

Hinduja Automotive Limited, the holding company, holds 1,16,43,32,742 (March 2024: 1,16,43,32,742) Equity shares and 32,92,00,140 (March 2024: 54,86,669) Global Depository Receipts (GDRs) equivalent to 32,92,00,140 (March 2024: 32,92,00,140) Equity shares of Re. 1 (March 2024: Re. 1) each aggregating to 50.861% (March 2024: 50.864%) of the total share capital.

4. Shareholders other than the Holding Company holding more than 5% of the equity share capital

There are no shareholders holding more than 5% of the equity share capital of the Company other than the Holding Company as at March 31, 2025 and March 31, 2024.

5. Rights, preferences and restrictions in respect of equity shares and GDRs issued by the Company

- 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.
- 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 1 equity share [March 2024: 60 equity shares] of Re. 1 each, per GDR, and their voting rights can be exercised through the Depository.
- Effective June 17, 2024, the ratio between the GDRs and Shares of the Company has been changed from 60 : 1 (One GDR equivalent to 60 underlying shares) to 1:1 (One GDR is equivalent to one underlying share). Accordingly, 59 new GDRs were issued by the Depository for every 1 existing GDR held by the GDR holder(s) on the GDR Record Date viz., June 10, 2024 in line with the new ratio.

Consequent to the above ratio change, the total number of GDRs stands increased from 58,81,169 to 35,28,70,140. There is no change to the underlying shares / equity share capital of the Company, due to the ratio change of the GDRs.

6. The Company allotted 2,00,000 (March 2024: 2,00,000) equity shares pursuant to the exercise of options under Employee Stock Option Plan Scheme. For Information relating to Employees Stock Option Plan Scheme including details of options outstanding as at March 31, 2025 - Refer Note 3.4.

7. The Board of Directors has recommended the issue of bonus shares of 1 : 1 subject to the approval of shareholders.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.15	OTHER EQUITY		
	Capital Reserve	A 263.87	263.87
	Securities Premium	B 1,917.00	1,915.35
	Capital Redemption Reserve	C 3.33	3.33
	Share Options Outstanding Account	D 41.24	39.68
	General Reserve	E 1,022.85	1,021.70
	Cash Flow Hedge Reserve	F 1.65	7.77
	Retained Earnings	G 7,975.20	5,265.04
		11,225.14	8,516.74

Refer "Statement of Changes in Equity" for additions / deletions in each reserve.

Notes:

- Capital reserve represents reserve created pursuant to the business combinations.
- 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.
- Capital redemption reserve represent the reserve arising pursuant to the business combination during 2016-17.
- Share options outstanding account relates to stock options granted by the Company to employees under an Employee Stock Options Plan. (Refer Note 3.4)
- 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.
- 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.
- During the year ended March 31, 2025, the Board of Directors approved two interim dividends. The first, amounting to ₹ 2.00 per equity share of face value Re.1.00 each, was approved at the Board meeting held on November 8, 2024. A second interim dividend of ₹ 4.25 per equity share was approved at the meeting held on May 16, 2025. Accordingly, the total interim dividend declared for the year amounts to ₹ 6.25 per share (Interim dividend for March 2024: ₹ 4.95 per equity share). 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, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.16	NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS		
	a) Secured borrowings		
	i. Term loan from banks	636.48	778.75
	ii. SIPCOT soft loan	-	31.18
	iii. Non-convertible debentures	199.34	199.33
	b) Unsecured borrowings		
	i. External commercial borrowings from banks	-	55.97
	ii. Interest free sales tax loans	66.41	66.41
		902.23	1,131.64

Notes:

- These are carried at amortised cost.
- Refer Note 1.21 for current maturities of non-current borrowings.
- Refer Note 3.11 for security and terms of the borrowing.
- The Company has been authorised to issue 3,65,00,000 (March 2024: 3,65,00,000) Non-Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10 each valuing ₹ 36.50 crores (March 2024: ₹ 36.50 crores) and 7,70,00,000 (March 2024: 7,70,00,000) Non-Convertible Redeemable Preference Shares of ₹ 100 each valuing ₹ 770.00 crores (March 2024: ₹ 770.00 crores). No preference shares has been issued during the year.
- Refer Note 3.6 for details on debt covenants.
- The Company has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreement.
- 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, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.17 NON-CURRENT - OTHER FINANCIAL LIABILITIES		
a) Capital creditors	1.06	0.93
b) Others (includes security deposit payable, etc)	11.51	20.38
	12.57	21.31

Note:

These are carried at amortised cost.

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.18 NON-CURRENT CONTRACT LIABILITIES		
Income received in advance (Refer Note 3.7)	372.86	283.45
	372.86	283.45

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.19 NON-CURRENT PROVISIONS		
a) Provision for employee benefits		
i. Compensated absences	-	112.90
ii. Others including post retirement benefits	130.17	103.02
b) Others		
i. Product warranties	573.06	502.43
ii. Others (including litigation matters)	5.74	5.72
	708.97	724.07

Notes:

1. Movement in Provision for product warranties is as follows:

Particulars	March 2025	March 2024
Opening (Current (Refer Note 1.25) and Non-current)	987.73	652.32
Add: Addition (net)	842.71	924.76
Less: Utilisations	706.64	589.35
Closing (Current (Refer Note 1.25) and Non-current)	1,123.80	987.73

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, 2024: upto 72 months).

2. Movement in Provision for others (including litigation matters) is as follows :

Particulars	March 2025	March 2024
Opening	5.72	4.77
Add: Additions	0.02	0.95
Less: Transfer / Reversal	-	-
Closing	5.74	5.72

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.20 DEFERRED TAX LIABILITIES (NET)		
a) Deferred tax liabilities	677.64	693.44
b) Deferred tax (assets)	(129.75)	(137.13)
	547.89	556.31

Note:

Refer Note 3.1 for details of deferred tax liabilities and assets.

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.21 CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Secured borrowings		
Loans from banks	-	250.00
Bills discounted	-	10.51
Unsecured borrowings		
Short term loans from banks	150.00	150.00
Bills discounted	-	73.80
Current maturities of long-term debts	383.21	638.58
	533.21	1,122.89

Notes:

- These are carried at amortised cost.
- Refer Note 3.12 for security and terms of the borrowings.
- Refer Note 3.6 for details of debt covenants.
- The Company has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements.
- Current maturities of long term debts:

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Secured	325.45	304.69
Unsecured	57.76	333.89

6. Net debt reconciliation:

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Cash and cash equivalents	2,659.82	1,941.87
Liquid investments	3,018.70	225.16
Current borrowings	(150.87)	(484.87)
Non-current borrowings	(1,289.57)	(1,777.16)
Derivative Asset / (Liability)	12.19	51.99
Lease Liability	(46.28)	(44.87)
Net debt	4,203.99	(87.88)

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	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, 2023	454.11	2,771.42	(2,961.17)	(269.65)	97.41	(44.73)	47.39
Cash flows (net)	1,487.78	(2,602.45)	1,104.98	(215.36)	-	20.02	(205.03)
Foreign exchange adjustments (Realised / Unrealised)	(0.02)	-	37.18	(0.33)	-	-	36.83
Profit on sale of liquid investments (net)	-	60.61	-	-	-	-	60.61
Interest expense	-	-	(158.35)	(45.44)	-	(3.72)	(207.51)
Interest paid	-	-	200.20	45.91	-	-	246.11
Other non-cash movements							
- Fair value adjustments	-	(4.42)	-	-	(45.42)	-	(49.84)
- Addition / Deletion (Net) relating to lease liability	-	-	-	-	-	(16.44)	(16.44)
Net debt as at March 31, 2024	1,941.87	225.16	(1,777.16)	(484.87)	51.99	(44.87)	(87.88)
Cash flows (net)	718.06	2,743.40	441.73	334.28	-	17.96	4,255.43
Foreign exchange adjustments (Realised / Unrealised)	(0.11)	-	43.47	-	-	-	43.36
Profit on sale of liquid investments (net)	-	43.12	-	-	-	-	43.12
Interest expense	-	-	(113.27)	(33.68)	-	(3.47)	(150.42)
Interest paid	-	-	115.66	33.40	-	-	149.06
Other non-cash movements							
- Fair value adjustments	-	7.02	-	-	(39.80)	-	(32.78)
- Addition / Deletion (Net) relating to lease liability	-	-	-	-	-	(15.90)	(15.90)
Net debt as at March 31, 2025	2,659.82	3,018.70	(1,289.57)	(150.87)	12.19	(46.28)	4,203.99

Note:

Non-current borrowings and interest expense is gross of impact on account of effective interest rate changes.

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ 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]	56.58	79.54
b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	7,248.11	6,225.65
		7,304.69	6,305.19

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Trade Payables ageing schedule

₹ Crores

As at March 31, 2025								
Outstanding for following periods from due date of payment								
Particulars	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	0.49	55.77	-	-	0.32	-	56.58	
(ii) Undisputed dues - Others	928.75	5,542.83	770.13	2.10	3.33	0.97	7,248.11	
(iii) Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-	-	
(iv) Disputed dues - Others	-	-	-	-	-	-	-	
Total	929.24	5,598.60	770.13	2.10	3.65	0.97	7,304.69	

As at March 31, 2024								
Outstanding for following periods from due date of payment								
Particulars	Un-billed (includes accrued expenses / liabilities)	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed dues - Micro and Small Enterprises	0.22	79.00	-	0.32	-	-	79.54	
(ii) Undisputed dues - Others	861.78	5,193.03	164.94	3.38	1.53	0.99	6,225.65	
(iii) Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-	-	
(iv) Disputed dues - Others	-	-	-	-	-	-	-	
Total	862.00	5,272.03	164.94	3.70	1.53	0.99	6,305.19	

Notes:

- These are carried at amortised cost.
- Includes acceptances amounting to ₹ 309.15 crores (March 2024: ₹ 247.02 crores)

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.23	CURRENT - OTHER FINANCIAL LIABILITIES		
a)	Interest accrued but not due on borrowings	4.34	6.42
b)	Dividend Payable		
i)	Unpaid (Refer Note 1.15 (G) & 1.11 B)	-	1,453.48
ii)	Unclaimed	13.52	10.22
c)	Employee benefits	520.77	438.78
d)	Capital creditors		
i)	Total outstanding dues of micro enterprises and small enterprises [Refer Note 3.14]	16.34	9.27
ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	100.42	57.33
e)	Derivatives designated in hedging relationships carried at fair value	3.24	1.13
f)	Others *	552.59	487.14
		1,211.22	2,463.77
* Includes:			
	- Refund liabilities	521.43	438.30

Notes:

- Refer Note 3.11 for security and terms of the borrowings.
- These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss / other comprehensive income.
- Refer Note 3.6 for details of debt covenants.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.24	CURRENT CONTRACT LIABILITIES		
a)	Income received in advance	259.71	274.58
b)	Advance from customers	163.14	201.44
		422.85	476.02

Note:

Refer Note 3.7 for disclosures relating to revenue from contracts with customers

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.25	CURRENT PROVISIONS		
a)	Provision for employee benefits		
i.	Compensated absences	149.02	24.68
ii.	Gratuity (Refer Note 3.2)	5.85	16.33
iii.	Others including post retirement benefits	70.31	72.68
b)	Others		
i.	Product warranties	550.74	485.30
ii.	Others (including litigation matters)	49.23	51.69
		825.15	650.68

Notes:

- For movement in Provision for product warranties Refer note 1.19.
- Movement in Provision for others (including litigation matters) is as follows :

Particulars	March 2025	March 2024
Opening	51.69	108.77
Add: Additions / Transfer	-	1.78
Less: Utilisations / Reversal	2.46	58.86
Closing	49.23	51.69

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.26	OTHER CURRENT LIABILITIES		
a)	Statutory liabilities	483.57	478.08
b)	Others	9.21	0.03
		492.78	478.11

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
2.1 REVENUE FROM OPERATIONS		
a) Sale of products		
- Commercial vehicles	32,383.69	32,714.70
- Engines and gensets	1,190.17	1,006.55
- Ferrous castings and patterns	572.24	508.77
- Spare parts and others	3,977.90	3,469.41
(A)	38,124.00	37,699.43
b) Sale of services (B)	1,264.42	1,209.86
c) Other operating revenues		
- Export incentives	50.09	43.54
- Scrap sales	96.80	114.04
- Others	23.00	15.68
(C)	169.89	173.26
(A+B+C)	39,558.31	39,082.55
Less: Rebates and discounts	805.57	715.52
	38,752.74	38,367.03

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
2.2 OTHER INCOME		
a) Interest income from financial assets measured at amortised cost		
i. Loans to related parties	0.44	43.21
(Refer Note 3.8)		
ii. Others	39.83	14.82
	40.27	58.03
b) Dividend income from subsidiaries and associates - Non-current investments (Refer Note 3.8)	48.54	78.17
c) Profit on sale of investments - net Current investments	43.12	60.61
d) Other non-operating income		
i. Profit on sale of Property, Plant and Equipment (net)	20.44	10.46
ii. Net gain / (loss) arising on financial asset mandatorily measured at FVTPL	29.96	(0.02)
iii. Others (Refer Note 3.8)	67.92	39.32
	118.32	49.76
	250.25	246.57

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
2.3 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Changes in inventories		
- Finished goods and stock-in-trade	228.61	(451.19)
- Work-in-progress	1.97	(59.75)
Net change	230.58	(510.94)

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
2.4 EMPLOYEE BENEFITS EXPENSE		
a) Salaries and wages	2,075.85	1,917.34
b) Contribution to provident and other funds	132.78	123.31
c) Share based payments expenses*	2.71	2.96
d) Staff welfare expenses	220.78	202.50
	2,432.12	2,246.11
Less: Expenses capitalised	25.85	12.73
	2,406.27	2,233.38
* 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)	1.53	0.39

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
2.5 FINANCE COSTS		
Interest expense	142.25	192.66
Less: Expenses capitalised	17.36	2.30
	124.89	190.36
Unwinding of discount on provisions	88.55	55.36
Interest on lease liability	3.47	3.72
	216.91	249.44

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 - 7.70% p.a (March 31, 2024 - 7.30% p.a).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		Year ended March 31, 2025	Year ended March 31, 2024
		₹ Crores	₹ Crores
2.6	DEPRECIATION AND AMORTISATION EXPENSE		
A)	Property, plant and equipment		
(i)	Buildings	73.44	71.91
(ii)	Plant and equipment	400.36	430.20
(iii)	Furniture and fittings	5.23	4.87
(iv)	Vehicles including electric vehicles	33.51	7.50
(v)	Office equipment	23.90	19.05
(vi)	Assets given on lease		
-	Buildings	0.29	0.29
-	Plant and equipment	#	#
-	Aircraft	1.57	6.65
		538.30	540.47
B)	Other intangible assets		
(i)	Computer software		
-	Acquired	9.23	7.02
(ii)	Technical knowhow (Includes Product Development)		
-	Developed	140.53	144.10
-	Acquired	8.10	8.10
		157.86	159.22
C)	Depreciation of Right-of-use asset	23.18	18.12
		719.34	717.81

amount is below rounding off norms adopted by the Company.

Note:

Also Refer Notes 1.1, 1.2 and 1.1A

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
2.7 OTHER EXPENSES		
(a) Consumption of stores and tools	92.22	108.55
(b) Power and fuel	258.80	258.52
(c) Rent (Refer Note 3.5)	7.18	5.50
(d) Repairs and maintenance		
- Buildings	69.69	65.62
- Plant and machinery	127.78	117.00
- Others	92.44	86.38
(e) Insurance	31.49	26.23
(f) Rates and taxes, excluding taxes on income	20.57	17.77
(g) Research and development (includes materials consumed and testing charges)	152.11	110.91
(h) Service and product warranties	913.44	1,010.97
(i) Packing and forwarding charges	887.44	786.01
(j) Selling and administration expenses - net (Includes advertisement expenditure, consultancy charges, etc (Refer Note 3.13 (i)))	388.39	373.88
(k) Annual maintenance contracts	247.56	246.83
(l) Impairment loss allowance / write off on trade receivable (net)	21.06	3.42
(m) Impairment loss allowance / write off on other receivable (net)	-	0.85
(n) Miscellaneous including operational expenses * (includes hire charges, travel expenditure etc.)	582.63	462.76
	3,892.80	3,681.20
Less: Expenses capitalised	99.67	66.14
	3,793.13	3,615.06

Notes:

* Miscellaneous expenses includes a contribution of ₹ 100 crores (2023-24: ₹ Nil) to an Electoral Trust in accordance with Section 182 of the Companies Act, 2013.

Selling and administration expenses include:

- Directors' sitting fees	0.91	1.47
- Commission to Non Whole-time Directors	7.60	6.69
- CSR Expenditure (Refer Note 3.15)	15.49	15.06

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
2.8 EXCEPTIONAL ITEMS		
a) Impairment (Loss) in the value of investment		
- Ashley Aviation Limited	(3.20)	(4.00)
b) Gain / (Loss) on fair valuation of Investment in Hinduja Energy (India) Limited (Refer Note 1.3 and Note 3.6)	120.53	(124.99)
c) Obligation relating to discontinued products of LCV division (net of reversal)	-	53.68
d) Voluntary retirement scheme	-	(0.13)
e) Write off of intangible assets under development / capital work in progress	(13.60)	(18.28)
	103.73	(93.72)

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		Year ended March 31, 2025	Year ended March 31, 2024
		₹ Crores	₹ Crores
3.1	INCOME TAXES RELATING TO CONTINUING OPERATIONS		
3.1.1	Income tax recognised in profit or loss		
	Current tax		
	In respect of the current year	1,503.02	1,363.78
	In respect of prior years	(5.62)	(78.34)
	A	1,497.40	1,285.44
	Deferred tax		
	In respect of the current year	(471.16)	1.77
	In respect of prior years	4.04	56.42
	Adjustments to deferred tax attributable to changes in tax rates and laws	14.72	(169.32)
	B	(452.40)	(111.13)
	Total income tax expense recognised in profit or loss	(A + B) 1,045.00	1,174.31

		Year ended March 31, 2025	Year ended March 31, 2024
		₹ Crores	₹ Crores
3.1.2	Income tax expense for the year reconciled to the accounting profit:		
	Profit before tax	4,348.29	3,792.18
	Income tax rate	34.944%	34.944%
	Income tax expense	1,519.47	1,325.14
	Effect of income that is taxed at lower rate	-	-
	Effect of previously unrecognised and unused tax losses and tax credits	(448.00)	(7.03)
	Effect of concessions and other allowances	(23.40)	(32.01)
	Effect of exceptional items, disallowances and reversals (net)	(16.21)	79.41
	Effect of different tax rates of branches operating in overseas jurisdictions	-	0.04
	Effect of tax in respect of prior years	(1.57)	(21.92)
	Effect on account of rate changes (Refer Note below)	14.71	(169.32)
	Income tax expense recognised in profit or loss	1,045.00	1,174.31

		Year ended March 31, 2025	Year ended March 31, 2024
		₹ 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	0.57	2.63
	Remeasurement of defined benefit obligation	(1.96)	(3.73)
	A	(1.39)	(1.10)
	Arising on income and expenses reclassified from equity to profit or loss:		
	Relating to cash flow hedges	(2.63)	(9.54)
	B	(2.63)	(9.54)
	Total income tax recognised in other comprehensive income	(A+B) (4.02)	(10.64)

Note:

The Company is continuing to provide for income tax based on old tax regime, considering the outstanding MAT credit entitlement and various deductions available to the Company under the Income Tax Act, 1961. However, the Company has applied the lower Income tax rates as provided under section 115 BAA of the Income Tax Act, 1961 on the deferred tax assets / liabilities to the extent these are expected to be realized or settled in the future period.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.1.4 Analysis of deferred tax assets / liabilities:

Rs. Crores

March 31, 2025	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Unused tax credits - (utilised)	DTL unwinding due to change in tax rate / law	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Property, Plant & Equipment and intangible assets	(682.04)	28.77	-	-	(14.30)	(667.57)
Right-of-use asset	(8.77)	(0.73)	-	-	-	(9.50)
Lease Liability	9.50	0.59	-	-	-	10.09
Voluntary retirement scheme compensation	6.98	(5.20)	-	-	-	1.78
Expenditure allowed upon payments	72.54	2.45	1.96	-	-	76.95
Unused tax credit (MAT credit entitlement)	-	448.00	-	(448.00)	-	-
Cash flow hedges	(2.63)	-	2.06	-	-	(0.57)
Other temporary differences	48.11	(6.77)	-	-	(0.41)	40.93
	(556.31)	467.11	4.02	(448.00)	(14.71)	(547.89)

March 31, 2024	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Unused tax credits - (utilised)	DTL unwinding due to change in tax rate / law	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Property, Plant & Equipment and intangible assets	(911.00)	(8.21)	-	-	237.17	(682.04)
Right-of-use asset	(1.94)	(7.37)	-	-	0.54	(8.77)
Lease Liability	3.08	7.27	-	-	(0.85)	9.50
Voluntary retirement scheme compensation	19.45	(7.03)	-	-	(5.44)	6.98
Expenditure allowed upon payments	115.87	(14.65)	3.73	-	(32.41)	72.54
Unused tax credit (MAT credit entitlement)	174.57	-	-	(174.57)	-	-
Cash flow hedges	(9.54)	-	6.91	-	-	(2.63)
Other temporary differences	106.00	(28.20)	-	-	(29.69)	48.11
	(503.51)	(58.19)	10.64	(174.57)	169.32	(556.31)

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.

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
3.1.5 Unrecognised deductible temporary differences, unused tax losses and unused tax credits		
- Unused tax losses (capital)	21.79	21.79
	21.79	21.79

Notes:

- These will expire in various years upto 2026-27.
- The above are gross amounts on which appropriate tax rates would apply.
- The Company has not recognised deferred tax asset in respect of deductible temporary difference relating to certain investments as presently it is not probable that future taxable capital gain will be available in the foreseeable future to recover such deferred tax assets.
- The Company has not recognised deferred tax liabilities on taxable temporary differences arising from investments in subsidiaries, as it has the ability to control the timing of the reversal of these differences and it is probable that such differences will not reverse in the foreseeable future.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.2 Employee benefit plans (Including Retirement benefit plans)

3.2.1 Defined contribution plans

Payments to defined contribution plans i.e., Company's contribution to superannuation fund, employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

The total expense recognised in profit or loss of ₹ 30.67 crores (2023-24: ₹ 30.22 crores) represents contribution paid/ payable to these schemes by the Company at rates specified in the schemes.

3.2.2 Compensated absence and Defined benefit plans

The Company has an obligation towards gratuity as per payment of gratuity act, 1972, a defined benefit plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at the time of retirement, separation, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company makes annual contributions through trusts to a funded gratuity scheme administered by the Life Insurance Corporation of India.

Eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined benefit plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions are made to the provident fund and pension fund set up as irrevocable trusts by the Company. The interest rates declared and credited by trusts to the members have been higher than / equal to the statutory rate of interest declared by the Central Government.

Company's liability towards gratuity (funded), provident fund, other retirement benefits and compensated absences are actuarially determined at the end of each reporting period using the projected unit credit method as applicable.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

	As at March 31, 2025	As at March 31, 2024
3.2.3 The principal assumptions used for the purposes of the actuarial valuations were as follows:		
Gratuity		
Discount rate	6.59%	6.97%
Expected rate of salary increase	6.00%	6.00%
Average past service	17.44	17.74
Average Longevity at retirement age - future service	10.77	10.69
Attrition rate	3.00%	3.00%
Compensated absences		
Discount rate	6.59%	6.97%
Expected rate of salary increase	6.00%	6.00%
Attrition rate	3.00%	3.00%
Other defined benefit plans		
Discount rate	6.59%	6.97%

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.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.2 Employee benefit plans (Including Retirement benefit plans) (Contd.)

		Year ended March 31, 2025	Year ended March 31, 2024
		₹ Crores	₹ Crores
3.2.4	Amounts recognised in total comprehensive income in respect of these defined benefit plans and compensated absence are as follows:		
	Gratuity		
	Current service cost	23.44	21.46
	Net interest (income)	(0.13)	(0.57)
	Components of defined benefit costs recognised in profit or loss	23.31	20.89
	Remeasurement on the net defined benefit liability comprising:		
	Actuarial (gain)/loss arising from changes in financial assumptions	11.98	21.39
	Actuarial (gain)/loss arising from experience adjustments	(6.68)	(0.26)
	Actuarial (gain)/loss on plan assets	(2.76)	(1.89)
	Components of defined benefit costs recognised in other comprehensive income	2.54	19.24
	Total	25.85	40.13
	Compensated absences and other defined benefit plans		
	Current service cost	20.99	19.31
	Net interest expense	9.98	9.37
	Actuarial (gain)/loss arising from changes in financial assumptions	4.25	6.91
	Actuarial (gain)/loss arising from experience adjustments	(18.77)	(16.19)
	Components of Compensated absences and defined benefit costs recognised in profit or loss	16.45	19.40

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).

		As at March 31, 2025	As at March 31, 2024
		₹ 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 and compensated absence is as follows:		
	Gratuity		
	Present value of defined benefit obligation	499.68	473.10
	Fair value of plan assets	493.83	456.77
	Net liability arising from defined benefit obligation (funded)	5.85	16.33
	Compensated absences and other defined benefit plans		
	Present value of compensated absences and other defined benefit obligation	157.79	146.43
	Fair value of plan assets	-	-
	Net liability arising from Compensated absences and defined benefit obligation (unfunded)	157.79	146.43

Gratuity and Compensated absences are reflected in "Provision for employee benefits" under provisions. [Refer Notes 1.19 and 1.25].

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.2 Employee benefit plans (Including Retirement benefit plans) (Contd.)

		Year ended March 31, 2025	Year ended March 31, 2024
		₹ Crores	₹ Crores
3.2.6	Movements in the present value of the defined benefit obligation and Compensated absences were as follows:		
	Gratuity		
	Opening defined benefit obligation	473.10	433.44
	Current service cost	23.44	21.46
	Interest cost	31.79	29.94
	Actuarial (gain)/loss arising from changes in financial assumptions	11.98	21.39
	Actuarial (gain)/loss arising from experience adjustments	(6.68)	(0.26)
	Benefits paid	(33.95)	(32.87)
	Closing defined benefit obligation	499.68	473.10
	Compensated absences and other defined benefit plans		
	Opening defined benefit obligation	146.43	133.81
	Current service cost	20.99	19.31
	Interest cost	9.98	9.37
	Actuarial (gain)/loss arising from changes in financial assumptions	4.25	6.91
	Actuarial (gain)/loss arising from experience adjustments	(18.77)	(16.19)
	Benefits paid	(5.09)	(6.78)
	Closing Compensated absences and defined benefit obligation	157.79	146.43

		Year ended March 31, 2025	Year ended March 31, 2024
		₹ Crores	₹ Crores
3.2.7	Movements in the fair value of the plan assets were as follows:		
	Gratuity		
	Opening fair value of plan assets	456.77	425.74
	Interest on plan assets	31.92	30.51
	Remeasurements due to Actual return on plan assets less interest on plan assets	2.76	1.89
	Contributions	36.33	31.50
	Benefits paid	(33.95)	(32.87)
	Closing fair value of plan assets	493.83	456.77

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 ₹ 34.68 crores (2023-2024: ₹ 32.40 crores).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.2 Employee benefit plans (Including Retirement benefit plans) (Contd.)

3.2.8 Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period.

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Gratuity		
If the discount rate is 50 basis points higher/lower, the defined benefit obligation would:		
decrease by	18.06	17.71
increase by	14.18	12.91
If the expected salary increases/decreases by 50 basis points, the defined benefit obligation would:		
increase by	14.51	13.29
decrease by	18.52	18.20
Compensated absences		
If the discount rate is 50 basis points higher/lower, the obligation would:		
decrease by	5.54	5.11
increase by	5.92	5.51
If the expected salary increases/decreases by 50 basis points, the obligation would:		
increase by	5.70	5.29
decrease by	5.38	4.94

The sensitivity analysis presented above may not be representative of the actual change in the obligation, since the above analysis are based on change in an assumption while holding other assumptions constant. In practice, it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the obligation has been calculated using the projected unit credit method at the end of each reporting period, which is the same as that applied in calculating the liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

The Company expects to make a contribution of ₹ 53.00 crores (March 2024: ₹ 55.00 crores) to the defined benefit plans (gratuity - funded) during the next financial year.

The average duration of the benefit obligation (gratuity) is 7.00 years (March 2024: 7.10 years).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.2 Employee benefit plans (Including Retirement benefit plans) (Contd.)

3.2.9 Provident Fund Trust - actuarial valuation of interest guarantee :

Ashok Leyland has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. The administered rates are determined annually predominantly considering the social rather than the economic factors and in most cases, the actual return earned by the Company has been lower in the recent past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by the Actuarial Society of India and based on the assumptions provided below.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	As at March 31, 2025	As at March 31, 2024
Provident Fund		
Discount rate	6.59%	6.97%
Remaining term to maturity of portfolio (years)	10.80	10.70
Expected guaranteed interest rate		
First year	8.25%	8.25%
Thereafter	8.25%	8.25%
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, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Provident Fund		
Present value of defined benefit obligation	1,732.20	1,589.73
Fair value of plan assets	1,662.74	1,517.64
Net (liability) arising from defined benefit obligation (funded)	(69.46)	(72.09)

The Net liability is reflected in "Provision for employee benefits" under provisions. [Refer Notes 1.25].

The amount recognised in total comprehensive income and the movement in fair value assets and present value obligations pertaining to year ended March 31, 2025 is as follows :

Amounts recognised in total comprehensive income in respect of these provident fund are as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Provident Fund		
Current service cost	52.61	48.79
Net interest expense	4.98	5.79
Components of provident fund recognised in profit or loss	57.59	54.58
<u>Remeasurement on the net defined benefit liability comprising:</u>		
Actuarial (gain)/loss arising from changes in financial assumptions	1.41	0.54
Adjustment relating to opening balance of member fund and plan asset	(0.62)	-
Actuarial (gain)/loss arising from experience adjustments	30.01	7.16
Actuarial (gain)/loss on plan assets	(25.54)	(12.11)
Components of provident fund recognised in other comprehensive income	5.26	(4.41)
Total	62.85	50.17

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).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.2 Employee benefit plans (Including Retirement benefit plans) (Contd.)

Movements in the present value of the defined benefit obligation were as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Opening defined benefit obligation	1,589.73	1,463.01
Adjustment relating to opening present value obligation	(1.87)	-
Employer Contribution	52.61	48.79
Employee Contribution	144.15	148.09
Interest cost	110.75	105.53
Actuarial (gain)/loss arising from changes in financial assumptions	1.41	0.54
Actuarial (gain)/loss arising from experience adjustments	30.01	7.16
Benefits paid	(194.59)	(183.39)
Closing defined benefit obligation	1,732.20	1,589.73

Movements in the fair value of the plan assets were as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Provident Fund		
Opening fair value of plan assets	1,517.64	1,382.41
Adjustment relating to opening fair value of plan assets	(1.27)	-
Interest on plan assets	105.77	99.74
Actuarial gain/(loss) on plan assets	25.54	12.11
Contributions	209.65	206.77
Benefits paid	(194.59)	(183.39)
Closing fair value of plan assets	1,662.74	1,517.64

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, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Central and State Government Securities including Public Sector Undertaking securities	78%	79%
Corporate Bonds	16%	15%
Mutual Funds	2%	1%
Special Deposit Scheme	4%	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, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
If the discount rate is 50 basis points higher/lower, the defined benefit obligation would:		
decrease by	1.85	1.28
increase by	1.91	1.33

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 1.80% (March 2024: 0.24%) or decrease in present value obligation by 1.63% (March 2024: 2.92%).

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.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	Year ended March 31, 2025	Year ended March 31, 2024
	₹	₹
3.3 Earnings per share		
Basic earnings per share	11.25	8.92
Diluted earnings per share	11.23	8.90
Face value per share	1.00	1.00

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
3.3.1 Basic earnings per share		
Profit for the year attributable to equity shareholders	3,303.29	2,617.87

	Year ended March 31, 2025	Year ended March 31, 2024
	Nos.	Nos.
Weighted average number of equity shares used in the calculation of basic earnings per share	2,93,64,48,646	2,93,61,45,309

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
3.3.2 Diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows:		
Profit for the year attributable to equity shareholders	3,303.29	2,617.87

	Year ended March 31, 2025	Year ended March 31, 2024
	Nos.	Nos.
Weighted average number of equity shares used in the calculation of basic earnings per share	2,93,64,48,646	2,93,61,45,309
Adjustments :		
Dilutive effect - Number of shares relating to employee stock options	54,32,446	42,03,315
Weighted average number of equity shares used in the calculation of diluted earnings per share	2,94,18,81,092	2,94,03,48,624

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.4 Share based payments

3.4.1 Details of employees stock option plan of the Company

The Company has Employees Stock Options Plan (ESOP) scheme granted to employees which has been approved by the shareholders of the Company. In accordance with the terms of the plan, eligible employees may be granted options to purchase equity shares of the Company if they are in service on exercise of the grant. Each employee share option converts into one equity share of the Company on exercise at the exercise price as per the scheme. The options carry neither rights to dividend nor voting rights. Options can be exercised at any time from the date of vesting to the date of their expiry.

The following share based payment arrangements were in existence during the current or prior year:

Option series	Number	Grant date	Expiry date	Exercise price ₹	Fair value at grant date ₹
ESOP 3 (Refer Note below)	20,00,000	July 19, 2017	July 19, 2027	83.50	57.42
ESOP 5 (Refer Note below)	1,31,00,000	March 20, 2019	March 20, 2030	91.40	40.19

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. 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, 2025 Numbers	Weighted average exercise price	Year ended March 31, 2024 Numbers	Weighted average exercise price
Outstanding at the beginning of the year	94,35,000	90.90	96,35,000	90.74
Granted during the year	-	-	-	-
Forfeited/lapsed during the year	-	-	-	-
Exercised during the year	2,00,000	83.50	2,00,000	83.50
Balance at the end of the year	92,35,000	91.06	94,35,000	90.90

Weighted Average share price on date of exercise of option ₹ 216.32 (2024: ₹ 169.40)

3.4.4 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 ₹ 91.06 (as at March 31, 2024: ₹ 90.90) and a weighted average remaining contractual life of 3.88 years (as at March 31, 2024: 4.81 years).

3.5 Lease arrangements

Company as lessee

Expenses for the year ended March 31, 2025 includes lease expense classified as short term lease expenses aggregating to ₹ 27.16 crores (March 31, 2024: ₹ 19.28 crores) which are not required to be recognised as part of the practical expedient under Ind AS 116.

Expenses for the year ended March 31, 2025 includes lease expense classified as variable lease payments aggregating to ₹ 69.19 crores (March 31, 2024: ₹ 70.10 crores).

The total cash outflow for leases for the year ended March 31, 2025 is ₹ 155.68 crores (March 31, 2024: ₹ 109.4 crores).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.6 Financial Instruments

3.6.1 Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual master planning and budgeting and corporate plan for working capital, capital outlay and long-term product and strategic involvements. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Company.

	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
Debt (long-term and short-term borrowings and lease liabilities net off effective interest rate adjustment)	1,481.72	2,299.40
Total Equity	11,518.79	8,810.37
Debt equity ratio	0.13	0.26

The quarterly returns or statements of current assets filed by the Company with Banks 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.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.6 Financial Instruments (Contd.)

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, 2025 (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	134.97	69.37	65.60	425.88	403.07	22.81	(42.79)
EUR	9.75	3.62	6.13	3.83	3.32	0.51	(5.62)
GBP	2.37	0.21	2.16	1.15	-	1.15	(1.01)
JPY	2.09	1.65	0.44	-	-	-	(0.44)
SGD	58.87	58.87	-	-	-	-	-
AED	1.28	-	1.28	55.32	-	55.32	54.04
Others	2.86	-	2.86	6.90	-	6.90	4.04

* Includes trade receivables for which remittance is in transit.

As on March 31, 2024 (all amounts are in equivalent ₹ in Crores):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	444.21	319.83	124.38	525.58	468.23	57.35	(67.03)
EUR	4.08	2.19	1.89	1.41	-	1.41	(0.48)
GBP	0.14	-	0.14	1.74	-	1.74	1.60
JPY	1.21	0.82	0.39	-	-	-	(0.39)
SGD	114.46	114.46	-	-	-	-	-
AED	0.87	-	0.87	53.72	-	53.72	52.85
Others	3.04	-	3.04	10.58	-	10.58	7.54

Foreign currency sensitivity analysis:

Movement in the functional currencies of the Company against major foreign currencies may impact the Company's Profit and loss. 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 reasonable 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):

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.6 Financial Instruments (Contd.)

₹ Crores

USD impact		
	March 31, 2025	March 31, 2024
Profit or loss	0.86	1.34
Equity	0.86	1.34

EUR impact		
	March 31, 2025	March 31, 2024
Profit or loss	0.11	0.01
Equity	0.11	0.01

GBP impact		
	March 31, 2025	March 31, 2024
Profit or loss	0.02	0.03
Equity	0.02	0.03

JPY impact		
	March 31, 2025	March 31, 2024
Profit or loss	0.01	0.01
Equity	0.01	0.01

AED impact		
	March 31, 2025	March 31, 2024
Profit or loss	1.08	1.06
Equity	1.08	1.06

Impact of other currencies		
	March 31, 2025	March 31, 2024
Profit or loss	0.08	0.15
Equity	0.08	0.15

The following table details the foreign currency forward contracts outstanding at the end of the reporting period:

Figures in Crores

March 31, 2025	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	0.57	49.02	1.14	April 2025 - July 2025	1 : 1 USD 1 : INR 87.73
Buy USD - Sell INR	USD	1.99	169.67	(2.30)	April 2025 - July 2025	1 : 1 USD 1 : INR 87.26
Fair value hedges:						
Buy USD - Sell INR	USD	0.81	69.37	(0.90)	April 2025 - June 2025	1 : 1 USD 1 : INR 86.93
Sell USD - Buy INR	USD	4.72	403.07	6.88	April 2025 - June 2025	1 : 1 USD 1 : INR 87.27
Sell EUR - Buy INR	EUR	0.04	3.32	0.02	May 2025	1 : 1 EUR 1 : INR 93.25
Buy EUR - Sell INR	EUR	0.04	3.62	#	May 2025	1 : 1 EUR 1 : INR 92.93
Buy JPY - Sell INR	JPY	2.90	1.65	(0.01)	April 2025 - May 2025	1 : 1 JPY 1 : INR 0.58
Buy GBP - Sell INR	GBP	#	0.21	#	May 2025	1 : 1 GBP 1 : INR 111.47

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.6 Financial Instruments (Contd.)

Figures in Crores

March 31, 2024	Foreign currency	Notional value in ₹	Fair value assets / (liabilities) in ₹ (Refer Note)	Maturity date	Hedge ratio	Weighted Average rate
Cash flow hedges:						
Sell USD - Buy INR	USD	0.56	47.03	(0.04)	April 2024 - May 2024	1 : 1 USD 1 : INR 83.45
Buy USD - Sell INR	USD	0.56	46.97	0.03	April 2024 - May 2024	1 : 1 USD 1 : INR 83.45
Fair value hedges:						
Buy USD - Sell INR	USD	0.49	41.20	0.04	April 2024 - May 2024	1 : 1 USD 1 : INR 83.44
Sell USD - Buy INR	USD	5.61	468.23	(1.09)	April 2024 - June 2024	1 : 1 USD 1 : INR 83.26
Buy EUR - Sell INR	EUR	0.02	2.19	#	April 2024 - May 2024	1 : 1 EUR 1 : INR 90.30
Buy JPY - Sell INR	JPY	1.50	0.82	#	May 2024	1 : 1 JPY 1 : INR 0.56

Note:

Included in the balance sheet under 'Current - other financial assets' and 'Current - other financial liabilities'. [Refer Notes 1.12A and 1.23]

amount is below rounding off norms adopted by the Company.

(2) Interest rate risk management:

The Company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates vice versa using interest rate swap contracts.

The exposure of company's borrowings to interest rate changes at the end of the reporting period are as follows:

	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
Variable rate Borrowings	402.00	358.75
Fixed rate Borrowings *	967.69	1,830.45
	1,369.69	2,189.20

* includes variable rate borrowings amounting to ₹ 57.76 crores (March 31, 2024: ₹ 389.95 crores) subsequently converted to fixed rate borrowings through swap contracts.

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, 2025 would decrease / increase by ₹ 0.50 crores (March 31, 2024 decrease / increase by ₹ 0.45 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 as at March 31, 2025 is ₹ 7.39 crores (March 31, 2024: ₹ 53.04 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, 2025 would approximately decrease/ increase by ₹ Nil (year ended March 31, 2024: decrease / increase by ₹ Nil).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.6 Financial Instruments (Contd.)

(4) Equity price risk:

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. The fair value of some of the Company's investments exposes the Company to equity price risks. In general, these securities are not held for trading purposes.

(B) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company is exposed to credit risk from trade receivables, bank balances, inter-company loans, financial guarantees and other financial assets.

Credit risk on Trade receivables:

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee cover is taken. The Company operates predominantly on cash and carry basis excepting sale to State Transport Undertaking (STU), Government project customers based on tender terms and certain export / domestic customers which are on credit basis. The average credit period is in the range of 7 days to 90 days. However, in select cases, credit is extended which is backed by Security deposit/ Bank guarantee/ Letter of credit and other forms. The Company creates specific provisions for disputes and the expected credit losses for such receivables are insignificant.

The Company makes a loss allowance using simplified approach for expected credit loss (ECL) and on a case to case basis. ECL are the weighted average of credit losses with the expected risk of default occurring as the weights (historically not significant). ECL is difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. The ageing on trade receivable is given in note 1.10.

The 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.

Others:

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings. The credit risk on intercompany loans, financial guarantees and other financial assets are evaluated to be immaterial.

The company investments in highly liquid mutual funds are considered low-risk. The credit ratings of the respective fund houses are carefully evaluated prior to making any investment decision.

(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, 2025	March 31, 2024
	₹ Crores	₹ Crores
From Banks		
- Secured	2,203.00	1,739.49
- Unsecured	816.90	784.82
Total	3,019.90	2,524.31

Further to the above, the Company has an option to issue commercial paper for an amount of ₹ 2,000 crores (March 31, 2024 ₹ 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, 2025	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	7,304.69	-	-	7,304.69
Other financial liabilities	1,203.64	12.57	-	1,216.21
Borrowings	614.03	945.77	62.16	1,621.96
Lease liabilities	18.42	23.67	33.12	75.21
	9,140.78	982.01	95.28	10,218.07

₹ Crores				
March 31, 2024	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	6,305.19	-	-	6,305.19
Other financial liabilities	2,456.22	21.31	-	2,477.53
Borrowings	1,234.46	1,252.74	-	2,487.20
Lease liabilities	19.20	26.97	26.39	72.56
	10,015.07	1,301.02	26.39	11,342.48

As there is immaterial expected credit loss on the financial guarantees given to group companies, the Company has not recognised a liability towards financial guarantee as at the end of the reporting period. Accordingly, not included in the above table. (Refer Note 3.9.1(iv) for details of financial guarantees availed by the group companies as at March 31, 2025 and March 31, 2024).

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, 2025	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Foreign exchange forward contracts	3.24	-	3.24
	3.24	-	3.24

₹ Crores			
March 31, 2024	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Foreign exchange forward contracts	1.13	-	1.13
	1.13	-	1.13

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.6 Financial Instruments (Contd.)

3.6.3 Categories of Financial assets and liabilities:

₹ Crores

	As at March 31, 2025	As at March 31, 2024
Financial assets		
Investments (net of impairment) measured at cost	5,229.15	5,019.14
a. Measured at amortised cost:		
Cash and cash equivalents	2,659.82	1,941.87
Other bank balances	46.13	1,496.31
Trade Receivables (net of allowance)	2,887.32	3,569.90
Loans	-	95.00
Investments	17.87	-
Others (net of allowance)	677.79	253.62
b. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):		
Investments	3,425.94	540.63
Derivatives designated in hedge accounting relationships	15.43	53.12
Financial liabilities		
a. Measured at amortised cost:		
Borrowings	1,435.44	2,254.53
Trade Payables	7,304.69	6,305.19
Other financial liabilities	1,220.55	2,483.95
b. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):		
Derivatives designated in hedge accounting relationships	3.24	1.13

3.6.4 Fair value measurements:

(A) Financial assets and liabilities that are not measured at fair values but in respect of which fair values are as follows:

The carrying amounts of current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature. Difference between fair value of non-current financial instruments carried at amortised cost and their carrying value is not considered to be material to the financials statements. The fair values for loans, security deposits are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(B) Financial assets and financial liabilities that are measured at fair value on a recurring basis as at the end of each reporting period:

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values for material financial assets and material financial liabilities have been determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2025	March 31, 2024		
Derivative instruments, i.e. forward foreign currency contracts, currency and interest rate swaps	Assets – ₹ 15.43 Crores; and Liabilities – ₹ 3.24 Crores	Assets – ₹ 53.12 Crores; and Liabilities – ₹ 1.13 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.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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, 2025	March 31, 2024				
Investments in mutual funds	₹ 3,018.70 crores	₹ 225.16 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 - ₹ 183.29 crores (Refer Note 1.3) Ashok Leyland (UAE) LLC ₹ 48.67 crores (Refer Note 1.3) Ashok Leyland Defence Systems Limited - ₹ 7.73 crores (Refer Note 1.3)	Preference shares of: Switch Mobility Automotive Limited - ₹ 164.88 crores (Refer Note 1.3) Hinduja Tech Limited - ₹ 23.90 crores (Refer Note 1.9) Ashok Leyland (UAE) LLC ₹ 44.60 crores (Refer Note 1.3) Ashok Leyland Defence Systems Limited - ₹ 7.27 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 and Investment in special limited partnership	Equity shares of: Hinduja Energy (India) Limited - ₹ 142.53 crores (Refer Note 1.3) Others - ₹ 25.02 crores (Refer Note 1.3)	Equity shares of: Hinduja Energy (India) Limited - ₹ 22.01 crores (Refer Note 1.3) Others - ₹ 52.81 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:

- There were no transfers between Level 1, 2 and 3 during the year.
- Other things remaining constant, a 5% increase/ decrease in the WACC or discount rate used would decrease/ increase the fair value of the unquoted preference shares by ₹ 72.18 crores / ₹ 131.68 crores (as at March 31, 2024: ₹ 72.39 crores / ₹ 137.28 crores).
- 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 ₹ 15.53 crores / ₹ 16.14 crores (as at March 31, 2024: ₹ 22.01 crores / ₹ 27.09 crores).
- Other things remaining constant, a 5% increase/ decrease in the revenue would increase/ decrease the fair value of the unquoted equity instruments by ₹ 60.17 crores / ₹ 59.13 crores (as at March 31, 2024: ₹ 63.53 crores / ₹ 22.01 crores).
- 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 ₹ 22.94 crores (as at March 31, 2024: gain of ₹ 4.41 crores). The Company has also recorded a fair value gain of ₹120.53 crores (March 31, 2024: loss of ₹ 124.99 crores) in equity investment of Hinduja Energy (India) Limited and presented the same under exceptional items in Note 2.8.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.7 Revenue from contracts with customers:

3.7.1 Disaggregated revenue information

	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
Type of goods and service		
a) Sale of products		
- Commercial vehicles	32,383.69	32,714.70
- Engines and gensets	1,190.17	1,006.55
- Ferrous castings and patterns	572.24	508.77
- Spare parts and others	3,977.90	3,469.41
	38,124.00	37,699.43
b) Sale of services		
- Freight and related services	670.57	566.38
- Annual Maintenance Contracts	270.01	284.74
- Warranty services	60.82	69.63
- Others	263.02	289.11
	1,264.42	1,209.86
c) Other operating revenues		
- Scrap sales	96.80	114.04
- Others	23.00	15.68
	119.80	129.72
Less: Rebates and discounts	805.57	715.52
Total revenue from contracts with customers	38,702.65	38,323.49
India	36,571.31	36,608.91
Outside India	2,131.34	1,714.58
Total revenue from contracts with customers	38,702.65	38,323.49

	March 31, 2025		March 31, 2024	
Timing of revenue recognition	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	38,220.80	-	37,813.47	-
- Sale of Services - Freight and related services	-	670.57	-	566.38
- Sale of Services - Annual Maintenance Contracts, warranty services and others	123.83	493.02	109.99	549.17
Less: Rebates and discounts	805.57	-	715.52	-
Total revenue from contracts with customers	37,539.06	1,163.59	37,207.94	1,115.55

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.7 Revenue from contracts with customers (Contd.)

3.7.2 Contract balances

Particulars	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
Trade receivables (Refer Notes 1.4 & 1.10)	2,887.32	3,569.90
Contract liabilities (Refer Notes 1.18 & 1.24)	795.71	759.47

Trade receivables are non - interest bearing and are generally on terms of 7 to 90 days (Refer Credit risk Note 3.6.2 (B)).

Contract liabilities includes advance received from customers and income received in advance arising due to allocation of transaction price towards maintenance contracts, freight on shipments not yet delivered to customer and unexpired service warranties. There is no significant change in contract liabilities.

3.7.3 Revenue recognised in relation to contract liabilities

Particulars	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
Revenue recognised from contract liabilities at the beginning of the year	468.49	350.05
Revenue recognised from performance obligations satisfied in previous years	-	-

3.7.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
Contracted price	39,508.22	39,039.01
Adjustments		
Rebates and discounts	(805.57)	(715.52)
Revenue from contract with customers	38,702.65	38,323.49

3.7.5 Unsatisfied or partially unsatisfied performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
Within one year	478.12	603.53
More than one year	372.86	300.16
	850.98	903.69

The remaining performance obligations expected to be recognised in more than one year relate to the extended warranty and other obligation which is expected to be recognised over a period of 24 months to 72 months. The Company applies practical expedient of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of less than a year.

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

OHM Global Mobility Private Limited From September 1, 2023

Optare Plc, UK

- Optare UK Limited
- Switch Mobility Limited, UK (Formerly Optare Group Limited)
 - Switch Mobility Automotive Limited
 - Switch Mobility Europe S.I, Spain
 - OHM International Mobility Limited, United Kingdom Liquidated on December 02, 2024
 - OHM Global Mobility Private Limited upto August 31, 2023
- Optare Australia PTY LTD Deregistered on April 10, 2023

Ashok Leyland (Chile) S.A.

Hinduja Leyland Finance Limited

- Hinduja Housing Finance Limited
- Hinduja Insurance Broking and Advisory Services Limited Liquidated on June 21, 2023
- Gaadi Mandi Digital Platforms Limited

HLF Services Limited

Global TVS Bus Body Builders Limited

Ashok Leyland (UAE) LLC

- LLC Ashok Leyland Russia Liquidated on December 12, 2024
- Ashok Leyland West Africa SA

Ashley Aviation Limited

Hinduja Tech Limited

- Hinduja Tech (Shanghai) Co., Limited
- Hinduja Tech Inc, United States of America
 - Drive System Design Inc, USA
- Hinduja Tech Canada Inc, Canada
- Hinduja Tech Limited, UK
 - Drive System Design Limited, UK
 - Drive System Design SRO, Czech

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.8 Related party disclosure (Contd.)

- Hinduja Tech GmbH, Germany	
- TECOSIM Group GmbH, Germany.....	From November 29, 2024
- TECOSIM GmbH, Germany.....	From November 29, 2024
- TECOSIM Limited, UK.....	From November 29, 2024
- TECOSIM Engineering S.R.L, Romania.....	From November 29, 2024
- TECOSIM Inc., USA	From November 29, 2024
- TECOSIM Japan Limited, Japan.....	From November 29, 2024
- TECOSIM Engineering Services Private Limited, India.....	From November 29, 2024

Vishwa Buses and Coaches Limited

Ashok Leyland Foundation From July 08, 2024

b) Other related parties

Fellow subsidiaries

Gulf Oil Lubricants India Limited

Hinduja Renewables Private Limited

Prathama Solarconnect Energy Private Limited

GOCL Corporation Limited

HR Vaigai Private Limited

Hinduja Rooftop Private Limited

Tirex Transmission Private Limited

Hinduja Foundries Holdings Limited

Associates

Ashok Leyland Defence Systems Limited

Lanka Ashok Leyland, Plc

Mangalam Retail Services Limited

Joint Ventures

Ashley Alteams India Limited

Gro Digital Platforms Limited

Ashok Leyland John Deere Construction Equipment Company Private Limited [Along with Gulf Ashley Motor Limited] (under liquidation)

Ze beyond Limited, UK

TVS Trucks and Buses Private Limited.....From February 23, 2024

Entity which is a Subsidiary of Associate of Holding Company

DA Stuart India Private Limited

Entity under the significant influence of Key Management Personnel

Hinduja Foundation

Entities where control exist

Ashok Leyland Educational Trust

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.8 Related party disclosure (Contd.)

Employee Trust

Ashok Leyland Employees Gratuity Fund
 Ashok Leyland Superannuation Fund
 Ashok Leyland Employees Ennore Provident Fund Trust
 Ashok Leyland Senior Executives Provident Fund Trust
 Ashok Leyland Employees Hosur Provident Fund Trust
 Ashok Leyland Employees Bhandara Provident Fund Trust
 Ashok Leyland Employees Alwar Provident Fund Trust
 Ennore Foundries Limited Employees Provident Fund
 Ennore Foundries Gratuity Fund
 Ennore Foundries Employees Pension cum Insurance Fund
 Ennore Foundries Senior Executives Superannuation Fund

Key management personnel

Mr. Dheeraj G Hinduja, Executive Chairman
 Mr. Shenu Agarwal, Managing Director and Chief Executive Officer
 Mr. Gopal Mahadevan, Whole-time Director #
 Mr. K.M. Balaji, Chief Financial Officer..... From June 1, 2024
 Prof. Dr. Andreas H Biagosch Upto July 25, 2024
 Mr. Jean Brunol Upto July 25, 2024
 Mr. Jose Maria Alapont
 Ms. Manisha Girotra
 Mr. Sanjay K Asher
 Mr. Shom Ashok Hinduja
 Mr. Saugata Gupta
 Dr. Venkataramani Sumantran.....From May 24, 2024
 Dr. C B Rao..... Upto July 31, 2024
 Mr. Thomas Dauner From June 04, 2024

Notes:

Transaction with Rajalakshmi Wind Energy Limited (erstwhile Ashok Leyland Wind Energy Limited), HR Vaigai Private 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, HR Vaigai Private Limited and Prathama Solarconnect Energy Private Limited, although the Company holds 26% of the equity share capital of Rajalakshmi Wind Energy Limited, HR Vaigai Private 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.

Chief Financial Officer till May 31, 2024

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.8 Related party disclosure (Contd.)

c) Related Party Transactions - summary

		Subsidiaries		Fellow Subsidiaries		Associates		Joint Ventures		Entities which is a Subsidiary of Associate of Holding Company		Entities under the significant influence of Key Management Personnel		Holding Company		Entities where control exist		Employee Trust		Key Management Personnel		Total	
	Transactions during the year ended March 31	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
1	Purchase of raw materials, components and traded goods (net of GST)	1,357.66	1,313.88	147.60	156.01	66.86	48.97	216.92	219.23	7.11	12.97	-	-	-	-	-	-	-	-	-	-	1,796.15	1,751.06
2	Sales and services (net of GST)	1,228.40	1,017.11	81.24	80.85	264.47	153.51	228.20	0.47	-	-	-	-	-	-	-	-	-	-	-	-	1,802.31	1,251.94
3	Other operating Income	-	-	-	-	-	-	1.17	1.86	-	-	-	-	-	-	-	-	-	-	-	-	1.17	1.86
4	Other expenditure incurred / (recovered) (net)	67.45	42.55	59.66	48.66	(3.75)	(1.36)	28.94	15.62	3.26	0.27	5.72	1.48	0.03	0.51	(0.74)	(0.78)	-	0.28	0.34	160.85	107.29	
5	Interest and other income	19.29	65.17	-	-	1.04	1.30	0.03	0.29	-	-	-	-	-	-	-	-	-	-	-	-	20.36	66.76
6	Purchase of assets	11.81	49.83	0.63	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.44	49.83
7	Sale of asset	0.10	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10	0.02
8	Dividend payments	-	-	4.95	1.85	-	-	-	-	-	-	-	-	1,038.01	388.32	-	-	-	-	-	-	1,042.96	390.17
9	Dividend Income	48.13	78.05	-	-	0.41	0.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48.54	78.17
10	Remuneration to key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60.40	41.90	60.40	41.90	
11	Commission and sitting fees to key management personnel *	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.51	8.16	8.51	8.16	
12	Financial guarantees issued	1,054.89	327.83	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,054.89	327.83
13	Financial guarantees released	1,070.97	281.36	-	-	-	-	2.50	3.63	-	-	-	-	-	-	-	-	-	-	-	-	1,073.47	284.99
14	Investments in shares of	203.21	1,506.71	5.09	-	-	20.36	10.00	39.95	-	-	-	-	-	-	-	-	-	-	-	-	218.30	1,567.02
15	Inter-corporate deposits repaid	-	200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200.00
16	Loan Given	-	500.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500.00
17	Loan Repaid	95.00	405.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95.00	405.00
18	Contribution to employee related trusts made during the year including loans and interest recovered	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	259.59	228.35	-	259.59	228.35
19	Application money paid towards investment in	498.76	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	498.76	-

* includes commission and sitting fees to other directors aggregating to ₹ 8.51 crores (2024 : ₹ 8.16 crores).

All the transactions are at arms length in line with the related party transactions policy of the Company.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.8 Related party disclosure (Contd.)

d) Related Party balances - summary

	Subsidiaries		Fellow Subsidiaries		Associates		Joint Ventures		Holding Company		Entities where control exist		Employee Trust		Key Management Personnel		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Balances as on March 31																		
1 Trade receivables (Refer Notes 1.4 and 1.10)	222.73	264.39	25.67	24.91	52.93	77.80	1.41	0.80	-	-	0.25	0.63	-	-	-	-	302.99	368.53
2 Loans (Refer Note 1.12)	-	95.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95.00
3 Other financial and non-financial assets (Refer Notes 1.7 and 1.12A)	1.17	5.49	-	-	-	-	1.83	1.83	-	-	-	-	-	-	-	-	3.00	7.32
4 Trade and other payables	294.60	213.25	33.70	34.94	9.64	25.83	28.23	32.89	-	0.08	-	-	18.42	27.68	37.57	26.03	422.16	360.70
5 Financial guarantees	1,020.83	758.91	-	-	-	-	0.75	3.25	-	-	-	-	-	-	-	-	1,021.58	762.16
6 Application money paid towards investment in	498.76	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	498.76	-

₹ Crores

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.8 Related party disclosure (Contd.)

e) Significant Related Party Transactions

Transactions during the year ended March 31		₹ Crores	
	2025	2024	
1 Purchase of raw materials, components and traded goods (net of GST)			
Ashley Alteams India Limited	153.50	151.04	
Gulf Oil Lubricants India Limited	147.60	156.01	
Global TVS Bus Body Builders Limited	136.35	117.59	
Albonair (India) Private Limited	898.60	930.38	
Vishwa Buses and Coaches Limited	280.36	232.08	
Ashok Leyland Defence Systems Limited	66.86	48.97	
2 Sales and services (net of GST)			
Gulf Ashley Motor Limited	185.09	239.14	
Ashok Leyland (UAE) LLC	998.32	734.98	
Lanka Ashok Leyland Plc	160.48	87.73	
Switch Mobility Automotive Limited	43.28	11.26	
Gulf Oil Lubricants India Limited	81.24	80.85	
TVS Trucks and Buses Private Limited	227.87	-	
3 Other Operating Income			
Ashley Alteams India Limited	1.17	1.86	
4 Other expenditure incurred / (recovered) (net)			
Hinduja Automotive Limited, United Kingdom	0.03	0.51	
Gulf Ashley Motor Limited	6.61	5.99	
HLF Services Limited	15.12	13.50	
Ashok Leyland Defence Systems Limited	(3.55)	(1.47)	
Hinduja Tech Limited	43.82	37.72	
Lanka Ashok Leyland Plc	(0.20)	0.11	
Albonair GmbH, Germany	0.06	-	
Ashok Leyland (UAE) LLC	(0.32)	(0.34)	
Hinduja Renewables Private Limited	7.90	7.47	
Gro digital platforms Limited	27.64	15.66	
Prathama Solarconnect Energy Private Limited	41.82	40.98	
Switch Mobility Automotive Limited	(1.06)	(9.70)	
Albonair (India) Private Limited	(3.53)	(4.83)	
Drive System Design Limited, UK	6.63	0.07	
DA Stuart India Private Limited	3.26	0.27	
HR Vaigai Private Limited	5.76	-	
5 Interest and other income			
Ashok Leyland Defence Systems Limited	1.04	1.30	
Albonair (India) Private Limited	0.63	0.63	
Ashley Aviation Limited	2.26	2.26	
Switch Mobility Automotive Limited	10.71	53.73	
Albonair GmbH, Germany	0.52	0.63	
Optare Plc, UK	0.07	1.09	
Vishwa Buses and Coaches Limited	0.90	0.87	
Switch Mobility Limited, UK	4.09	5.93	
6 Purchase of assets			
Hinduja Tech Limited	11.70	-	
Switch Mobility Automotive Limited	-	49.83	
7 Sale of assets			
Vishwa Buses and Coaches Limited	0.10	0.02	
8 Dividend payment			
Hinduja Automotive Limited, United Kingdom	1,038.01	388.32	
Hinduja Foundries Holdings Limited	4.95	1.85	
9 Dividend income			
Lanka Ashok Leyland Plc	0.41	0.12	
Albonair (India) Private Limited	45.00	74.97	
Ashok Leyland (UAE) LLC	3.13	3.08	
10 Financial guarantees issued			
Switch Mobility Limited, UK (Formerly Optare Group Limited)	930.26	327.83	
Albonair GmbH, Germany	124.63	-	

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.8 Related party disclosure (Contd.)

e) Significant Related Party Transactions (Contd.)

Transactions during the year ended March 31		2025	2024
11	Financial guarantees released		
	Ashley Alteams India Limited	2.50	3.36
	Optare Plc, UK	33.19	281.36
	Switch Mobility Limited, UK (Formerly Optare Group Limited)	908.74	-
	Albonair GmbH, Germany	129.04	-
12	Investment in shares of		
	Ashley Aviation Limited	3.20	4.00
	Vishwa Buses and Coaches Limited	-	3.40
	Gro digital platforms Limited	10.00	15.00
	Optare Plc, UK	-	1,199.31
	TVS Trucks and Buses Private Limited	-	24.95
	OHM Global Mobility Private Limited	-	300.00
	Hinduja Leyland Finance Limited	200.00	-
	Ashok Leyland Defence Systems Limited	-	20.36
	HR Vaigai Private Limited	5.09	-
	Ashok Leyland Foundation	0.01	-
13	Inter-corporate deposits repaid		
	Switch Mobility Automotive Limited	-	200.00
14	Commission and sitting fees to key management personnel		
	Commission and sitting fees to other directors in aggregate	8.51	8.16
15	Contribution to employee related trusts made during the year including loans and interest recovered		
	Ashok Leyland Employees Ennore Provident Fund Trust	55.12	53.19
	Ashok Leyland Employees Hosur Provident Fund Trust	51.63	49.20
	Ashok Leyland Senior Executives Provident Fund Trust	73.05	55.11
	Ashok Leyland Employees Gratuity Fund	34.08	30.11
	Ashok Leyland Superannuation Fund	17.55	16.79
	Ennore Foundries Gratuity Fund	2.26	1.83
	Ennore Foundries Limited Employees Provident Fund	13.47	12.82
16	Loan given		
	Switch Mobility Automotive Limited	-	500.00
17	Loan repaid		
	Switch Mobility Automotive Limited	95.00	405.00
18	Remuneration to key management personnel *		
	Mr. Shenu Agarwal		
	Short term employee benefits	12.22	8.47
	Other long term employee benefits	0.08	0.08
	Mr. Gopal Mahadevan		
	Short term employee benefits	13.73	8.34
	Other long term employee benefits	0.08	0.08
	Share-based payment	0.84	0.93
	Mr. Dheeraj G Hinduja		
	Short term employee benefits	28.65	23.92
	Other long term employee benefits	0.08	0.08
	Mr. K.M. Balaji		
	Short term employee benefits	4.65	-
	Other long term employee benefits	0.07	-
19	Application money paid towards investment in		
	Optare Plc, UK	498.76	-

* Excludes contribution for gratuity and compensated absences and long term incentive plan as the incremental liability has been accounted for the Company as a whole.

f. Details of loans / intercorporate deposits (excluding interest accrued) as required under regulation 53(1)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

₹ Crores

Name of the Company		March 2025			March 2024			
	Status	Outstanding amount	Maximum loan outstanding during the year	Investment in shares of the Company	Status	Outstanding amount	Maximum loan outstanding during the year	Investment in shares of the Company
Switch Mobility Automotive Limited	Subsidiary	-	95.00	-	Subsidiary	95.00	700.00	-

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.9 Contingent liabilities

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Claims against the Company not acknowledged as debts (net)		
i) Sales tax / VAT / GST #	260.03	244.28
ii) Excise duty #	9.03	9.20
iii) Service Tax #	59.36	59.81
iv) Customs Duty #	0.43	0.43
v) Others	39.41	40.51

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 Supreme Court Judgement in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and the Management believes that further clarity is required on this matter for the time period prior to 31st March 2019. However, it is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

The Company is involved in various claims and actions in the ordinary course of business. The Company accrues a liability when a loss is considered probable and the amount can be reasonably estimated. In the opinion of the management the outcome of any existing claims, legal and regulatory proceedings, if decided adversely, is not expected to have a material adverse effect on the business, financial condition, results of operations and cash flows of the Company based on the current position of such claims/legal actions.

3.9.1 Disclosure as required under section 186(4) of the Companies Act, 2013:

₹ Crores

Particulars	As at March 31, 2025	As at March 31, 2024	Maximum amount outstanding during the year	Purpose
i) Loans outstanding (Refer Sub-Note 1)				
-Switch Mobility Automotive Limited	-	95.00	95.00	For Operating expenses, Working Capital Requirements, Capital expenditure and general corporate purposes.
ii) Intercompany deposits outstanding (Refer Sub-Note 1)				
- Hinduja Group Limited	-	25.00	70.00	For Operating expenses and working capital purposes
- Hinduja Realty Ventures Limited	-	25.00	70.00	For Operating expenses and working capital purposes
- Indusind Media & Communications Limited	-	25.00	70.00	For Operating expenses and working capital purposes
- OneOTT Entertainment Limited	-	25.00	70.00	For Operating expenses and working capital purposes
- In Entertainment (India) Limited	-	-	70.00	For Operating expenses and working capital purposes
- Hinduja Healthcare Limited	-	-	70.00	For Operating expenses and working capital purposes
- Hinduja Properties Limited	-	-	70.00	For Operating expenses and working capital purposes

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.9.1 Disclosure as required under section 186(4) of the Companies Act, 2013: (Contd.)

₹ Crores

Particulars	As at March 31, 2025	As at March 31, 2024	Maximum amount outstanding during the year	Purpose
iii) Guarantees availed				
- Optare plc, UK	-	31.51	32.23	Guarantees for working capital loan
- Switch Mobility Limited, UK	891.90	601.57	891.90	Guarantees for term loan / working capital loan
- Ashley Alteams India Limited	0.75	3.25	3.25	Guarantees for term loan
- Albonair GmbH	128.93	125.83	131.27	Guarantees for working capital loan
iv) Application money paid towards investment in subsidiary				
- Optare plc, UK	498.76	-		Refer Note 3.19

Notes:

- The terms are in compliance with Section 186(7) of the Companies Act, 2013.
- For Investments Refer Note 1.3 and 1.9

3.9.2 Others

The value of corporate guarantee given to bank for the loan taken by subsidiaries and a joint venture company for the year ended March 31, 2025 is ₹ 1,021.58 crores (March 31, 2024: ₹ 762.16 crores).

3.10 Commitments

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
a) Capital commitments (net of advances) not provided for [including ₹ 28.03 Crores (March 2024: ₹ 50.22 Crores) in respect of intangible assets]	727.75	467.57
b) Uncalled liability on partly paid shares / investments [Refer Note 1.3]	#	#
c) Other commitments		
i) Financial support given to certain subsidiaries, joint ventures, etc. (including undertaking provided to customers of certain subsidiaries).		
ii) Lock-in commitment in shareholders agreement [Refer Note 1.3]		

The outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved.

Amount is below rounding off norms adopted by the Company.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.11 Details of Non-current borrowings:

₹ Crores

As at March 31, 2025				Particulars of Redemption / Repayment	As at March 31, 2024		
	Non-current	Current Maturities	Total		Non-current	Current Maturities	Total
a. Secured borrowings:							
i. Term Loans:							
TL - 12	100.00	100.00	200.00	Repayable annually in 5 equal installments starting from September 9, 2022	200.00	100.00	300.00
TL - 13	-	55.00	55.00	Repayable annually in 4 equal installments starting from May 12, 2023. Further, the Company has made prepayment of ₹ 95 crores in FY 2024-25.	150.00	75.00	225.00
TL - 14	-	12.50	12.50	Repayable semi annually in 8 equal installments starting from February 28, 2022	12.50	25.00	37.50
TL - 15	66.25	21.25	87.50	Repayable quarterly in 20 installments of varying amounts starting from July 1, 2023	87.50	8.75	96.25
TL - 16	120.00	40.00	160.00	Repayable annually in 5 equal installments starting from March 25, 2025	160.00	40.00	200.00
TL - 17	112.50	56.25	168.75	Repayable semi annually in 12 installments of varying amounts starting from September 30, 2022	168.75	56.25	225.00
TL - 18	237.73	9.27	247.00	Repayable quarterly in 24 installments of varying amounts starting from September 30, 2025	-	-	-
	636.48	294.27	930.75		778.75	305.00	1,083.75
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	200.00	-	200.00
	200.00	-	200.00		200.00	-	200.00
iii. SIPCOT Soft loan							
	-	31.18	31.18	Repayable on August 1, 2025	31.18	-	31.18
	-	31.18	31.18		31.18	-	31.18

- (i) TL -12 - Term loan was secured by way of first ranking charge on the specified plant and machinery of a manufacturing unit of the Company located at Pantnagar to the extent of loan amount outstanding.
- (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 movable fixed assets of a manufacturing unit of the Company located at Pantnagar to the extent of 1.10 times of the amount of loan.
- (iv) TL - 15 - Term loan was secured by way of exclusive charge on the specified plant and machinery and other movable fixed assets of the manufacturing units of the Company located at Pantnagar and Hosur to the extent of 1.25 times of the amount of loan.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.11 Details of Non-current borrowings: (Contd.)

- (v) TL -16 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Company located at Chennai and Hosur to the extent of loan amount outstanding.
- (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 to the extent of 1.10 times of the amount of loan.
- (vii) TL-18 Term Loan is secured by way of exclusive charge on the aircraft which is under construction. Further, security will be created within stipulated timeline as per the terms of loan agreement.
- (viii) 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.
- (ix) 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 / modification of charges with the Registrar of Companies within the stipulated period.

₹ Crores

As at March 31, 2025				Particulars of Redemption / Repayment	As at March 31, 2024		
	Non-current	Current Maturities	Total		Non-current	Current Maturities	Total
b. Unsecured borrowings:							
i. ECB loans							
ECB -16	-	57.76	57.76	Repayable annually in 3 equal installments starting from November 18, 2023	55.97	55.97	111.94
ECB -15	-	-	-	Repaid on February 28, 2025	-	55.60	55.60
ECB -14	-	-	-	Repaid on September 23, 2024	-	222.41	222.41
	-	57.76	57.76		55.97	333.98	389.95
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 9.35% p.a. (March 31, 2024: 9.25% p.a). The weighted average rate of interest of these loans is around 7.22 % p.a (2023-2024 : 7.54% p.a).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.12 Details of current borrowings

As at March 31, 2025		Particulars of Repayment	As at March 31, 2024
₹ Crores			₹ Crores
a. Secured borrowings			
i. - Bills discounted	-	Repaid on various dates upto September 2024	10.51
ii. - STL 27	-	Repaid on April 10, 2024	250.00
	-		260.51

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, 2024: ₹ 2,000 crores)

As at March 31, 2025		Particulars of Repayment	As at March 31, 2024
₹ Crores			₹ Crores
b. Unsecured borrowings			
i. - STL 28	150.00	Repayable on April 11 2025	-
ii. - STL 26	-	Repaid on June 20, 2024	150.00
	150.00		150.00
i. - Bills discounted	-	Repaid on various dates upto September 2024	73.80
	-		73.80

The above outstanding borrowings carry varying rates of interest with the maximum rate of interest going upto 7.30% p.a (March 31, 2024: 7.40% p.a). The weighted average rate of interest of these borrowings is around 7.30% p.a (2023-2024: 7.39% 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, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
3.13.1 Auditors' remuneration		
Included under selling and administration expenses - net [Refer Note 2.7]		
i) For financial audit	2.25	1.90
ii) For other services - limited review, certification work, etc.	1.32	1.01
iii) For reimbursement of expenses	0.11	0.08
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]	529.58	454.72
3.13.3 Impact of exchange (gain) / loss for the year in the Statement of Profit and Loss due to:		
a) Translation / settlement (net) *	(2.74)	(2.03)
* Included under selling and administration expenses [Refer Note 2.7]		
b) Depreciation on exchange difference capitalised #	31.87	43.90
# Included under depreciation and amortisation expense [Refer Note 2.6]		
c) Exchange (gain) treated as adjustment to finance costs [Refer Note 2.5]	(8.67)	(11.67)

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 2025	March 2024
i) Principal amount paid after appointed date during the year	-	-
ii) Amount of interest due and payable for the delayed payment of principal amount	-	-
iii) Principal amount remaining unpaid as at year end (over due)	-	-
iv) Principal amount remaining unpaid as at year end (not due)	72.60	88.49
v) Interest due and payable on principal amount unpaid as at the year end	-	-
vi) Total amount of interest accrued and unpaid as at year end	0.32	0.32
vii) Further interest remaining due and payable for earlier years	0.32	0.32

Also refer notes 1.22 and 1.23

3.15 CSR Expenditure:

₹ Crores		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
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)	37.98	10.39
Surplus carried forward from previous year set off during the year	(20.96)	(10.39)
Opening surplus, carried forward to next year	-	4.66
Amount of expenditure incurred		
(i) Construction / acquisition of any asset	-	-
(ii) Ongoing projects (does not include ₹ 0.85 crores of FY 2023 paid in FY 2024)	29.10	11.66
(iii) On purposes other than (i) & (ii) above	6.17	3.79
Total amount of expenditure incurred	35.27	15.45
Amount spent during the year carried forward to next year *	18.25	15.45
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 healthcare	- Education, - Environmental sustainability, - Eradicating hunger, poverty, malnutrition and preventive healthcare
Details of related party transactions where CSR is entrusted to a related party Out of the total expenditure incurred, contributed to Hinduja Foundation	5.72	1.48
Opening balance of earmarked bank account relating to CSR activities	-	4.26
Addition for the year	-	0.03
Utilisation from the balance for the year	-	4.29
Closing balance of earmarked bank account relating to CSR activities	-	-
Opening balance of provision relating to CSR activities	-	5.14
Addition	-	-
Utilisation	-	5.14
Closing balance of provision relating to CSR activities	-	-

* Considered as prepaid expenses for the year ended March 31, 2025

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.16 Goodwill

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Gross Goodwill at the beginning 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 19.0% (March 2024: 17.5%) and terminal growth rate of 3% (March 2024: 3%) for the purpose of impairment testing based on the next five years projected cash flows. Both pre tax and post tax discount rates give the same recoverable amount. The Company believes that any reasonable further change in the key assumptions on which recoverable amount is based, would not cause the carrying amount to exceed its recoverable amount.

Also Refer Notes 1D and 1E.15

3.17 Financial Ratios

Ratios	FY 2024-2025	FY 2023-2024	% of Change
Debt equity ratio #	0.13	0.26	-51%
Debt service coverage ratio *	4.51	2.64	71%
Current ratio	1.08	0.96	12%
Trade receivable turnover ratio	12.00	10.05	19%
Inventory turnover ratio	8.99	9.36	-4%
Trade payable turnover ratio	4.70	4.82	-2%
Net capital turnover ratio *	175.67	597.29	-71%
Return on capital employed (%)	34.41%	37.58%	-8%
Return on equity (%)	32.50%	30.38%	7%
Net profit margin % *	8.52%	6.82%	25%

The Company earns a return on investment ranging from 5.0 % to 7.9 % p.a on fixed deposit and mutual funds.

* The reason for change in ratios by more than 25% is mainly due to higher profitability and improved working capital management during year ended March 31, 2025 in comparison with year ended March 31, 2024.

Repayment of debt during the year ended March 31, 2025.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 (i) During the year, the Company paid share application money on March 27, 2025 amounting to GBP 45 million (₹ 498.76 crores) towards additional equity investment in Optare Plc (its subsidiary) [Intermediary 1]. The shares were subsequently allotted on April 02, 2025. Intermediary 1 intends to invest in Switch Mobility Limited, UK (its subsidiary) [Ultimate Beneficiary].

For the year ended March 31, 2024, the Company has invested ₹ 1,199.30 crores in two tranches viz November 28, 2023 and February 06, 2024, in Optare Plc, UK (its subsidiary) [Intermediary 1]. Out of the aforementioned amount, Intermediary 1 has invested in Switch Mobility Limited, UK (its subsidiary) [Intermediary 2] a sum of GBP 36.27 million on November 30, 2023 and another tranche of GBP 50.68 million on February 08, 2024 as equity. Further, from the amount received, Intermediary 2 invested ₹ 208.64 crores on December 11, 2023 and ₹ 341.36 crores on February 09, 2024 in Switch Mobility Automotive India Limited [Ultimate Beneficiary].

The Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013, to the extent applicable, and these transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Except as detailed above, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) 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:

- 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.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- 3.20** No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- 3.21** The Company has complied with the number of layers prescribed under the Companies Act.
- 3.22** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- 3.23** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- 3.24** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the certain provisions of the Code will come into effect and the rules thereunder has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 3.25** The figures for the previous year have been reclassified / regrouped wherever necessary including for amendments relating to Schedule III of the Companies Act, 2013 for better understanding and comparability. The reclassifications / regroupings do not have material impact on the standalone financial statements.
- 3.26** The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Baskar Pannarselvam
Partner
Membership Number: 213126

May 23, 2025
Chennai

For and on behalf of the Board of the Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

K.M. Balaji
Chief Financial Officer

N. Ramanathan
Company Secretary

May 23, 2025
London

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 (Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures (refer note 3.1 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2025, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2025, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our

responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, its associates 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 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.
5. The following Key Audit Matters were included in the Memorandum of Work performed issued by other auditor whose audit Report dated May 17, 2025, containing an unmodified audit opinion on the consolidated financial information of Hinduja Leyland Finance Limited a subsidiary of the Holding Company issued jointly by independent firms of Chartered Accountants:

(a) Hinduja Leyland Finance Limited

Key audit matter	How our audit addressed the key audit matter
a. Impairment of financial assets (loans) based on Expected Credit Losses (ECL)	
As of March 31, 2025, the Company reported total gross loans of ₹ 37,904.53 crores (March 31, 2024: ₹ 30,037.98 crores) and expected credit loss provision of ₹ 888.22 crores (March 31, 2024: ₹ 801.37 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 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 assets and lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgement and assumptions involved in measuring ECL is required with respect to:	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the expected credit losses through procedures which included, but were not limited to the following: • Examined the policy approved by the Board of Directors ("Board") with respect to process and procedures for assessing and measuring credit risk on the lending exposures of the Company and evaluated its appropriateness in accordance with the requirements of Ind AS 109. • Evaluated the design and tested the operating effectiveness of controls across the process relevant to ECL measurement, including around the judgements and estimates made by the management. These controls, amongst others, included controls over the allocation of assets into stages along with management's monitoring and completeness of the underlying data used in the models, credit monitoring, passing of journal entries and preparing disclosures. • With respect to management expert involved for the Company's modelling approach, we obtained the deliverables of the expert submitted to the management and assessed the professional competence and objectivity of such management expert. • Tested the completeness of loans included in the ECL calculations as of March 31, 2025 by reconciling such data with the balances as per loan book register.

INDEPENDENT AUDITORS' REPORT

Key audit matter	How our audit addressed the key audit matter
- Segmentation of loan assets in buckets based on common risk characteristics - Staging of loans and in particular determining the criteria, which includes qualitative factors for identifying a significant increase in credit risk (i.e. Stage 2) and credit-impaired (i.e. Stage 3) including the days past due. - Factoring in future macro-economic and industry specific estimates and forecasts. - Past experience and forecast data on customer behaviour on repayments. - Varied statistical modelling techniques to determine PD, LGD and Exposure at Default (EAD) basis the default history of loans, subsequent recoveries made and other relevant factors using probability-weighted scenarios. - Effect of discounting the cash flows by estimating the timing of expected credit shortfalls associated with the defaults. Impairment losses in addition to the model-driven ECL results are recorded as overlays by management, to address known impairment model limitations or emerging trends as well as risks not captured by models. As at March 31, 2025, overlays represent approximately 31% of the ECL balances. These adjustments required significant management judgement. Determining ECL on the financial assets also requires compliance with key disclosure requirements as prescribed under the standards and by the Reserve Bank of India, to explain the key judgements and assumptions made by the management in the measurement. Considering the significance of the above matter to the consolidated financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.	- Tested, on a sample basis, the appropriateness of determining EAD, the data used in the PD and LGD model for ECL calculation by reconciling it to the source information systems of the Company. Further, tested classification of assets into stage 1, 2 and 3 categories, on a sample basis, to verify that these were allocated to the appropriate stage. - 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 overlay, 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 November 12, 2021 along with RBI notification RBI/2021- 2022/158 dated February 15, 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 judgments and assumptions used. - Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying consolidated financial statements in accordance with the applicable Indian Accounting Standards and related RBI circulars and Resolution Framework.
b. Financial assets measured at fair value through other comprehensive income (FVTOCI)	
As at March 31, 2025, the Company has loans amounting to ₹ 27,141.24 crores (March 31, 2024: ₹ 20,913.39 crores) that are carried and measured at FVTOCI in accordance with Ind AS 109. The classification of such loans at FVTOCI is dependent on the business model adopted by the Company to manage such financial assets in order to generate cash flows. The management has determined that their business model of aforesaid loans is to collect contractual cash flows (solely payments of principal and interest on the amount outstanding) and also to sell such financial assets, and hence, such loans are classified at FVTOCI in accordance with the principles of Ind AS 109. In measuring these loans, valuation methods are used based on inputs that are not directly observable from market information and certain other unobservable inputs. The management has used the services of an independent professional valuer for arriving at the fair value of aforesaid loan assets. Such fair value is derived using discounted cash flow models wherein the key assumptions include discount rate and adjustment for credit risk including default risk. Given the subjectivity involved in ascertaining the business model and the fair valuation of the aforesaid loans, relative significance of these loans to the consolidated financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.	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 management's 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 internal specialists, assessed whether the valuation methodology adopted by the management's expert is appropriate and tested the reasonableness of the underlying assumptions used such as discount rates to estimate the fair value of the said loans by performing independent sensitivity analysis. Also, tested the completeness of source data and arithmetical accuracy of the management working. - Assessed the appropriateness and adequacy of disclosures made in the consolidated financial statements with respect to Company's exposure to financial instrument valuation risk as per the requirements of the Indian Accounting standards. - Obtained written representations from the management in relation to reasonableness of the assumptions and judgments used in the valuation of these loans.

INDEPENDENT AUDITORS' REPORT

Key audit matter	How our audit addressed the key audit matter
c. Information Technology ("IT") Systems and Controls for the financial reporting process	
The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed in numerous locations on a daily basis. The financial accounting system of the Company is integrated with several other modules including Loan Management, Originating and Collection modules and other work flows. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. The accuracy and reliability of the financial reporting process depends on the IT systems and the related control environment, including: • IT general controls over user access management and change management across applications, networks, database, and operating systems; • IT application controls. Due to the pervasive nature and importance of the role of IT systems and related control environment on the Company's financial reporting process, we have identified testing of such IT systems and related control environment as a key audit matter for the current year audit.	In our audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures with the involvement of our IT specialists, which included but were not limited to, the following: • Obtained an understanding of the Company's IT related control environment, IT applications, databases and IT Infrastructure. Based on our understanding, we have evaluated and tested relevant IT general controls and IT application controls on the systems identified as relevant for our audit of the consolidated financial statements. • On such in-scope IT systems, we have tested key IT general controls with respect to the following domains: a. User access management, which includes user access provisioning, de-provisioning, access review, password policies, sensitive access rights and segregation of duties to ensure that privileged access to applications, operating system and databases in the production environment were granted only to authorized personnel; b. Program change management, which includes controls on moving program changes to production environment by authorised personnel as per defined policy and procedures along with adequate segregation of environment; c. Other areas that were assessed under the IT control environment included backup management, incident management, batch processing and interfaces. • Reviewed the report of Information System Audit carried out in the current and previous years by a firm engaged by management, pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting and discussed the deficiencies with the management along with corresponding mitigating actions undertaken. • Evaluated the design and tested the operating effectiveness of key automated controls within various business processes, including testing of relevant system logic and corresponding automated calculations and process for automated accounting entries, as applicable. Where deficiencies were identified, tested compensating controls and / or performed additional substantive audit procedures as required to mitigate any risk of material misstatement with respect to related financial statement line item. • Obtained written representations from management on whether IT general controls and automated IT controls are designed and were operating effectively during the year.

INDEPENDENT AUDITORS' REPORT

(b) Hinduja Housing Finance Limited - Subsidiary of Hinduja Leyland Finance Limited

Key audit matter	How our audit addressed the key audit matter
a. Impairment of Loans to Customers Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ("ECL") estimation model. As at March 31, 2025, the Company has total gross loan assets of ₹ 10,996.55 crores against which an impairment loss of ₹ 158.64 crores has been recorded. The calculation of impairment losses on loans is complex and is based on the application of significant management judgements, estimates and the use of different modelling techniques and assumptions, which have a material impact on reported profits. The Company has applied a three-stage approach based on changes in credit quality to measure expected credit loss on loans. The key areas where we identified greater levels of management judgement are: • Staging of loans and determining the criteria for a significant increase in credit risk. • Model estimations - the most significant judgment aspects are determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD") • Determining macro-economic factors impacting credit quality of receivables ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecast of future economic conditions which could impact the credit quality of the Company's loans and advances. In view of such a high degree of Management's judgement involved in estimation of ECL, it is a key audit matter.	Our key audit procedures included: • Review of the Company's accounting policies for impairment of loan assets in terms of accounting principles laid down in Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued from time to time. • Understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation to evaluate the reasonableness of the Management estimates. • Assessed and tested the design and operating effectiveness of key manual and automated controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Also, evaluated the controls over the modelling process, validation of data and related approvals. • Assessed the criteria for staging of loans based on their past due status. Also performed analytical reviews of disaggregated data. • Tested a sample of performing (stage 1) loans to assess whether any Significant Increase in Credit Risk (SICR) or loss indicators were present requiring them to be classified under higher stages. • Test-checked the computation of ECL, including assumptions and underlying computation. Assessed the disclosures included in the financial statements.
b. IT Systems and Controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems. Existence of gaps in IT control environment could result in risk of material misstatement in the financial accounting and reporting records. Accordingly, we identified IT systems and controls over financial reporting as a key audit matter for the Company.	Our key audit procedures included: Obtained an understanding of the Company's IT related control environment, IT applications, databases, and IT Infrastructure. Based on our understanding, we have evaluated and tested relevant IT general controls and IT application controls on the systems identified as relevant for our audit of the financial statements. We have tested key IT general controls with respect to the following domains: • User access management, which includes user access provisioning, de-provisioning, access review and access rights; • Program change management, which includes controls on program changes by authorised personnel. • Other areas included backup management, business continuity management and third party management. • We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important for financial reporting and various configuration and other identified application controls. • Tested the design and operating effectiveness of key automated controls including testing of relevant system logic, automated calculations, and accounting entries. • We reviewed the report of the professional firm engaged by the management for review of information system and security assessment.

INDEPENDENT AUDITORS' REPORT

Key audit matter	How our audit addressed the key audit matter
c. Financial assets measured at fair value through other comprehensive income (FVTOCI)	
As at March 31, 2025, the Company has loans amounting to ₹ 2,149.17 crores - net of impairment (March 31, 2024: ₹ 2,565.88 crores - net of impairment) that are carried and measured at fair value through other comprehensive income (FVOCI) in accordance with Ind AS 109. The classification of loans at FVTOCI is dependent on the business model of the Company whereby the management has determined that the aforesaid loans are to collect contractual cash flows and also to sell such financial assets. The fair value arrived by the management's valuation expert is derived using discounted cash flow models wherein the key assumptions include expected future cash flows, prepayment rate and discount rate. Given the business model assessment, the fair valuation of the aforesaid loans and relative significance of these loans to the financial statements, we determined this to be a key audit matter.	Our key audit procedures included: - Obtained an understanding of the 'Business Model Assessment Policy' approved by the Board of Directors of the Company. - Evaluated the criteria adopted by the management in identification of the loan portfolio and reviewed the input used by the management in fair valuation. - Assessed the management's valuation expert's competence in performing the valuation of these loans. - Reviewed the valuation report, valuation methodology and underlying assumptions used to estimate the fair value. Also, test checked the arithmetical accuracy of the workings. - Reviewed the appropriateness and adequacy of disclosures made in the financial statements as per the requirements of Ind AS. - Obtained written representations from management in relation to reasonableness of the assumptions and judgements used in the valuation of these loans.

Also, refer to the Key Audit Matter included by us in our audit report of even date on the Standalone financial statements of the Holding Company.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. 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 associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

INDEPENDENT AUDITORS' REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. 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 associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associates 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 associates 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.

12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. The consolidated financial statements/financial information of four subsidiaries and financial statements of eight subsidiaries included in the consolidated financial statements reflect total assets of ₹ 62,576.83 crores and net assets of ₹ 10,102.80 crores as at March 31, 2025, total revenue of ₹ 12,999.22 crores, total net profit after tax of ₹ 377.76 crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 1,256.97 crores and net cash inflows amounting to ₹ 618.50 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of ₹ 20.99 crores and total comprehensive income (comprising of profit and other comprehensive income) of ₹ 21.00 crores for the year ended March 31, 2025 as considered in the consolidated financial statements, in respect of two associates and two joint ventures, whose financial statements have not been audited by us. The financial statements/ financial information of these subsidiaries, joint ventures and associates have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management and other auditors, and

INDEPENDENT AUDITORS' REPORT

our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates 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 associates, is based on the reports of the other auditors and the procedures performed by us.

16. 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 ₹ 253.15 crores and net assets of ₹ 6.21 crores as at March 31, 2025, total revenue of ₹ 336.58 crores, total net loss after tax of ₹ 13.97 crores and total comprehensive loss (comprising of loss and other comprehensive loss) of ₹ 13.98 crores and net cash outflows amounting to ₹ 3.93 crores for the year on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of ₹ 10.87 crores and total comprehensive income (comprising of net profit and other comprehensive income) of ₹ 12.22 crores for the year ended March 31, 2025 as considered in the consolidated financial statements, in respect of two joint ventures and one associate whose financial information have not been audited by us. The financial information of these subsidiaries, step-down subsidiaries, joint ventures and associate are unaudited and have been furnished to us by the management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, step-down subsidiaries, joint ventures and associate 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, step-down subsidiaries, joint ventures and associate 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 reports of the other auditors and the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

17. 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.
18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian 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, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, associates and joint ventures incorporated in India, none of the directors of the Group companies, its associates and joint ventures incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 18(b) above on reporting under Section 143(3)(b) and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Rules.
- (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group, its associates and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associates and joint ventures - Refer Note 3.11 to the consolidated financial statements.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2025 - Refer Note 3.6 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures.

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- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company. Further, no amounts were required to be transferred to the Investor Education and Protection Fund by the subsidiaries, joint ventures and associates incorporated in India.
- iv. (a) The respective managements of the Holding Company and its subsidiaries, joint venture and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, joint ventures and associates respectively that, to the best of their knowledge and belief, other than as disclosed in Note 3.17 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, joint ventures and associates 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 Holding Company or any of such subsidiaries, joint ventures and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective managements of the Holding Company and its subsidiaries, joint ventures and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, joint ventures and associates respectively that, to the best of their knowledge and belief, as disclosed in the Note 3.18 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries, joint ventures, associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, joint ventures and associates companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries, joint ventures and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The interim dividend declared and paid by the Holding Company and a subsidiary; and the preference dividend declared and paid by an associate during the year is in compliance with Section 123 of the Act. Further, the Board of Directors of the Holding Company has approved a second interim dividend for the year and the dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend. The other subsidiaries, associates and joint ventures, incorporated in India have not declared / or paid any dividend during the year.
- vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries, associates and joint ventures, which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Group and such associates and joint ventures have used accounting software for maintaining books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. During the course of performing our procedures, other than as described below, we and the respective auditors of the above referred subsidiaries, associates and joint ventures, did not notice any instance of the audit trail feature being tampered with. Additionally, the audit trail, to the extent maintained in the prior year, has been preserved by the Holding Company and above referred subsidiaries, associates and joint ventures as per the statutory requirements for record retention.

INDEPENDENT AUDITORS' REPORT

Instances of accounting software for which audit trail (edit log) feature was enabled for part of the year	In respect of a subsidiary and a joint venture, audit trail (edit log) for the accounting software were enabled for part of the year.
Instances where audit trail (edit log) was not enabled at the database level to log any direct data changes for the year / part of the year	In respect of a subsidiary, audit trail (edit log) was not enabled at the database level to log any direct data changes.
	In respect of a subsidiary, audit trail (edit log) was not retained for the period April 01, 2023 to December 18, 2024 at the database level for the accounting software to log any direct data changes, used for maintenance of accounting records.
Instances where audit trail (edit log) does not contain pre-modified values and was enabled for part of the year at both application level and database level	In respect of a subsidiary, audit trail (edit log) for accounting software used for maintaining employee and revenue records retained only the latest changes and not all the transaction modifications at the application level till September 03, 2024. The audit trail (edit log) feature was not enabled at the database level from April 01, 2023 to October 15, 2024.
Instances where the audit trail (edit log) does not contain pre-modified values and changes made by certain users with specific access	In respect of Holding company, the audit log of modification does not contain (i) pre-modified values at database level and (ii) the changes made by certain users with specific access at database and application level.
Instances where audit trail (edit log) was not enabled	In respect of Holding Company, the accounting software used for preparation of consolidated financial statements does not have the feature of recording audit trail (edit log).

19. The Group, its associates 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

Baskar Pannerselvam

Partner

Membership Number: 213126

UDIN: 25213126BMODGK4948

Place: Chennai

Date: May 23, 2025

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 18(g) of the Independent Auditors' Report of even date to the members of Ashok Leyland Limited on the consolidated financial statements as of and for the year ended March 31, 2025

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 Ashok Leyland Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to financial statements of Holding Company and its subsidiaries, its associates and joint ventures, 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 one joint venture incorporated in India namely Ashok Leyland John Deere Construction Equipment Company Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.
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.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiaries, its associates and joint ventures, 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 specified 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.

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 Matter 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

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

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 subsidiaries, its associates and joint ventures, 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, 2025, 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 Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial

controls with reference to financial statements insofar as it relates to ten subsidiaries, three step-down subsidiaries, two associates and two joint ventures, 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

Baskar Pannerselvam

Partner

Membership Number: 213126

UDIN: 25213126BMODGK4948

Place: Chennai

Date: May 23, 2025

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2025

Particulars	Note	As at March 31, 2025 ₹ Crores	As at March 31, 2024 ₹ Crores
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	5,822.99	5,471.90
Capital work-in-progress	1.1	358.79	170.18
Right-of-use asset	1.1a	466.15	395.27
Goodwill (including consolidation)		1,335.89	1,196.98
Other Intangible assets	1.2	1,211.76	1,092.36
Intangible assets under development	1.2	218.50	244.64
Investments - Accounted for using equity method	1.3	140.17	129.12
Financial assets			
(i) Investments	1.3	1,802.56	1,176.30
(ii) Trade receivables	1.4	-	2.55
(iii) Loans	1.5	34,234.96	27,393.24
(iv) Other financial assets	1.6	726.12	518.38
Deferred tax assets (net)	1.7	168.33	65.35
Income tax assets (net)	1.8	169.10	181.70
Other non-current assets	1.9	819.08	495.95
		47,474.40	38,533.92
Current assets			
Inventories	1.10	3,986.08	4,008.01
Financial assets			
(i) Investments	1.11	4,666.92	1,023.19
(ii) Trade receivables	1.12	3,346.87	3,898.15
(iii) Cash and cash equivalents	1.13a	6,544.77	5,217.32
(iv) Bank balances other than (iii) above	1.13b	718.67	1,862.73
(v) Loans	1.14	13,384.96	10,945.97
(vi) Other financial assets	1.15	584.35	789.83
Current Tax Assets (Net)	1.8a	4.33	3.85
Contract Assets	1.16	56.09	47.09
Other current assets	1.17	923.52	1,190.97
		34,216.56	28,987.11
Assets classified as held for sale	1.17A	23.68	139.43
TOTAL ASSETS		81,714.64	67,660.46
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1.18	293.65	293.63
Other equity	1.19	11,938.44	8,710.99
Equity attributable to owners of the Company		12,232.09	9,004.62
Non-controlling interest		3,612.77	2,809.97
Total equity		15,844.86	11,814.59
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1.20	36,382.92	26,695.71
(ii) Lease Liabilities		185.40	151.21
(iii) Other financial liabilities	1.21	117.06	127.41
Contract liabilities	1.22	372.86	283.45
Provisions	1.23	848.00	857.51
Deferred tax liabilities (net)	1.24	1,399.02	1,046.83
Other non-current liabilities	1.25	13.06	3.82
		39,318.32	29,165.94
Current liabilities			
Financial liabilities			
(i) Borrowings	1.26	13,318.18	13,868.63
(ii) Lease Liabilities		75.61	86.63
(iii) Trade payables	1.27		
a) Total outstanding dues of micro enterprises and small enterprises		95.28	114.88
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,924.20	6,683.14
(iv) Other financial liabilities	1.28	2,219.38	3,433.81
Contract liabilities	1.29	477.51	556.59
Provisions	1.30	1,118.96	802.99
Other current liabilities	1.31	685.23	589.05
Current tax liabilities (net)	1.32	632.95	527.38
		26,547.30	26,663.10
Liabilities directly associated with assets classified as held for sale	1.17B	4.16	16.83
TOTAL EQUITY AND LIABILITIES		81,714.64	67,660.46

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

Baskar Pannerselvam

Partner

Membership Number : 213126

May 23, 2025

Chennai

For and on behalf of the Board of the Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

K.M. Balaji
Chief Financial Officer

N. Ramanathan
Company Secretary

May 23, 2025

London

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

Particulars	Note	Year ended March 31, 2025 ₹ Crores	Year ended March 31, 2024 ₹ Crores
Income			
Revenue from operations	2.1	42,333.28	40,956.35
Income from financing operations (Refer Note 3.8 (i))	2.1	6,201.86	4,746.99
Other income	2.2	358.46	227.88
Total Income		48,893.60	45,931.22
Expenses			
Cost of materials and services consumed		27,684.39	28,241.38
Purchases of stock-in-trade		1,733.58	1,557.01
Changes in inventories of finished goods, stock-in-trade and work-in-progress		261.59	(568.89)
		29,679.56	29,229.50
Employee benefits expense	2.3	4,161.30	3,672.69
Finance costs	2.4	3,930.21	2,982.25
Depreciation and amortisation expense	2.5	1,086.65	927.29
Other expenses	2.6	4,834.58	4,372.73
Impairment loss allowance / write off relating to financing activities	2.6	651.95	572.85
Total Expenses		44,344.25	41,757.31
Profit before Share of profit of associates and joint ventures, exceptional items and tax		4,549.35	4,173.91
Share of profit of associates and joint ventures (net)		31.58	16.38
Profit before exceptional items and tax		4,580.93	4,190.29
Exceptional items	2.7	15.40	(84.22)
Profit / (Loss) before tax		4,596.33	4,106.07
Tax expense:			
Current tax - charge / (credit)		1,725.86	1,478.91
Deferred tax - (credit) / charge		(512.32)	(69.18)
		1,213.54	1,409.73
Profit / (Loss) for the year		3,382.79	2,696.34
Other Comprehensive Income / (Loss)			
A (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of defined benefit plans		(12.59)	(16.26)
- Share of other comprehensive income in associates and joint ventures		(0.23)	(0.70)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		3.17	4.12
B (i) Items that will be reclassified to Profit or Loss			
- Exchange differences in translating the financial statements of foreign operations		(25.24)	(30.77)
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(29.90)	(18.52)
- Gain/(Loss) on fair valuation of loans relating to financing activities		1,237.63	768.55
- Change in allowances for expected credit loss relating to financing activities		-	-
- Share of other comprehensive income in associates and joint ventures		1.58	2.89
(ii) Income tax relating to items that will be reclassified to Profit or Loss		(303.99)	(186.11)
Total Other Comprehensive Income / (Loss)		870.43	523.20
Total Comprehensive Income / (Loss) for the year		4,253.22	3,219.54
Profit / (Loss) for the year attributable to			
Owners of the Company		3,106.80	2,483.52
Non-controlling interests		275.99	212.82
Other Comprehensive Income / (Loss) for the year attributable to			
Owners of the Company		513.14	298.24
Non-controlling interests		357.29	224.96
Total Comprehensive Income / (Loss) for the year attributable to			
Owners of the Company		3,619.94	2,781.76
Non-controlling interests		633.28	437.78
Earnings / (Loss) per equity share (Face value Re.1 each)	3.4		
- Basic (in ₹)		10.58	8.46
- Diluted (in ₹)		10.56	8.45

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

Baskar Pannerseelvam
Partner
Membership Number : 213126

May 23, 2025
Chennai

For and on behalf of the Board of the Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

K.M. Balaji
Chief Financial Officer

May 23, 2025
London

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

N. Ramanathan
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
	₹ Crores	₹ Crores
Cash flow from operating activities		
Profit for the year	3,382.79	2,696.34
Adjustments for :		
Tax expense charge / (credit) - net	1,213.54	1,409.73
Share of profit of associates and joint ventures (net)	(31.58)	(16.38)
Depreciation and amortisation expense	1,006.68	865.42
Depreciation of right-of-use asset	79.97	61.87
Share based payment costs	13.82	8.63
Impairment (reversal) / allowance in value of net assets of subsidiary	(7.82)	8.03
Obligation relating to discontinued products of LCV division (net of reversal)	-	(53.68)
Write off of intangible assets under development / capital work-in-progress	13.60	18.28
Impairment (reversal) / loss allowance / write off on trade receivable / other receivables / loans (net)	685.68	559.63
Net gain on fair value changes / disposal of investment relating to financing activity	-	(19.11)
Net (gain) / loss arising on financial asset mandatorily measured at FVTPL	(7.48)	3.71
Expenses for credit exposures	22.65	-
Fair value gain on remeasurement of Compulsorily Convertible Preference Shares	(41.23)	-
Foreign exchange (gain) / loss - net	(2.52)	2.76
Profit on sale of Property, plant and equipment (PPE) and intangible assets - net	(22.56)	(14.27)
Profit on sale of investments - net	(43.12)	(60.61)
(Gain) / Loss on fair valuation of investment in fellow subsidiary	(120.53)	124.99
Gain on preclosure of leases	(0.08)	-
Finance costs (excluding financial services costs)	397.31	426.85
Interest income	(94.55)	(78.93)
Adjustments for changes in :		
Trade receivables	489.92	306.20
Inventories	21.93	(567.58)
Non-current and current financial assets (including financial services receivable)	(9,057.16)	(9,668.41)
Other non-current and current assets	224.98	75.66
Movement in Interim Dividend designated bank account	1,453.48	(1,453.48)
Asset and liabilities classified as held for sale	(16.29)	(61.55)
Utilisation from escrow account	(20.72)	1.78
Contract assets	(9.00)	(14.25)
Related party advances / receivables (net)	5.24	(6.61)
Trade payables	1,224.73	(781.89)
Non-current and current financial liabilities	211.06	328.83
Other non-current and current liabilities	88.08	(30.72)
Non-current and current contract liabilities	10.33	131.65
Other non-current and current provisions	207.58	405.23
Cash from / (used in) operations	1,278.73	(5,391.88)
Income tax paid (net of refunds, if any)	(1,150.26)	(866.10)
Net cash from / (used in) operating activities [A]	128.47	(6,257.98)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
	₹ Crores	₹ Crores
Cash flow from investing activities		
Purchase of PPE and intangible assets	(1,648.08)	(1,133.54)
Proceeds on sale of PPE and intangible assets including sale of immovable properties	49.10	45.93
Purchase of non-current investments	5.08	(45.31)
Proceeds from (purchase) / sale of current investments (net)	(2,743.40)	2,602.45
Proceeds from sale of non-current investments relating to financing activities	1,142.79	763.51
Purchase of non-current investments relating to financing activities	(1,265.52)	(777.17)
Proceeds from (purchase) / sale of current investments (net) relating to financing activities	(1,240.94)	(58.11)
Proceeds from bank deposits	493.93	200.10
Investment in bank deposits	(775.69)	(156.12)
Purchase consideration for business combination paid by subsidiary	(194.61)	-
Inter Corporate Deposits / Loan given	(1,420.00)	(444.00)
Inter Corporate Deposits repaid	1,750.00	54.00
Interest received	89.07	83.64
Net cash (used in) / from investing activities [B]	(5,758.27)	1,135.38
Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	1.67	2.17
Issue of shares to non-controlling interest shareholders	0.80	2.62
Proceeds from non-current borrowings	22,696.79	19,962.91
Repayments of non-current borrowings	(11,405.40)	(12,332.96)
Proceeds from current borrowings	19,985.81	12,888.69
Repayments of current borrowings	(22,227.42)	(10,844.39)
Payments of lease liability	(140.59)	(74.54)
Issue of Compulsorily Convertible Preference Shares by subsidiary	392.04	-
Interest paid	(305.35)	(409.52)
Dividend paid	(2,040.77)	(763.39)
Net cash from financing activities [C]	6,957.58	8,431.59
Net cash inflow [A+B+C]	1,327.78	3,308.99
Opening cash and cash equivalents	5,217.32	1,908.58
Exchange fluctuation on foreign currency bank balances	(0.33)	(0.25)
Closing cash and cash equivalents (Refer Note 1.13 a)	6,544.77	5,217.32

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

Baskar Pannerselvam
Partner
Membership Number : 213126

May 23, 2025
Chennai

For and on behalf of the Board of the Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

K.M. Balaji
Chief Financial Officer

May 23, 2025
London

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

N. Ramanathan
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

1. For the year ended March 31, 2025

A. Equity Share Capital		Changes in equity share capital during the year										Balance as at the end of March 31, 2025		₹ Crores
		293.63												293.65
B. Other Equity														
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, 2024		0.54	263.87	2,546.86	3.33	47.46	1,021.70	383.91	3,772.80	(45.73)	710.13	6.12	8,710.99	2,809.97
Profit for the year		-	-	-	-	-	-	-	3,106.80	-	-	-	3,106.80	275.99
Other comprehensive (loss) / income		-	-	-	-	-	-	-	3.00	(23.03)	561.01	(27.84)	513.14	357.29
Total Comprehensive Income / (Loss) for the year		-	-	-	-	-	-	-	3,109.80	(23.03)	561.01	(27.84)	3,619.94	633.28
Transaction with owners														
Dividend paid / payable		-	-	-	-	-	-	-	(587.29)	-	-	-	(587.29)	-
Recognition of share based payments		-	-	-	-	-	11.19	-	-	-	-	-	11.19	-
On issue of shares / Pursuant to exercise of ESOP (0.43)		-	-	1.53	-	-	-	-	-	-	-	-	1.10	-
Change in interests between the owners and NCI		-	-	7.09	-	-	-	4.52	161.83	0.63	-	8.44	182.51	169.52
Transfer to general reserve / securities premium pursuant to exercise of ESOP		-	-	0.80	-	(1.95)	1.15	-	-	-	-	-	-	-
Transfer to / from retained earnings		-	-	-	-	-	-	98.79	(98.79)	-	-	-	-	-
Balance as at the end of March 31, 2025		0.11	263.87	2,556.28	3.33	56.70	1,022.85	487.22	6,358.35	(68.13)	1,271.14	(13.28)	11,938.44	3,612.77
The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.														

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2025

2. For the year ended March 31, 2024

A. Equity Share Capital		Balance as at the beginning of April 1, 2023							Changes in equity share capital during the year				Balance as at the end of March 31, 2024		₹ Crores	
		293.61							0.02				293.63			
B. Other Equity																₹ Crores
Particulars	Shares application money pending Allotment relating to a subsidiary	Reserves and Surplus							Items of Other comprehensive income							
		Capital Reserve	Securities Premium	Capital Redemption Reserve	Share 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, 2023		0.04	263.87	2,544.36	3.33	42.50	1,020.55	306.17	3,716.59	(19.50)	362.51	17.73	8,258.15	2,244.05		
Profit for the year		-	-	-	-	-	-	-	2,483.52	-	-	-	2,483.52	212.82		
Other comprehensive (loss) / income		-	-	-	-	-	-	-	(11.68)	(26.21)	347.74	(11.61)	298.24	224.96		
Total Comprehensive Income / (Loss) for the year		-	-	-	-	-	-	-	2,471.84	(26.21)	347.74	(11.61)	2,781.76	437.78		
Transaction with owners																
Dividend paid / payable		-	-	-	-	-	-	-	(2,216.87)	-	-	-	(2,216.87)	-		
Recognition of share based payments		-	-	-	-	6.91	-	-	-	-	-	-	6.91	-		
On issue of shares / Pursuant to exercise of ESOP		0.50	-	2.14	-	-	-	-	-	-	-	-	2.64	-		
Change in interests between the owners and NCI		-	-	(0.44)	-	-	-	(0.10)	(120.92)	(0.02)	(0.12)	-	(121.60)	128.14		
Transfer to general reserve / securities premium pursuant to exercise of ESOP		-	-	0.80	-	(1.95)	1.15	-	-	-	-	-	-	-		
Transfer to / from retained earnings		-	-	-	-	-	-	77.84	(77.84)	-	-	-	-	-		
Balance as at the end of March 31, 2024		0.54	263.87	2,546.86	3.33	47.46	1,021.70	383.91	3,772.80	(45.73)	710.13	6.12	8,710.99	2,809.97		
The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.																

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

For and on behalf of the Board of the Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

Baskar Pannerseelvam
Partner
Membership Number : 213126

K.M. Balaji
Chief Financial Officer

N. Ramanathan
Company Secretary

May 23, 2025
Chennai

May 23, 2025
London

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1A. General information

Background:

Ashok Leyland Limited ("the Parent Company") (CIN: L34101TN1948PLC000105) is a public limited company incorporated and domiciled in India and governed by the Companies Act, 2013 ("Act"). The Parent Company's registered office is situated at 1, Sardar Patel Road, Guindy, Chennai, Tamil Nadu, India. The Parent Company has fifteen subsidiaries, four joint ventures and three associates. The main activities of the Parent Company along with its subsidiaries, joint ventures and associates relate to manufacture, sale, vehicle and housing finance, IT services and services related to a wide range of commercial vehicles. Also Refer Note 3.14. The Parent Company also manufactures engines for industrial and marine applications, forgings and castings. The Parent Company together with its subsidiaries is hereinafter referred to as the "Group".

1B. Basis of Preparation and Presentation

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the 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 (Rs.) 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, 2025.

Recent accounting pronouncements:

The Ministry of Corporate Affairs ("MCA") vide notification dated 9th September, 2024 and 28th September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 01, 2024

- Insurance contracts – Ind AS 117 and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

MCA notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2025.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1C. Material Accounting Policies

1C.1 Property, plant and equipment

Cost:

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses. Cost of all civil works (including electrification and fittings) is capitalised with the exception of alterations and modifications of a capital nature to existing structures where the cost of such alteration or modification is ₹ 100,000 and below.

Fixtures, plant and equipment (including patterns and dies) where the cost exceeds ₹ 10,000 and the estimated useful life is two years or more, is capitalised and stated at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses.

Depreciation/ amortisation:

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

Classes of Property, Plant and Equipment	Useful life (years)	Useful life (years) As per Schedule II
Buildings	10 - 60	30 / 60
Non-factory service installations:		
- In customer premises	12	10
Quality equipment, canteen assets, major Jigs and fixtures and hand tools	5 - 12	15
Other plant and machinery	2 - 21	15
Patterns and dies	5	15
Furniture and fittings	2-10	10
Aircraft	18	20
Vehicles (including given on lease):		
- Trucks and buses including electric vehicles	5 / 12	8
- Cars and motorcycles	3	8/10
Office equipment	5 - 8	5
Office equipment – Data processing system (including servers)	5	6

1C.2 Intangible assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately, where the cost exceeds ₹ 10,000 and the estimated useful life is two years or more, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

Internally-generated intangible assets - Research and Development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from development phase of internal project) is recognised, if and only if, all of the following have been demonstrated:

- technical feasibility of completing the intangible asset;
- intention to complete the intangible asset and intention/ ability to use or sell it;
- how the intangible asset will generate probable future economic benefit;
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the attributable expenditure during the development stage.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Useful lives of intangible assets:

Estimated useful lives of the intangible assets, based on technical assessment, are as follows:

Classes of Intangible Assets	Useful life (years)
Computer Software:	
Acquired	3-10
Developed	5/10
Technical Knowhow:	
Acquired	5/6
Developed	6/10
Customer relationships	7
Trademark	10

1C.3 Inventories

Cost of inventories are determined as follows:

- Raw materials and components, stores, spares, consumable tools, traded goods: on moving weighted average basis; and
- Work-in-progress, works-made components and finished goods: on moving weighted average basis plus appropriate share of overheads.

Cost of surplus/ obsolete/ slow moving inventories are adequately provided for.

1C.4 Revenue recognition

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Revenue from contracts with customers:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of Products:

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product / based on terms on contract. The Group operates predominantly on cash and carry basis excepting sale to State Transport Undertaking (STU), Government and Project customers based on tender terms and certain export customers and domestic customers which are on credit basis. Sale of engines and gensets and ferrous castings are generally sold on credit basis to customers.

The Group provides retrospective rebates to certain customers based on achievement of targeted volumes and other measures. To estimate the variable consideration for the expected future rebates, the Group applies the expected value method.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., extended warranties, freight etc.). In determining the transaction price for the sale of product, the Group considers the effects of variable consideration, the existence of consideration payable to the customer, etc.

Sale of Services:

Revenue from services includes certain performance obligations which are recognised over a period of time as and when the services are rendered in accordance with the specific terms of contract with customer. The receipt of consideration for extended warranty services, free services, AMC and freight is generally received when consideration receivable from sale of products is received from customer. In certain cases, the AMC contracts are sold as a separate product on cash basis or on credit as per the contract with customer. On the recognition of the receivable from customer, the Group recognises a contract liability which is then recognised as revenue, once the services are rendered. Using

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. For other cases, the revenue reflects the cash selling price that the customer would have paid for the promised services when the services are transferred to customer. Thus, there is no significant financing component.

Variable consideration:

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Incentives:

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Significant financing component:

The Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. Thus, there is no significant financing component.

Warranty obligations:

Refer Note 1E.18 on warranty obligations.

Contract balances:

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

Trade receivable is part of contract balances as per Ind AS 115.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the services are provided as set out in the contract.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Interest / Finance Income relating to financing activities:

EIR Method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Interest Income

The group calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Group calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the group reverts to calculating interest income on a gross basis.

1C.5 Exceptional Items

The Group considers factors including materiality, the nature and function of the items of income and expense in determining exceptional item and discloses the same in Note 2.7 to the consolidated financial statements.

1D. Critical accounting judgments and key sources of estimation uncertainty:

The preparation of consolidated financial statements in conformity with Ind AS requires the Group's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the consolidated financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the Management in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill

The carrying amount of goodwill significant to the Group are stated in Note 3.14. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections covering generally a period of five years (which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations/ extrapolation of normal increase/ steady terminal growth rate which approximates the long term industry growth rates) and appropriate discount rates that reflects current market assessments of time value of money and risks specific to these investments. The Management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Impairment of financial asset relating to financing activities

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- a) The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.
- b) Development of ECL models, including the various formulas and the choice of inputs.
- c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").
- d) Selection of forward-looking macroeconomic scenarios and their probability, to derive the economic inputs into ECL models.

Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, changes in the related laws / emission norms and losses associated with obsolete / slow-moving / redundant inventory items. The Group has, based on these assessments, made adequate provision in the books.

Taxation

Determining of income tax liabilities using tax rates and tax laws that have been enacted or substantially enacted requires the Management to estimate the level of tax that will be payable based upon the Group's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

1E. Summary of other accounting policies

1E.1 Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and its subsidiaries. The Parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries.

When the Parent Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent Company considers all relevant facts and circumstances in assessing whether or not the Parent Company's voting rights in an investee are sufficient to give it power, including rights arising from other contractual arrangements.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Parent Company.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1E.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash-generating unit is determined for each legal entity and LCV division of Parent Company based on a value-in-use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1E.3 Business combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interest method in accordance with Ind AS 103 'Business Combinations'.

Other business combinations, involving entities or businesses are accounted for using acquisition method. Consideration transferred in such business combinations is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree.

Goodwill is recognised and is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree, over the net fair value of assets and liabilities acquired.

1E.4 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

When there is any objective evidence of impairment, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value-in-use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the investment becomes a subsidiary, the Group accounts for its investment in accordance with Ind AS 103 'Business Combination'. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures it at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued,

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

and the fair value of any retained interest and any proceeds from disposing of a part interest is included in the determination of the gain or loss on disposal of the associate or joint venture.

1E.5 Revenue recognition

Other Operating Revenues:

Other operating revenues comprise of income from ancillary activities incidental to the operations of the Group and is recognised when the right to receive the income is established as per the terms of the contract.

Dividend, Interest Income and Other Income:

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Fee on financial guarantee provided by the Parent Company is accrued as Other income.

1E.6 Foreign currency transactions

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in a foreign currency are restated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not restated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange difference on translation of derivative instruments designated as cash flow hedge (see Note 1E.17 below for hedging accounting policies).
- For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's entities whose functional currency is other than INR are translated into Currency Units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve (and attributed to non-controlling interests as appropriate).

1E.7 Borrowing costs

Borrowing costs (General Borrowing and Specific Borrowing) directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1E.8 Government Grants

Government grants (including export incentives and incentives on specified goods manufactured in the eligible unit) are recognised only when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received.

Government grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses, the related costs for which the grants are intended to compensate. Grants relating to assets are netted off against the acquisition cost of the assets.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured at the difference between proceeds received and the fair value of the loan based on prevailing market rates.

1E.9 Employee benefits

Retirement benefit costs and termination benefits:

Payments to defined contribution plans i.e., Group's contribution to superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

For defined benefit plans i.e., Group's liability towards gratuity (funded and unfunded), Group's contribution to provident fund, other retirement/ termination benefits and compensated absences, the cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. In respect of provident fund, contributions made to trusts administered by the Group, the interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 and 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 re-measurement of net defined liability pertaining to provident fund comprise of actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Liability for termination benefits like expenditure on Voluntary Retirement Scheme is recognised at the earlier of when the Group can no longer withdraw the offer of termination benefit or when the Group recognises any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short-term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

1E.10 Share-based payment arrangements

Equity-settled share-based payments to employees (primarily employee stock option plan) are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding account.

1E.11 Property, plant and equipment

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and other direct costs and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of Property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When significant parts of an item of Property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of Property, plant and equipment and accordingly depreciation is computed based on the estimated useful lives of the assets.

An item of Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1E.12 Intangible assets

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

1E.13 Impairment losses

At the end of each reporting period, the Group determines whether there is any indication that its assets (tangible, intangible assets and investments in equity instruments in joint ventures and associates carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets under development are tested for impairment annually at each balance sheet date.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount carried had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1E.14 Leases

The Indian Accounting Standard on leases (Ind AS 116) requires entity to determine whether a contract is or contains a lease at the inception of the contract.

Ind AS 116 requires lessee to recognise a liability to make lease payments and an asset representing the right-of-use asset during the lease term for all leases except for short term leases and leases of low-value assets, if they choose to apply such exemptions.

Payments associated with short-term leases and low value assets are recognized as expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of office equipments and small items of plant and equipment and office furniture.

At the commencement date, the Group recognises a right-of-use asset measured at cost and a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The cost of the right-of-use asset comprise of, the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received.

At the commencement date, the lease payments included in the measurement of the lease liability comprise (a) fixed payments less any lease incentives receivable; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; (c) amounts expected to be payable by the lessee under residual value guarantees; (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Depreciation on Right to use asset recognised in Statement of Profit and Loss on a straight line basis over the period of lease and the Group separately recognises interest on lease liability as a component of finance cost in Statement of Profit and Loss.

1E.15 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost of raw materials and components, stores, spares, consumable tools and traded goods (stock-in-trade) comprises cost of purchases and includes taxes and duties and is net of eligible credits under CENVAT/ VAT/GST schemes. Cost of work-in-progress, work-made components and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overheads, which is allocated on a systematic basis. Cost of inventories also includes all other related costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

1E.16 Segment reporting

The Group's operating segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system as per Ind AS 108. The Group is engaged in the business of manufacturing of Commercial Vehicles and rendering Financial Services mainly relating to vehicle and housing financing.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1E.17 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification of financial assets

The financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (except for financial assets carried at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement:

- (i) Financial assets (other than investments and derivative instruments) are subsequently measured at amortised cost using the effective interest method.

Effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments on principal and interest on the principal amount outstanding.

Income on such debt instruments is recognised in profit or loss and is included in the "Other Income".

The Group has not designated any debt instruments as fair value through other comprehensive income except in case of debt instruments relating to financing activities.

- (ii) Financial assets (i.e. derivative instruments and investments in instruments other than equity of joint ventures and associates) are subsequently measured at fair value.

Such financial assets are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss and included in the "Other Income".

Investments in equity instruments of joint ventures and associates

The Group measures its investments in equity instruments of joint ventures and associates at cost in accordance with Ind AS 27 and Ind AS 110.

Financial assets relating to financing activities:

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.
- b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- c) How managers of the business are compensated for example, whether the compensation is based on the fair value of the assets managed.
- d) The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

b) Calculation of ECLs

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

PD:

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

EAD:

Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest.

LGD:

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

The Group has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the Effective Interest Rate (EIR). At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1:

The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3:

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

c) Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon de-recognition of the assets.

d) Forward looking information

The Group considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, Inflation etc., as considered relevant so as to determine the impact of macro-economic factors on the Group's ECL estimates.

The inputs and models used for calculating ECLs are recalibrated periodically through the use of available incremental and recent information. Further, internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably

Write-offs

Financial assets are written off when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

De-recognition of financial assets:

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Consolidated Statement of Profit and Loss.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

De-recognition of financial assets relating to financing activities:

- De-recognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a de-recognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

- De-recognition of financial assets other than due to substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or de-recognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Group recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities (other than derivative instruments) are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Interest expense that is not capitalised as part of cost of an asset is included in the "Finance Costs".

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and are subsequently measured (if not designated as at FVTPL) at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

De-recognition of financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments:

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps. Further details of derivative financial instruments are disclosed in Note 3.6.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss.

As of the transition date, the Group has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed on the later of the date of it first becoming a party to the contract and the date when there has been change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

Hedge accounting:

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk, as either fair value hedges, cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 3.6 sets out details of the fair values of the derivative instruments used for hedging purposes.

Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the "Other Income" line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and are included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

1E.18 Provisions and Contingent liabilities

Provisions:

Provisions are recognised when the Group has a present obligation (legal, contractual or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Warranties:

Provisions for expected cost of warranty obligations under legislation governing sale of goods are recognised on the date of sale of the relevant products at the Management's best estimate of the expenditure required to settle the obligation which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidences.

Contingent liabilities:

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

1E.19 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax:

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted. Foreign companies recognise tax assets / liabilities in accordance with applicable local laws.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits (Minimum alternate tax credit entitlement) to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Uncertainty over income tax treatments

If there is uncertainty over tax treatment of an item, the Group will predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amounts of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. If it is not probable that tax authority will accept the tax treatment, Group will show the effect of the uncertainty for each uncertain tax treatment by using either the most likely outcome or the expected outcome of the uncertainty.

1E.20 Asset held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and disclosed separately in balance sheet. Liabilities associated with assets classified as held for sale are estimated and disclosed separately in the balance sheet.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)					DEPRECIATION				NET CARRYING AMOUNT
	01.04.2024	Additions through business combination (Refer Note 3.27)	Adjustments* (Refer Note 1.17A & 1.17B)	Reclassified as held for Sale (Refer Note 1.17A & 1.17B)	Disposals / Adjustments (Refer Note 1.17A & 1.17B)	Charge during the year	Adjustments* (Refer Note 1.17A & 1.17B)	Reclassified as held for Sale (Refer Note 1.17A & 1.17B)	Disposals / Adjustments (Refer Note 1.17A & 1.17B)	
Property, Plant and Equipment (PPE)										31.03.2025
Freehold land	831.38	-	1.71	-	-	-	-	-	-	833.09
Buildings	2,091.14	127.38	0.12	4.50	0.63	629.09	1.28	0.09	(0.21)	1,506.37
Buildings given on lease	13.24	-	-	-	-	2.37	0.29	-	-	10.58
Plant and equipment	6,155.33	354.35	1.07	10.07	0.27	3,729.94	6.20	0.03	(98.79)	2,334.61
Plant and equipment given on lease	0.04	-	-	-	-	0.02	#	-	-	0.02
Furniture and fittings	147.45	10.02	-	1.61	0.09	108.74	15.81	0.03	(1.28)	32.96
Furniture and fittings given on lease	0.25	-	-	-	-	0.25	-	-	-	-
Vehicles including electric vehicles	503.74	337.59	1.18	3.46	63.66	117.88	108.48	1.61	(5.29)	663.66
Aircraft given on lease	77.99	-	-	-	(77.99)	70.56	1.57	-	(72.13)	-
Commercial vehicles given on lease	224.42	146.40	-	-	-	18.55	50.53	-	-	301.74
Office Equipment	336.06	81.51	1.07	1.71	0.04	232.05	46.41	0.99	(10.75)	138.96
Electrical and other installations on lease hold premises	1.56	0.86	-	-	-	1.25	0.17	-	-	1.00
TOTAL	10,382.60	1,058.11	3.44	23.06	(77.99)	4,910.70	748.81	11.71	(116.32)	5,500.71

Description	Capitalised during the year**			31.03.2025
	01.04.2024	Impairment (Refer Note 2.7)	Adjustments* (Refer Note 2.7)	
Capital work-in-progress (CWIP)	170.18	(10.45)	(1,003.63)	358.79

* Adjustments include currency movements relating to foreign operations.

** Amount of ₹ 54.48 crores directly capitalised in Property, plant and equipment.

amount is below rounding off norms adopted by the Group.

CWIP Ageing Schedule

₹ Crores

Description	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	321.65	33.47	3.22	0.45
				358.79

Of the above, there are no projects where the cost has exceeded the budget and project whose completion is delayed. As at March 31, 2025, there are no temporarily suspended projects.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Sl No	Property Description	Asset Class	Address	Total Acres (Approx.)	Gross / Net carrying value (Refer Sub-note 6 below)	₹ Crores	
						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:

- Cost of Buildings pertaining to Parent Company as at March 31, 2025 includes:
 - ₹ 0.03 crores being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings there at.
 - ₹ 1.32 crores representing cost of residential flats including undivided interest in land.
- For details of assets given as security against borrowings, Refer Note 3.13.
- For amount of contractual commitments for the acquisition of PPE, Refer Note 3.12 (a).
- Title to Freehold Land relating to a subsidiary at Jainamare, Jharkhand (carrying value ₹ 0.08 crores) is yet to be conveyed to the subsidiary.
- Expenses capitalised ₹ 16.54 crores - Refer Notes 2.3, 2.4 and 2.6 to the Consolidated Financial statements.
- 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 ₹ 244.74 crores and ₹ 192.49 crores respectively.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				DEPRECIATION			NET CARRYING AMOUNT
	01.04.2023	Additions	Adjustments*	Reclassified as held for Sale (Refer Note 1.17A & 1.17B)	Disposals / Adjustments	Charge during the year	Reclassified as assets held for Sale (Refer Note 1.17A & 1.17B)	
Property, Plant and Equipment (PPE)								31.03.2024
Freehold land	830.82	0.35	0.21	-	-	-	-	831.38
Buildings	2,021.37	67.07	3.63	-	(0.93)	547.99	0.91	1,462.05
Buildings given on lease	13.24	-	-	-	-	2.08	-	10.87
Plant and equipment	6,016.17	169.35	19.21	-	(49.40)	3,306.93	16.52	2,425.39
Plant and equipment given on lease	0.04	-	-	-	-	0.02	-	0.02
Furniture and fittings	130.16	12.08	6.15	-	(0.94)	94.19	6.41	38.71
Furniture and fittings given on lease	0.25	-	-	-	-	0.25	-	-
Vehicles including electric vehicles	297.11	332.29	(5.34)	(81.06)	(39.26)	96.55	(2.12)	385.86
Aircraft given on lease	77.99	-	-	-	-	63.91	-	7.43
Commercial vehicles given on lease	14.96	209.46	-	-	-	0.11	-	205.87
Office Equipment	272.30	65.55	1.94	-	(3.73)	199.06	0.36	104.01
Electrical and other installations on lease hold premises	1.50	0.06	-	-	-	1.21	-	0.31
TOTAL	9,675.91	856.21	25.80	(81.06)	(94.26)	4,312.30	22.08	5,471.90

Description	01.04.2023	Additions / Adjustments*	Capitalised during the year**	31.03.2024
Capital work-in-progress (CWIP)	139.15	608.56	(577.53)	170.18

* Adjustments include currency movements relating to foreign operations.

** Amount of ₹ 278.68 crores directly capitalised in Property, plant and equipment.

CWIP Ageing Schedule				
Description	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	152.32	6.95	0.38	10.53
				170.18

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion (temporarily suspended) is delayed is as follows:

Particulars	To be Completed In		
	Less than 1 year	1-2 years	2-3 years
Project relating to certain facilities / infrastructure development	10.44	-	-
# amount is below rounding off norms adopted by the Group.			

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Sl No	Property Description	Asset Class	Address	Total Acres (Approx.)	Gross / Net carrying value (Refer Sub-note 6 below)	₹ Crores	
						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.	
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.	
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. Final Conveyance deed is to be executed.	

Notes:

- Cost of Buildings pertaining to Parent Company as at March 31, 2024 includes:
 - ₹ 0.03 crores being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings there at.
 - ₹ 1.32 crores representing cost of residential flats including undivided interest in land.
- For details of assets given as security against borrowings, Refer Note 3.13.
- For amount of contractual commitments for the acquisition of PPE, Refer Note 3.12 (a).
- Title to Freehold Land relating to a subsidiary at Jainamare, Jharkhand (carrying value ₹ 0.08 Crores) is yet to be conveyed to the subsidiary.
- Expenses capitalised ₹ Nil - Refer Notes 2.3, 2.4 and 2.6 to the Consolidated Financial statements.
- The gross carrying value and net carrying value of buildings located on freehold and leasehold land for which title is yet to be transferred in the name of the Parent Company amounts to ₹ 233.82 crores and ₹ 189.88 crores respectively.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.1a RIGHT-OF-USE ASSET									
DESCRIPTION	Net Carrying Amount 01.04.2024	Additions	Acquisition through business combination (Refer Note 3.27)	Adjustments**	Reclassified from held for Sale (Refer Note 1.17A)	Closure / Preclosure	Depreciation	Net Carrying Amount 31.03.2025	₹ Crores
Leasehold land	215.11	41.44	-	0.26	-	-	5.99	250.82	
Buildings	169.69	101.15	17.33	3.82	5.87	(55.44)	66.09	176.33	
Plant and equipment	4.67	28.82	-	-	-	-	4.01	29.48	
Vehicles	5.80	3.74	-	0.92	-	2.94	3.88	9.52	
TOTAL	395.27	175.15	17.33	5.00	5.87	(52.50)	79.97	466.15	

** Adjustments include currency movements relating to foreign operations.

Title deeds of leasehold land not held in the name of the Group									
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	₹ Crores
1	Sriperumbudur, Tamil Nadu	Leasehold Land	Plot Nos. Phase II, K-1, K-2 SIPCOT Industrial Park, Sriperumbudur, Tamil Nadu	79.44	11.47	10.34	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	Pillaiappakkam, Tamil Nadu (Refer Sub-Note 6)	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaiappakkam, Sriperumbudur, Tamil Nadu	113.00	48.96	45.35	The leasehold rights were originally granted to Ashok Leyland Nissan Vehicles Limited by State Industries Promotion Corporation of Tamilnadu Vehicles Limited (merged and acquired by the Parent Company vide amalgamation order with Ashok Leyland passed by the National Company Law Tribunal, Chennai. The name change Limited) 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) (under regularisation) 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	

* excludes security deposit

Notes :

- Escalation clause - the percentage of escalation is up to a maximum of 20%
- Discounting rate used for the purpose of computing right to use asset ranges from 2.00% to 9.50%
- Rental amount per annum ranges from ₹ 0.01 crores to ₹ 5 crores, which also carries a clause for extension of agreement based on mutual understanding between Lessor and Lessee.
- The lease period ranges from 2 years to 90 years over which the right to use asset is depreciated on a straight line basis.
- 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.
- During the year ended March 31, 2023, a portion of leasehold land was surrendered to State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) and surrender value was received by the Parent Company. The Parent Company is in the process of registering the modified lease deed for the balance portion of leasehold land.
- The Parent Company was allotted land in Lucknow, Uttar Pradesh, under the applicable State Incentive Policy and received an upfront land subsidy of ₹ 115.84 crores. The land has been mortgaged in favor of the Uttar Pradesh State Industrial Development Authority and will remain so until the commencement of commercial production. A right-of-use asset has been recognized for the net value, excluding the subsidy amount, and is being amortized over the lease term of 90 years.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.1a RIGHT-OF-USE ASSET

DESCRIPTION	Net Carrying Amount		Additions	Adjustments**	Closure / Preclosure	Net Carrying Amount	
	01.04.2023	31.03.2024				31.03.2024	31.03.2024
Leasehold land	212.05	6.70	0.16	-	3.80	215.11	
Buildings	170.96	58.02	1.28	(9.10)	51.47	169.69	
Plant and equipment	5.46	0.10	-	-	0.89	4.67	
Vehicles	10.87	0.58	0.06	-	5.71	5.80	
TOTAL	399.34	65.40	1.50	(9.10)	61.87	395.27	

** Adjustments include currency movements relating to foreign operations.

Title deeds of leasehold land not held in the name of the Group

SL No	Property Description	Asset Class	Address	Total Acres (Approx)	Gross carrying value* (Refer Note 1.1 Sub-Note 6)	Net carrying value* (Refer Note 1.1 Sub-Note 6)	Reason for not in the name of the Parent Company	Property in the name of
1	Sriperumbudur, Tamil Nadu	Leasehold Land	Plot Nos. Phase II, K-1, K-2 SIPCOT Industrial Park, Sriperumbudur, Tamil Nadu	79.44	11.47	10.48	The leasehold rights were originally granted to Hinduja Foundries Limited by State Industries Promotion Corporation Limited (merged of Tamilnadu Limited and acquired by the Parent Company with Ashok Leyland vide amalgamation order passed by the National Company Law Limited Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged of Tamilnadu Limited and acquired by the Parent Company with Ashok Leyland)
2	Pillaiakkam, Tamil Nadu (Refer Sub-Note 6)	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaiakkam, Sriperumbudur, Tamil Nadu	113.00	48.96	45.87	The leasehold rights were originally granted to Ashok Leyland Ashok Leyland Nissan Vehicles Limited by State Industries Promotion Nissan Vehicles Corporation of Tamilnadu Limited and acquired by the Parent Limited (merged Company vide amalgamation order passed by the National with Ashok Leyland Company Law Tribunal, Chennai. The name change in the Limited) records of registrar has to be effected.	Ashok Leyland Ashok Leyland Nissan Vehicles Limited (merged of Tamilnadu Limited and acquired by the Parent 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 Ashok Leyland Industrial development Corporation. However, a portion of the Limited (under land (6.40 hectares) occupied and used by the Parent Company regularisation) 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 Ashok Leyland Industrial development Corporation. However, a portion of the Limited (under land (6.40 hectares) occupied and used by the Parent Company regularisation)

* excludes security deposit

Notes :

- Escalation clause - the percentage of escalation is up to a maximum of 15%
- Discounting rate used for the purpose of computing right to use asset ranges from 2.00% to 9.75%
- Rental amount per annum ranges from ₹ 0.01 crores to ₹ 6.58 crores, which also carries a clause for extension of agreement based on mutual understanding between Lessor and Lessee.
- The lease period ranges from 2 years to 90 years over which the right to use asset is depreciated on a straight line basis.
- 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.
- During the year ended March 31, 2023, a portion of leasehold land was surrendered to State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) and surrender value was received by the Parent Company. The Parent Company is in the process of registering the modified lease deed for the balance portion of leasehold land.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.2 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				AMORTISATION			NET CARRYING AMOUNT
	01.04.2024	Additions	Acquisition through business combination (Refer Note 3.27)	Adjustments* Disposals	31.03.2025	Charge during the year	Adjustments* Disposals	31.03.2025
Other Intangible Assets								
Computer software								
- Developed	117.80	-	-	-	117.80	1.44	-	114.15
- Acquired	234.22	40.30	3.64	1.80	279.32	21.59	1.34	214.74
Technical knowhow (Includes Product Development)								
- Developed	1,925.83	277.85	-	13.98	2,217.66	209.24	8.66	1,205.34
- Acquired	68.93	-	-	0.14	69.07	12.11	0.12	47.65
Customer relationships	63.02	-	46.05	3.39	112.46	11.03	0.82	90.24
Trademark	24.16	-	-	1.30	25.46	2.46	0.24	19.55
TOTAL	2,433.96	318.15	49.69	20.61	2,821.77	257.87	11.18	1,211.76

Description	01.04.2024	Additions / Adjustments*	Write off (Refer Note 2.7)	Capitalised during the year ** / #	31.03.2025
Intangible assets under development	244.64	286.85	(3.15)	(309.84)	218.50

includes acquired computer software.
 ** Amount of Rs. 8.31 crores directly capitalised in intangible assets
 * Adjustments include currency movements relating to foreign operations.

Ageing of intangible assets under development (IAUD)

Description	Amount in IAUD for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	136.60	59.10	20.74	2.06
				218.50

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
Projects relating to Technical knowhow - Product development	25.72	13.36	-	-

Notes :

- Additions to Other Intangible assets and Intangible assets under development include:
 - Expenses capitalised ₹ 203.50 crores - Refer Notes 2.3, 2.4 and 2.6 to the Consolidated Financial Statements.
- 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

1.2 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				AMORTISATION		NET CARRYING AMOUNT 31.03.2024
	01.04.2023	Additions	Adjustments*	Disposals / Adjustments	Charge during the year	Disposals / Adjustments	
Other Intangible Assets							
Computer software							
- Developed	114.57	3.23	-	-	110.52	-	5.09
- Acquired	209.63	22.86	1.73	-	177.32	-	41.77
Technical knowhow (Includes Product Development)							
- Developed	1,821.44	80.87	23.52	-	793.95	-	938.39
- Acquired	68.93	-	-	-	23.13	(0.71)	33.51
Customer relationships	60.99	-	2.03	-	2.49	-	52.65
Trademark	23.38	-	0.78	-	0.76	-	20.95
TOTAL	2,298.94	106.96	28.06	-	1,108.17	14.58	1,092.36

Description	01.04.2023	Additions / Adjustments	Impairment (Refer Note 2.7)	Capitalised during the year ** / #	31.03.2024
Intangible assets under development	128.97	236.00	(18.28)	(102.05)	244.64

Includes acquired computer software.

** Amount of ₹ 4.91 crores directly capitalised in Intangible assets

* Adjustments include currency movements relating to foreign operations.

Ageing of Intangible assets under development (IAUD)

Description	Amount in IAUD for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	155.91	68.95	15.06	4.72
				244.64

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion is delayed (includes temporarily suspended projects) is as follows:

Particulars	To be Completed In		
	Less than 1 year	1-2 years	2-3 years
Projects relating to Technical knowhow - Product development	48.94	-	-

Notes:

- Additions to Other Intangible assets and Intangible assets under development include:
 - Expenses capitalised ₹ 125.62 crores - Refer Notes 2.3, 2.4 and 2.6 to the Consolidated Financial Statements.
 - 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, 2025		As at March 31, 2024	
	Nos.	₹ Crores	Nos.	₹ Crores
I) Investment in Equity Instruments (unquoted / fully paid up unless otherwise stated)				
1) Associates (accounted for using equity method)				
a) Equity Shares of ₹ 10 each				
Ashok Leyland Defence Systems Limited (Refer Sub-Note 3)				
Cost of Acquisition (including goodwill of ₹ 0.02 crores)	79,92,218	25.39	79,92,218	25.39
Add : Group share of Profit		29.14		15.59
Carrying amount of Investment		54.53		40.98
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		35.67		30.58
Less: Dividend Income		0.52		0.12
Carrying amount of Investment		35.72		31.03
2) Joint Ventures (accounted for using equity method)				
a) Equity Shares of ₹ 10 each				
Ashley Alteams India Limited (Refer Sub-Note 3)				
Cost of Acquisition	7,59,47,500	46.51	7,59,47,500	46.51
Less : Group share of Loss		11.70		25.05
Carrying amount of Investment		34.81		21.46
Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)				
Cost of Acquisition	1,77,92,123	17.81	1,77,92,123	17.81
Less : Group share of Loss		11.27		11.27
Less : Impairment in value of investment		6.54		6.54
Carrying amount of Investment		-		-
TVS Trucks and Buses Private Limited				
Cost of Acquisition	2,49,50,000	24.95	2,49,50,000	24.95
Less : Group share of Loss		14.04		1.80
Carrying amount of Investment		10.91		23.15
b) Equity Shares of GBP 1 each				
Zebeyond Limited, UK				
Cost of Acquisition	150	8.84	150	8.84
Less : Group share of Loss		4.68		3.65
Carrying amount of Investment		4.16		5.19

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd.)

Description		As at March 31, 2025		As at March 31, 2024		
		Nos.	₹ Crores	Nos.	₹ Crores	
3)	Other investments in equity instruments					
a)	Equity Shares of ₹ 10 each					
	Rajalakshmi Wind Energy Limited (formerly Ashok Leyland Wind Energy Limited) (Refer Sub-Note 9)	78,12,950	9.12	78,12,950	9.12	
	Chennai Willingdon Corporate Foundation (Cost ₹ 900) (Refer Sub-Note 8)	100	#	100	#	
	Hinduja Energy (India) Limited (Refer Sub-Note 7)(Refer Sub-Note 8)	6,11,47,058	142.53	6,11,47,058	22.01	
	Kamachi Industries Limited (Refer Sub-Note 8)	5,25,000	-	5,25,000	-	
	Prathama Solarconnect Energy Private Limited (Refer Sub-Note 9)	1,86,56,912	8.01	1,86,56,912	18.67	
	HR Vaigai Private Limited (Refer Sub-Note 9)	1,78,073	0.74	2,600	#	
	Ashok Leyland Foundation (Section 8 company)	10,000	0.01	-	-	
b)	Equity shares of ₹ 100 each partly paid-up					
	Adyar Property Holding Co. Limited (₹ 65 paid up) [Cost ₹ 19,500] (Refer Note 3.12 (c))	300	#	300	#	
Total Investment in Equity Instruments (net)		A	300.58	171.65		
II)	Investment in Preference Shares (unquoted)					
	Associates (at fair value through profit and loss)					
	6% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 10 each					
	Ashok Leyland Defence Systems Limited	B	1,00,00,000	7.73	1,00,00,000	7.27
III)	Investment in Debentures (unquoted)					
	Non-convertible Redeemable Debentures (relating to financing activities) (at amortised cost)	C	14.81		43.91	
IV)	Investment in Debentures (quoted)					
	Non-convertible Redeemable Debentures (relating to financing activities) (at amortised cost)	D	393.51		291.24	
V)	Investment in pass-through securities (unquoted) (relating to financing activities) (at amortised cost)	E	13.45		22.90	
VI)	Investment in funds and Government securities (quoted) (relating to financing activities) (at amortised cost)	F	659.56		115.04	
VII)	Investment in Security Receipts (unquoted) (relating to financing activities) (at fair value through profit and loss)	G	465.71		552.68	
VIII)	Investment in Equity Shares (quoted) (relating to financing activities) (at fair value through profit and loss)	H	41.19		56.50	
IX)	Investment in Special Limited Partnership (at fair value through profit and loss)					
	Vasuki SCSp (Refer Sub-Note 5)	I	25.02		25.02	
X)	Investment in Alternate Investment Fund (unquoted) (relating to financing activities) (at fair value through profit and loss)	J	17.55		19.21	
XI)	Investment in Mutual Funds (unquoted) (at fair value through profit and loss)	K	3.62		-	
Total Non-Current Investments		A+B+C+D+E+F+G+H+I+J+K	1,942.73	1,305.42		

Amount is below rounding off norms adopted by the Group.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd.)

Notes:

1.	Particulars	March 31, 2025	March 31, 2024
		₹ Crores	₹ Crores
	Aggregate value of quoted investments	1,129.98	378.77
	Aggregate value of unquoted investments	819.29	933.19
	Aggregate value of impairment in value of investments	6.54	6.54

- Investments are fully paid-up shares unless otherwise stated.
- Equity investments held in certain joint ventures and associates may be transferred or otherwise disposed of, subject to prior intimation to, or consent from, as applicable, the banks that have extended credit facilities to such entities, in the event that such transfer or disposal results in the shareholding falling below the prescribed threshold limits.
- Number of shares held by the Group includes joint holding / beneficial holding.
- The Group holds 9.13% of Class A units in the special limited partnership.
- 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.
- The Parent Company has recorded a gain on fair valuation of equity investment in Hinduja Energy (India) Limited (HEIL) amounting to ₹ 120.53 crores (March 31, 2024: loss on fair valuation ₹ 124.99 crores) under exceptional item based on business plan of HEIL, external factors and the independent valuers report. The discounted cash flow method uses post tax discount rate of 12.50% (March 31, 2024: 11.60%). Both pre tax discount rate and post tax discount rate gives the same recoverable amount. Also refer note 3.6.4 (B).
- These Investments are measured at fair value through profit and loss.
- The Parent Company has invested in certain entities to secure electricity from renewable sources and are considered as associate companies under the Companies Act 2013. Under Ind AS guidelines, these entities do not qualify as associate companies due to the agreements that limit the Parent Company's influence over financial and operational decisions. These agreements also impose limitations on the sale of shares and their associated value. Consequently, the investments are now measured at amortized cost as per Ind AS 109.

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.4 NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
(Unsecured, considered good)		
Related parties (Refer Note 3.9)	-	0.25
Others	-	2.30
	-	2.55

Refer note 1.12 for ageing of trade receivables

Note:

These are carried at amortised cost.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.5	NON-CURRENT FINANCIAL ASSETS - LOANS		
	Loan to customer under financing activities		
	Secured		
	Considered good	32,069.50	26,293.85
	Considered doubtful	2,157.27	1,700.11
		34,226.77	27,993.96
	Less: Allowance for loans (as per expected credit loss model)	657.19	600.72
		33,569.58	27,393.24
	Unsecured		
	Considered good	662.47	-
	Considered doubtful	33.35	-
		695.82	-
	Less: Allowance for loans (as per expected credit loss model)	30.44	-
		665.38	-
		34,234.96	27,393.24

Notes:

- 1 Loan to customer under financing activities carried at fair value through other comprehensive income 19,819.97 15,854.54
- 2 These are carried at amortised cost except Note 1 above.
- 3 Refer Note 3.6 for disclosures relating to expected credit loss.
- 4 There are no loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) that are repayable on demand and that are without specifying any terms or period of repayment.
- 5 Movement in allowance for loans is as follows:

	Opening	Addition / Utilisations (Net)	Closing
March 2025	600.72	86.91	687.63
March 2024	314.32	286.40	600.72

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.6	NON-CURRENT - OTHER FINANCIAL ASSETS (Unsecured, considered good unless otherwise stated)		
a)	Other receivables *		
	Considered doubtful	3.95	3.95
	Less: Allowance for doubtful receivables	3.95	3.95
		-	-
b)	Security Deposits		
	Considered good	71.85	62.71
	Considered doubtful	1.63	1.67
	Less: Allowance for doubtful receivables	1.63	1.67
		71.85	62.71
c)	Derivatives designated as hedging instruments carried at fair value	5.31	4.48
d)	Bank deposits with remaining maturity of greater than 12 months	19.51	23.15
e)	Excess interest spread (EIS) receivable (relating to financing activities) (Refer Note 4)	602.15	400.12
f)	Others		
i)	Employee advances	0.98	1.96
ii)	Other advances (including paid under protest against legal dispute and items relating to financing activities)	26.32	25.96
		726.12	518.38

* Includes receivable on sale of windmill undertaking of the Parent Company.

Notes:

- These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss /other comprehensive income.
- Movement in allowance for doubtful other receivables is as follows:

Particulars	March 2025	March 2024
Opening balance	3.95	3.99
Add: Additions	-	-
Less: Utilisations / Reversals	-	0.04
Closing balance	3.95	3.95

- Movement in allowance for doubtful security deposits is as follows:

Particulars	March 2025	March 2024
Opening balance	1.67	0.75
Add: Additions	0.16	1.15
Less: Utilisations / Reversals	0.20	0.23
Closing balance	1.63	1.67

- Movement in Excess interest spread (EIS) receivable (relating to financing activities) is as follows:

Particulars	March 2025	March 2024
Gross EIS receivable	750.40	518.84
Less: Impairment	148.25	118.72
Net EIS receivable	602.15	400.12

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.7	DEFERRED TAX ASSETS (NET)		
	i) Deferred tax assets	196.21	107.12
	ii) Deferred tax (liabilities)	(27.88)	(41.77)
		168.33	65.35

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.8	NON-CURRENT INCOME TAX ASSETS (NET)		
	Advance income tax (net of provision)	169.10	181.70
		169.10	181.70

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.8a	CURRENT TAX ASSETS		
	Advance income tax (net of provision)	4.33	3.85
		4.33	3.85

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.9	OTHER NON-CURRENT ASSETS (Unsecured, considered good unless otherwise stated)		
	a) Capital Advances		
	i) Advances to related parties (Refer Note 3.9)	1.83	1.83
	ii) Others		
	Considered good	392.91	126.63
	Considered doubtful	1.65	1.65
	Less: Allowance for doubtful advances	1.65	1.65
		392.91	126.63
	b) Balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc.(including paid under protest)		
	Considered good	191.94	126.04
	Considered doubtful	3.60	3.40
	Less: Allowance for doubtful balances	3.60	2.96
		191.94	126.48
	c) Others		
	i) Sales tax paid (including paid under protest)	209.60	212.25
	ii) Other advances (includes prepaid expenses, etc.)	22.80	28.76
		232.40	241.01
		819.08	495.95

Notes:

1. Movement in allowance for doubtful advances towards capital advances is as follows:

Particulars	March 2025	March 2024
Opening balance	1.65	1.66
Add: Additions	-	-
Less: Utilisations / Reversals	-	0.01
Closing balance	1.65	1.65

2. Movement in allowance for doubtful balances towards balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc. (including paid under protest) is as follows:

Particulars	March 2025	March 2024
Opening balance	2.96	2.96
Add: Additions	0.70	-
Less: Utilisations	0.06	-
Closing balance	3.60	2.96

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.10	INVENTORIES		
a)	Raw materials and components	1,592.89	1,448.77
b)	Work-in-progress	492.68	431.10
c)	Finished goods	1,462.09	1,684.93
d)	Stock-in-trade		
	Spare parts and auto components (including works made)	294.61	302.46
e)	Stores, spares and consumable tools	143.81	140.75
		3,986.08	4,008.01

Notes:

1. Goods-in-transit included above are as follows:

		March 2025	March 2024
a)	Raw materials and components	271.48	174.78
b)	Stock-in-trade		
	Spare parts and auto components (including works made)	-	8.46
c)	Stores, spares and consumable tools	0.02	-

2. Cost of inventories (including cost of stock-in-trade purchased and write down of inventories) recognised as an expense during the year are ₹ 29,679.56 crores (2023-24: ₹ 29,229.50 crores).
3. For details of assets given as security against borrowings - Refer Note 3.13

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.11	CURRENT FINANCIAL ASSETS - INVESTMENTS (Unquoted)		
i)	Investments in mutual funds (carried at fair value through profit or loss) (March 31, 2025: 2,02,68,236.58 units and March 31, 2024: 12,76,761.54 units) (relating to financing activities March 31, 2025: 97,08,406 units and March 31, 2024: Nil)	4,265.83	225.16
ii)	Investments in pass through securities (relating to financing activities) (Carried at amortised cost)	49.14	211.39
iii)	Investments in non-convertible redeemable debentures (relating to financing activities) (Carried at amortised cost)	46.99	83.92
	(Quoted)		
i)	Investments in non-convertible redeemable debentures (relating to financing activities) (Carried at amortised cost)	204.69	69.86
ii)	Investment in treasury bills (relating to financing activities) (Carried at amortised cost)	64.90	59.11
iii)	Investment in government securities (relating to financing activities) (Carried at amortised cost)	35.37	373.75
		4,666.92	1,023.19

Note:

Particulars	March 31, 2025	March 31, 2024
Aggregate value of quoted investments	304.96	502.72
Aggregate value of unquoted investments	4,361.96	520.47

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.12 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES (Unsecured)		
Considered good		
Related parties (Refer Note 3.9)	82.71	104.14
Others	3,448.23	3,926.21
Less: Loss allowance	184.07	132.20
	3,346.87	3,898.15

Ageing for trade receivable (Refer Note 1.4 and 1.12)

₹ Crores

Year ended March 31, 2025	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables							
- considered good	1,737.14	1,381.51	48.22	39.63	13.72	27.61	3,247.83
(ii) Disputed Trade Receivables							
- considered good	-	0.09	2.01	20.89	10.55	249.57	283.11
Gross Receivables	1,737.14	1,381.60	50.23	60.52	24.27	277.18	3,530.94
Less: Loss allowance							184.07
Total							3,346.87

₹ Crores

Year ended March 31, 2024	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables							
- considered good	1,648.38	1,841.74	175.87	62.27	8.13	28.25	3,764.64
(ii) Disputed Trade Receivables							
- considered good	-	1.88	1.90	11.16	19.85	233.47	268.26
Gross Receivables	1,648.38	1,843.62	177.77	73.43	27.98	261.72	4,032.90
Less: Loss allowance							132.20
Total							3,900.70

Notes:

1. Movement in loss allowance is as follows:

Particulars	March 2025	March 2024
Opening balance	132.20	146.41
Add: Additions / Transfer	58.44	12.68
Less: Utilisations / Reversals	6.57	26.89
Closing balance	184.07	132.20

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, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.13 a CASH AND CASH EQUIVALENTS		
i) Balances with banks:		
a) In current accounts	2,513.34	1,456.54
b) In cash credit accounts	1,128.60	1,015.49
c) In deposit accounts *	2,813.82	2,590.90
ii) Cheques on hand	69.16	92.12
iii) Cash and stamps on hand	19.85	62.27
	6,544.77	5,217.32
1.13 b BANK BALANCES OTHER THAN (a) ABOVE		
i) Unclaimed dividend accounts (earmarked)	13.52	10.22
ii) Unpaid dividend accounts (earmarked) (Refer Note 1.19 (I) & 1.28)	-	1,453.48
iii) Escrow bank account (earmarked) #	55.82	35.10
iv) Deposits with original maturity of more than 3 months but less than 12 months *	649.33	363.93
	718.67	1,862.73

* This represents deposits with original maturity of less than or equal to 3 months.

includes deposits held as margin and guarantees given in favour of specific project by a subsidiary.

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.14 CURRENT FINANCIAL ASSETS - LOANS		
a) Loan to customer under financing activities		
Secured		
Considered good	12,661.44	10,683.63
Considered doubtful	673.71	582.18
	13,335.15	11,265.81
Less: Allowance for loans (as per expected credit loss model)	343.28	319.84
	12,991.87	10,945.97
Unsecured		
Considered good	330.42	-
Considered doubtful	17.52	-
	347.94	-
Less: Allowance for loans (as per expected credit loss model)	15.96	-
	331.98	-
b) Loans (Considered good)		
Related parties [Refer Note 3.9]	1.11	-
Others	60.00	-
	13,384.96	10,945.97

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.14 CURRENT FINANCIAL ASSETS - LOANS (Contd.)

Notes:

1. Loan to customer under financing activities carried at fair value through other comprehensive income. 9,471.33 7,628.04
2. These are carried at amortised cost except Note 1 above.
3. Refer Note 3.6 for disclosures relating to expected credit loss.
4. There are no loans/ advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) that are repayable on demand and that are without specifying any terms or period of repayment.
5. Movement in allowance for loans is as follows:

	Opening	Additions / Utilisation (net)	Closing
March 2025	319.84	39.40	359.24
March 2024	414.78	(94.94)	319.84

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.15 CURRENT - OTHER FINANCIAL ASSETS (Unsecured, considered good unless otherwise stated)		
a) Interest accrued	9.91	4.43
b) Employee advances	28.72	28.04
c) Derivatives designated as hedging instruments carried at fair value	15.43	48.64
d) Receivables from Related parties (Refer Note 3.9)	1.24	-
e) Intercompany deposits	-	390.00
f) Revenue grants receivable		
- Considered good	19.57	25.17
- Considered doubtful	9.03	9.03
	28.60	34.20
Less: Allowance for doubtful receivables	9.03	9.03
	19.57	25.17
g) Receivable from Government authorities		
- Considered good	3.75	3.75
- Considered doubtful	3.90	3.90
	7.65	7.65
Less: Allowance for doubtful receivables	3.90	3.90
	3.75	3.75
h) Security Deposits		
- Considered good	4.77	6.63
- Considered doubtful	0.07	0.07
	4.84	6.70
Less: Allowance for doubtful deposits	0.07	0.07
	4.77	6.63

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.15 CURRENT - OTHER FINANCIAL ASSETS (Contd.)

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
i) Subsidy receivable from Government	145.92	25.73
j) Excess interest spread (EIS) receivable (relating to financing activities) (Refer Note 7)	270.51	212.29
k) Others (includes expenses recoverable, items relating to financing activity, etc.)		
- Considered good	84.53	45.15
- Considered doubtful	36.86	36.86
	121.39	82.01
Less: Allowance for doubtful receivables	36.86	36.86
	84.53	45.15
	584.35	789.83

Notes:

- These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss/ other comprehensive income.
- For details of assets given as security against borrowings - Refer Note 3.13.
- Movement in Allowance for doubtful receivables (Revenue grant receivable) is as follows:

Particulars	March 2025	March 2024
Opening balance	9.03	8.89
Add: Additions	-	0.14
Less: Utilisations / Reversals	-	-
Closing balance	9.03	9.03

- Movement in Allowance for doubtful receivables - Others (includes expenses recoverable, items relating to financing activity, etc.) is as follows:

Particulars	March 2025	March 2024
Opening balance	36.86	36.86
Add: Additions	-	-
Less: Utilisations / Reversals	-	-
Closing balance	36.86	36.86

- Movement in Allowance for doubtful receivable (Receivable from Government authorities) is as follows:

Particulars	March 2025	March 2024
Opening balance	3.90	3.90
Add: Transfer	-	-
Less: Utilisations / Reversals	-	-
Closing balance	3.90	3.90

- Movement in Allowance for doubtful security deposits is as follows:

Particulars	March 2025	March 2024
Opening Balance	0.07	0.07
Add: Addition	-	-
Less: Utilisations / Reversals	-	-
Closing Balance	0.07	0.07

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.15 CURRENT - OTHER FINANCIAL ASSETS (Contd.)

7. Movement in Excess interest spread (EIS) receivable (relating to financing activities) is as follows:

Particulars	March 2025	March 2024
Gross EIS receivable	338.20	278.73
Less: Impairment	67.69	66.44
Net EIS receivable	270.51	212.29

8. There are no intercorporate deposits granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) that are repayable on demand and that are without specifying any terms or period of repayment.

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.16 CONTRACT ASSETS (Unsecured, considered good)		
Unbilled revenue (Refer note 3.7)	56.09	47.09
	56.09	47.09

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.17 OTHER CURRENT ASSETS (Unsecured, considered good unless otherwise stated)		
a) Supplier advances		
Considered good	52.78	202.77
Considered doubtful	0.97	0.97
Less: Allowance for doubtful advances	0.97	0.97
	52.78	202.77
b) Balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc.	699.12	836.17
c) Others *	171.62	152.03
	923.52	1,190.97
* Includes:		
- Sales tax paid under protest	0.03	0.03
- Prepaid expenses	163.80	142.31
- Advances	0.02	0.16
- Gratuity (Refer Note 3.3)	0.34	0.23

Note:

Movement in allowance for doubtful advances is as follows:

Particulars	March 2025	March 2024
Opening balance	0.97	1.13
Add: Additions	-	-
Less: Utilisations / Reversals	-	0.16
Closing balance	0.97	0.97

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.17A	ASSETS CLASSIFIED AS HELD FOR SALE		
	Electric Vehicle Mobility As A Service (EMAAS) (Refer Sub-Note 1) :		
	Property, plant and equipment and Capital work-in-progress (net of provision for assets held for sale relating to EMAAS business)	-	120.56
	Right-of-use asset	-	5.87
	Non-current and current financial assets (includes trade and other receivables, etc.)	-	6.33
	Non-current and current assets	-	0.40
	Inventories	-	6.27
	Aircraft (Refer Sub-Note 2) :		
	Property, plant and equipment	23.68	-
		23.68	139.43

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.17B	LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE		
	Electric Vehicle Mobility As A Service (EMAAS) (Refer Sub-Note 1) :		
	Non-current and current financial liabilities (includes trade and other payables, etc.)	-	15.75
	Non-current and current liabilities (includes contract liabilities, etc.)	-	1.02
	Non-current and current provision (includes provision for employee benefits)	-	0.06
	Aircraft (Refer Sub-Note 2) :		
	Non-current and current financial liabilities (includes trade and other payables, etc.)	4.16	-
		4.16	16.83

Notes:

- Owing to delay in obtaining customer approvals, the Board of the Parent Company has withdrawn the plan to transfer Electric Vehicle Mobility As A Service (EMAAS) business. Accordingly, EMAAS assets have been reclassified from "assets held for sale" to their respective asset classes and the impact of same is not significant.
- The Board of Directors of the Parent Company had approved the disposal of the aircraft and the sale is expected to be completed before the end of next financial year.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.18	EQUITY SHARE CAPITAL		
	Authorised		
	27,85,60,00,000 (March 2024: 27,85,60,00,000) Equity shares of Re.1 each	2,785.60	2,785.60
		2,785.60	2,785.60
	Issued		
a)	2,29,02,12,796 (March 2024: 2,29,00,12,796) Equity shares of Re.1 each	229.02	229.00
b)	64,63,14,480 (March 2024: 64,63,14,480) Equity shares of Re.1 each issued through Global Depository Receipts	64.63	64.63
		293.65	293.63
	Subscribed and fully paid up		
a)	2,29,02,12,796 (March 2024: 2,29,00,12,796) Equity shares of Re.1 each	229.02	229.00
b)	64,63,14,480 (March 2024: 64,63,14,480) Equity shares of Re.1 each issued through Global Depository Receipts	64.63	64.63
		293.65	293.63
	Add: Forfeited shares (amount originally paid up in respect of 760 shares) #	0.00	0.00
		293.65	293.63

Amount is below rounding off norms adopted by the Group.

Shares held by promoters as at March 31, 2025				% 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 JP Morgan Chase Bank N A)	1,34,86,28,818	45.926	(0.003)
2	Hinduja Bank (Switzerland) Ltd (held on behalf of Hinduja Automotive Limited)	14,49,04,064	4.935	-
3	Hinduja Foundries Holdings Limited	71,27,379	0.243	-
	Total	1,50,06,60,261	51.104	(0.003)

Shares held by promoters as at March 31, 2024				% Change during the year
S. No	Name of the Promoter	No. of Shares	% of total shares	
1	Hinduja Automotive Limited (including shares held through GDRs through Citibank N A, New York)	1,34,86,28,818	45.929	-
2	Hinduja Bank (Switzerland) Ltd (held on behalf of Hinduja Automotive Limited)	14,49,04,064	4.935	-
3	Hinduja Foundries Holdings Limited	71,27,379	0.243	-
	Total	1,50,06,60,261	51.107	-

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Notes:

1. Reconciliation of number of equity shares subscribed

	March 2025	March 2024
Balance as at the beginning of the year	2,93,63,27,276	2,93,61,27,276
Add: Issued during the year (Refer Note 3.5)	2,00,000	2,00,000
Balance as at the end of the year	2,93,65,27,276	2,93,63,27,276

2. As on March 31, 2025, there are 35,28,70,140 (March 2024: 35,28,70,140) equity shares representing the outstanding Global Depository Receipts (GDRs). The balance GDRs have been converted into equity shares.

3. Shares held by the Holding Company

Hinduja Automotive Limited, the holding company, holds 1,16,43,32,742 (March 2024: 1,16,43,32,742) Equity shares and 32,92,00,140 (March 2024: 54,86,669) Global Depository Receipts (GDRs) equivalent to 32,92,00,140 (March 2024: 32,92,00,140) Equity shares of Re.1 (March 2024: Re.1) each aggregating to 50.861% (March 2024: 50.864%) of the total share capital.

4. Shareholders other than the Holding Company holding more than 5% of the equity share capital

There are no shareholders holding more than 5% of the equity share capital of the Parent Company other than the Holding Company as at March 31, 2025 and March 31, 2024.

5. Rights, preferences and restrictions in respect of equity shares and GDRs issued by the Parent Company

- 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.
- 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 1 equity share (March 2024: 60 equity shares) of Re.1 each, per GDR, and their voting rights can be exercised through the Depository.
- Effective June 17, 2024, the ratio between the GDRs and Shares of the Parent Company has been changed from 60 : 1 (One GDR equivalent to 60 underlying shares) to 1:1 (One GDR is equivalent to one underlying share). Accordingly, 59 new GDR(s) were issued by the Depository for every 1 existing GDR held by the GDR holder(s) on the GDR Record Date viz., June 10, 2024 in line with the new ratio.

Consequent to the above ratio change, the total number of GDRs stands increased from 58,81,169 to 35,28,70,140. There is no change to the underlying shares / equity share capital of the Parent Company, due to the ratio change of the GDRs.

- The Parent Company allotted 2,00,000 (March 2024: 2,00,000) equity shares pursuant to the exercise of options under Employee Stock Option Plan Scheme. For Information relating to Employees Stock Option Plan Scheme including details of options outstanding as at March 31, 2025 - Refer Note 3.5.
- The Board of Directors of the Parent Company has recommended the issue of bonus shares of 1 : 1 subject to the approval of shareholders.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

			As at March 31, 2025	As at March 31, 2024
			₹ Crores	₹ Crores
1.19	OTHER EQUITY			
a)	Share application money pending allotment	A	0.11	0.54
b)	Capital Reserve	B	263.87	263.87
c)	Securities Premium	C	2,556.28	2,546.86
d)	Capital Redemption Reserve	J	3.33	3.33
e)	Share Options Outstanding Account	D	56.70	47.46
f)	General Reserve	E	1,022.85	1,021.70
g)	Cash Flow Hedge Reserve	F	(13.28)	6.12
h)	Statutory Reserve	G	487.22	383.91
i)	Foreign Currency Translation Reserve	H	(68.13)	(45.73)
j)	Retained Earnings	I	6,358.35	3,772.80
k)	Other Comprehensive Income - Fair valuation on loans relating to financing activities	K	1,271.14	710.13
			11,938.44	8,710.99

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, 2025.
- 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. During the year ended March 31, 2025, the Board of Directors approved two interim dividends. The first, amounting to ₹ 2.00 per equity share of face value Re.1.00 each, was approved at the Board meeting held on November 8, 2024. A second interim dividend of ₹ 4.25 per equity share was approved at the meeting held on May 16, 2025. Accordingly, the total interim dividend declared for the year amounts to ₹ 6.25 per share (Interim dividend for March 2024: ₹ 4.95 per equity share). 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.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.20	NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS		
a)	Secured borrowings		
	i) Redeemable non-convertible debentures	1,457.24	627.43
	ii) Term loan from banks	31,646.70	24,800.19
	iii) SIPCOT soft loan	-	31.18
b)	Unsecured borrowings		
	i) Subordinated Redeemable non-convertible debentures	3,212.57	1,113.10
	ii) External commercial borrowings from banks	-	55.97
	iii) Interest free sales tax loans	66.41	66.41
	iv) Others including subordinated loans	-	1.43
		36,382.92	26,695.71

Notes:

- These are carried at amortised cost.
- Refer Note 1.26 for Current maturities of long-term borrowings.
- Refer Note 3.13 for security and terms of the borrowings.
- The Parent Company has been authorised to issue 3,65,00,000 (March 2024: 3,65,00,000) Non-Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10 each valuing ₹ 36.50 crores (March 2024: ₹ 36.50 crores) and 7,70,00,000 (March 2024: 7,70,00,000) Non-Convertible Redeemable Preference Shares of ₹ 100 each valuing ₹ 770.00 crores (March 2024: ₹ 770.00 crores). No preference shares has been issued during the year.
- Refer Note 3.6 for details on debt covenants.
- The Group has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements.
- The Group is not declared as a willful defaulter by any bank or financial institution or government or any government authority.
- Of the above, borrowings relating to financing activities are given below:

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
a)	Secured borrowings		
	1,36,000 (March 31, 2024: 43,000) Redeemable non-convertible debentures	1,257.90	428.10
	Term loans from banks	29,536.04	23,663.73
b)	Unsecured borrowings		
	2,53,350 (March 31, 2024: 63,750) Subordinated Redeemable non-convertible debentures	3,212.57	1,113.10
		34,006.51	25,204.93

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.21	NON-CURRENT - OTHER FINANCIAL LIABILITIES		
a)	Capital creditors	1.06	0.93
b)	Derivatives designated in hedging relationships carried at fair value	0.79	1.65
c)	Others (Includes security deposit payable, etc.)*	115.21	93.62
d)	Earnout liability relating to a subsidiary**	-	31.21
		117.06	127.41

Notes:

These (except derivatives and earnout liability) are carried at amortised cost. Derivatives and Earnout liability are carried at fair value through profit or loss / other comprehensive income.

*Includes RSP Participation fee payable relating to financing activities amounting to ₹ 82.67 crores (March 31, 2024: ₹ 40.86 crores)

** Represents fair value of contingent consideration payable in relation to a subsidiary, payable over a period of 3 years.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.22 NON-CURRENT CONTRACT LIABILITIES		
Income received in advance (Refer note 3.7)	372.86	283.45
	372.86	283.45

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.23 NON-CURRENT PROVISIONS		
a) Provision for employee benefits		
i) Compensated absences	4.54	122.78
ii) Others including post retirement benefits	151.07	116.43
b) Provision for product warranties	667.14	585.26
c) Provision in relation to net assets of a subsidiary (Refer Note 3.25)	18.98	26.80
d) Other provisions (includes provision for litigation matters)	6.27	6.24
	848.00	857.51

Notes:

1. Movement in Provision for product warranties is as follows:

Particulars	March 2025	March 2024
Opening balance (Current (Refer Note 1.30) and Non-current)	1,211.49	787.65
Add: Additions (net)	917.45	1,070.68
Less: Utilisations (net)	752.81	646.84
Closing balance (Current (Refer Note 1.30) and Non-current)	1,376.13	1,211.49

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, 2024: upto 84 months).

2. Movement in Other Provisions (includes provision for litigation matters) is as follows:

Particulars	March 2025	March 2024
Opening balance	6.24	5.29
Add: Additions	0.03	0.95
Less: Utilisations / Reversal	-	-
Closing balance	6.27	6.24

3. Movement in Provisions in relation to net assets of a subsidiary is as follows:

Particulars	March 2025	March 2024
Opening balance	26.80	18.77
Add: Additions	-	8.03
Less: Reversals	7.82	-
Closing balance	18.98	26.80

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.24 DEFERRED TAX LIABILITIES (NET)		
i) Deferred tax liabilities	1,836.10	1,435.39
ii) Deferred tax (assets)	(437.08)	(388.56)
	1,399.02	1,046.83

Note:

Refer Note 3.2 for details of deferred tax liabilities and assets.

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.25 OTHER NON-CURRENT LIABILITIES		
Others *	13.06	3.82
	13.06	3.82

* includes subsidy received in advance

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1.26 CURRENT FINANCIAL LIABILITIES - BORROWINGS		
a) Secured borrowings		
Loans from banks	1,306.19	2,106.74
Bills discounted	-	10.51
b) Unsecured borrowings		
Loans from banks	278.19	233.41
Commercial papers	98.73	1,479.08
Loan from others	1.55	1.84
Bills discounted	-	73.80
c) Current maturities of long-term debt	11,633.52	9,963.25
	13,318.18	13,868.63

Notes :

- These are carried at amortised cost.
- Out of the above, borrowings relating to financing activities:

Particulars	March 2025	March 2024
- Secured - Loans from Banks	671.40	701.51
- Current maturities of long-term debt	11,070.03	9,316.79
- Commercial papers	98.73	1,479.08

- Current maturities of long term debts:

Particulars	March 2025	March 2024
Secured	11,575.76	9,079.77
Unsecured	57.76	883.48

- Commercial paper - maximum balance outstanding during the year is ₹ 100 crores (March 2024: ₹ 1,725 crores).
- The Group has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements.
- Refer Note 3.13 for security, terms of the borrowings and net debt reconciliation.
- Refer Note 3.6 for details of debt covenants.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.27	CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES		
	Trade payables - including acceptances		
a)	Total outstanding dues of micro enterprises and small enterprises	95.28	114.88
b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	7,924.20	6,683.14
		8,019.48	6,798.02

Trade Payables ageing schedule

₹ Crores

		As at March 31, 2025						
		Outstanding for following periods from due date of payment						
Particulars		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		0.86	91.44	2.66	-	0.32	-	95.28
(ii) Undisputed dues - Others		983.07	5,957.28	966.48	11.54	3.35	2.48	7,924.20
(iii) Disputed dues – Micro and Small Enterprises		-	-	-	-	-	-	-
(iv) Disputed dues - Others		-	-	-	-	-	-	-
Total		983.93	6,048.72	969.14	11.54	3.67	2.48	8,019.48

₹ Crores

		As at March 31, 2024						
		Outstanding for following periods from due date of payment						
Particulars		Un-billed (includes accrued expenses / liabilities)	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - Micro and Small Enterprises		0.55	113.95	0.06	0.32	-	-	114.88
(ii) Undisputed dues - Others		888.50	5,424.34	363.69	3.55	1.86	1.20	6,683.14
(iii) Disputed dues – Micro and Small Enterprises		-	-	-	-	-	-	-
(iv) Disputed dues - Others		-	-	-	-	-	-	-
Total		889.05	5,538.29	363.75	3.87	1.86	1.20	6,798.02

Notes:

- These are carried at amortised cost.
- Includes acceptances amounting to ₹ 309.15 crores (March 2024: ₹ 247.02 crores)

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.28	CURRENT - OTHER FINANCIAL LIABILITIES		
a)	Interest accrued but not due on borrowings	320.41	221.98
b)	Dividend Payable		
i)	Unpaid (Refer Note 1.19 (I) & 1.13b)	-	1,453.48
ii)	Unclaimed	13.52	10.22
c)	Employee benefits	623.85	518.42
d)	Capital creditors		
i)	Total outstanding dues of micro enterprises and small enterprises	18.15	9.27
ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	104.87	97.85
e)	Derivatives designated in hedging relationships carried at fair value	31.13	1.13
f)	Assignees towards collections in assigned assets (relating to financing activities)	366.01	310.87
g)	Earnout Liability relating to a subsidiary	34.12	32.56
h)	Others*	707.32	778.03
		2,219.38	3,433.81
	* Includes:		
	Refund liabilities	521.43	438.30
	RSP Participation fees payable relating to financing activities	35.83	81.71
	Subsidy received in advance	-	30.00

Notes :

- These (except derivatives and earnout liability) are carried at amortised cost. Derivatives and Earnout liability are carried at fair value through profit or loss/ other comprehensive income.
- Refer Note 3.13 for securities and terms of the borrowings.
- Interest accrued but not due on borrowings include ₹ 302.54 crores (2024: ₹ 204.30 crores) relating to financing activities.
- Refer Note 3.6 for details of debt covenants.

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.29	CURRENT CONTRACT LIABILITIES		
a)	Income received in advance	301.14	334.21
b)	Advance from customers	176.37	222.38
		477.51	556.59

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, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.30	CURRENT PROVISIONS		
a)	Provision for employee benefits		
i)	Compensated absences	162.64	29.78
ii)	Gratuity (Refer Note 3.3)	10.72	16.40
iii)	Others including Post retirement benefits	78.37	78.86
b)	Others		
i)	Product warranties	708.99	626.23
ii)	Provision for restructuring expenses (Refer Note 3.28)	108.96	-
iii)	Others (including litigation matters)	49.28	51.72
		1,118.96	802.99

Notes:

1. Movement in Provision for product warranties Refer Note 1.23.
2. Movement in Provision for others (including litigation matters) is as follows:

Particulars	March 2025	March 2024
Opening Balance	51.72	109.08
Add: Additions	0.02	1.78
Less: Utilisations / Reversals	2.46	59.14
Closing Balance	49.28	51.72

3. Movement in Provision for restructuring expenses is as follows:

Particulars	March 2025	March 2024
Opening Balance	-	-
Add: Additions	108.96	-
Less: Reversals	-	-
Closing Balance	108.96	-

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.31	OTHER CURRENT LIABILITIES		
a)	Statutory liabilities	572.23	536.33
b)	Accrued gratuity (Refer Note 3.3)	0.14	0.02
c)	Subsidy received in advance	43.32	35.81
d)	Others	69.54	16.89
		685.23	589.05

		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
1.32	CURRENT TAX LIABILITIES (NET)		
	Provision for taxation (net of advance tax)	632.95	527.38
		632.95	527.38

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		Year ended March 31, 2025	Year ended March 31, 2024
		₹ Crores	₹ Crores
2.1	REVENUE FROM OPERATIONS		
a)	Sale of products		
	- Commercial vehicles	34,446.40	33,951.37
	- Engines and gensets	1,481.59	1,306.33
	- Ferrous castings and patterns	572.24	508.77
	- Spare parts and others	4,069.08	3,561.58
	(A)	40,569.31	39,328.05
b)	Sale of services (B)	2,452.04	2,194.11
c)	Other operating revenues		
	- Grant Income	-	0.66
	- Export incentives	52.64	43.54
	- Scrap sales	113.72	124.18
	- Others	27.02	17.70
	(C)	193.38	186.08
	(A+B+C)	43,214.73	41,708.24
	Less : Rebates and discounts	881.45	751.89
		42,333.28	40,956.35
	INCOME FROM FINANCING OPERATIONS (Refer Note 3.8 (i))	6,201.86	4,746.99
		6,201.86	4,746.99

		Year ended March 31, 2025	Year ended March 31, 2024
		₹ Crores	₹ Crores
2.2	OTHER INCOME		
a)	Interest income from financial assets measured at amortised cost	94.55	78.93
		94.55	78.93
b)	Profit on sale of investments (net)		
	Current investments	43.12	60.61
		43.12	60.61
c)	Other non-operating income		
i)	Profit on sale of Property, Plant and Equipment (net)	22.56	14.27
ii)	Net gain / (loss) arising on financial asset mandatorily measured at FVTPL	7.48	(3.71)
iii)	Others (including income from advertisement services relating to financing activities)	190.75	77.78
		220.79	88.34
		358.46	227.88

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		Year ended March 31, 2025	Year ended March 31, 2024
		₹ Crores	₹ Crores
2.3	EMPLOYEE BENEFITS EXPENSE		
a)	Salaries and wages	3,689.43	3,238.11
b)	Contribution to provident and other funds	247.72	208.84
c)	Share based payment expenses *	13.82	8.63
d)	Staff welfare expenses	289.71	259.36
		4,240.68	3,714.94
	Less: Expenses capitalised	79.38	42.25
		4,161.30	3,672.69

* For share options given by the Group to employees under employee stock option plan - Refer Note 3.5.

		Year ended March 31, 2025	Year ended March 31, 2024
		₹ Crores	₹ Crores
2.4	FINANCE COSTS		
a)	Interest expense	300.84	356.74
	Less: Expenses capitalised	17.36	2.30
		283.48	354.44
b)	Unwinding of discount on provisions	94.97	58.32
c)	Interest and other borrowing costs relating to financing activities	3,532.90	2,555.40
d)	Interest on lease liability	18.86	14.09
		3,930.21	2,982.25

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 - 7.70% p.a. (March 31, 2024 - 7.30% p.a.).

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		Year ended March 31, 2025	Year ended March 31, 2024
		₹ Crores	₹ Crores
2.5	DEPRECIATION AND AMORTISATION EXPENSE		
A)	Property, plant and equipment		
i)	Buildings	86.94	80.67
ii)	Plant and equipment	438.61	451.07
iii)	Furniture and fittings	15.81	9.05
iv)	Vehicles including electric vehicles	108.48	44.82
v)	Commercial vehicles given on lease	50.53	18.44
vi)	Office equipment	46.41	35.54
vii)	Assets given on lease		
-	Buildings	0.29	0.29
-	Plant and equipment	#	#
-	Aircraft	1.57	6.65
viii)	Electrical and other installations on lease hold premises	0.17	0.04
		748.81	646.57
B)	Other Intangible assets		
i)	Computer software		
-	Developed	1.44	2.17
-	Acquired	21.59	14.65
ii)	Technical knowhow (includes Product Development)		
-	Developed	209.24	178.94
-	Acquired	12.11	13.00
iii)	Customer relationships	11.03	7.72
iv)	Trademark	2.46	2.37
		257.87	218.85
C)	Depreciation of Right-of-use asset	79.97	61.87
		1,086.65	927.29

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, 2025	Year ended March 31, 2024
		₹ Crores	₹ Crores
2.6	OTHER EXPENSES		
(a)	Consumption of stores and tools	101.99	117.26
(b)	Power and fuel	316.82	302.22
(c)	Rent (Refer Note 3.10)	19.77	15.41
(d)	Repairs and maintenance		
-	Buildings	78.10	79.50
-	Plant and machinery	139.81	130.31
-	Others	94.34	83.52
(e)	Insurance	65.44	54.07
(f)	Rates and taxes, excluding taxes on income	42.95	42.68
(g)	Research and development (includes materials consumed and testing charges)	158.73	132.90
(h)	Service and product warranties	959.24	1,122.64
(i)	Packing and forwarding charges	919.44	806.45
(j)	Selling and administration expenses (net) (includes advertisement expenditure, consultancy charges, etc)	861.01	682.17
(k)	Annual maintenance contracts	283.74	250.48
(l)	Service provider fees (including sourcing and commission expenses relating to financing activities)	226.85	99.26
(m)	Impairment loss allowance / write off on trade receivable (net)	33.73	(3.69)
(n)	Impairment loss allowance / write off on other receivable (net)	-	0.72
(o)	Miscellaneous including operational expenses * (includes hire charges, travel expenditure etc)	655.92	537.90
		4,957.88	4,453.80
	Less: Expenses capitalised	123.30	81.07
		4,834.58	4,372.73
	IMPAIRMENT LOSS ALLOWANCE / WRITE OFF RELATING TO FINANCING ACTIVITIES	651.95	572.85
		651.95	572.85

Note:

* Miscellaneous expenses includes a contribution of ₹ 125 crores (2023-24: ₹ Nil) to Electoral Trust in accordance with Section 182 of the Companies Act, 2013.

Selling and administration expenses include items relating to Parent Company:

- Directors' sitting fees	0.91	1.47
- Commission to Non Whole-time Directors	7.60	6.69

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		Year ended March 31, 2025	Year ended March 31, 2024
		₹ Crores	₹ Crores
2.7	EXCEPTIONAL ITEMS :		
a)	Impairment reversal / (allowance) in the value of net assets of a subsidiary		
-	Albonair GmbH (Refer Note 3.25)	7.82	(8.03)
b)	Provision for obligations relating to a subsidiary		
-	Optare plc	-	13.53
c)	Gain / (Loss) on fair valuation of Investment in Hinduja Energy (India) Limited (Refer Note 1.3 and Note 3.6)	120.53	(124.99)
d)	Voluntary retirement scheme	-	(0.13)
e)	Restructuring expenses relating to a subsidiary	(108.96)	-
e)	Obligation relating to discontinued products of LCV division (net of reversal)	-	53.68
f)	Others (Expenses relating to certain strategic activities and net credit exposure) *	(31.62)	-
g)	Fair value gain on remeasurement of Compulsorily Convertible Preference Shares relating to a subsidiary	41.23	-
h)	Write off of intangible assets under development / capital work in progress	(13.60)	(18.28)
		15.40	(84.22)

Note:

*Includes expenses relating to subsidiary incurred for strategic activity of raising preference share capital and loss allowance relating to specific disputed customers

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.1 Basis of consolidation

3.1.1 The Consolidated Financial Statements relate to Ashok Leyland Limited (the "Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together constitute "the Group"), its joint ventures and associates.

3.1.2 Principles of consolidation

- 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").
- 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.
- 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.
- 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.
- The following subsidiaries are considered in the Consolidated Financial Statements:

Sl.No.	Name of the Subsidiary	Country of Incorporation	% of ownership interest	
			March 31, 2025	March 31, 2024
1	Hinduja Leyland Finance Limited and its subsidiaries	India	61.12%	60.40%
2	Global TVS Bus Body Builders Limited	India	66.67%	66.67%
3	Gulf Ashley Motor Limited	India	93.15%	93.15%
4	Optare Plc and its subsidiaries	UK	92.59%	92.59%
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	82.05%	81.72%
8	Albonair (India) Private Limited	India	100.00%	100.00%
9	Albonair GmbH and its subsidiary*	Germany	100.00%	100.00%
10	Ashok Leyland (UAE) LLC and its subsidiaries	UAE	100.00%	100.00%
11	Ashley Aviation Limited	India	100.00%	100.00%
12	Hinduja Tech Limited and its subsidiaries	India	72.99%	73.22%
13	Vishwa Buses and Coaches Limited	India	100.00%	100.00%
14	Gro Digital Platforms Limited	India	80.56%	80.20%
15	OHM Global Mobility Private Limited (from September 1, 2023)	India	100.00%	100.00%

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, 2025.

- 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, 2025	March 31, 2024
1	Ashley Alteams India Limited	India	50.00%	50.00%
2	Zebeeyond Limited, United Kingdom (Joint venture of Hinduja Tech Limited and its subsidiaries)	UK	50.00%	50.00%
3	Ashok Leyland John Deere Construction Equipment Company Private Limited # (Under liquidation)	India	50.00%	50.00%
4	TVS Trucks and Buses Private Limited (from February 23, 2024)	India	49.90%	49.90%

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.

- The following associates have been considered in the preparation of Consolidated Financial Statements of the Group in accordance with Indian Accounting Standard (Ind AS) 28 "Investments in Associates and Joint Ventures":

Sl.No.	Name of the Associate	Country of Incorporation	% of ownership interest	
			March 31, 2025	March 31, 2024
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), HR Vaigai Private 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.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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	94.18	11,518.79	106.32	3,303.29	(2.33)	(11.96)	90.92	3,291.33
Indian Subsidiaries									
2.	Hinduja Leyland Finance Limited and its subsidiaries	71.15	8,703.07	25.11	779.99	177.03	908.40	46.64	1,688.39
3.	Global TVS Bus Body Builders Limited	0.36	43.55	0.15	4.81	(0.05)	(0.26)	0.13	4.55
4.	Gulf Ashley Motor Limited	0.01	0.99	(0.13)	(4.00)	0.01	0.03	(0.11)	(3.97)
5.	HLF Services Limited	0.17	20.61	0.10	3.09	0.04	0.19	0.09	3.28
6.	Albonair (India) Private Limited	1.45	177.65	2.70	83.74	(0.14)	(0.70)	2.29	83.04
7.	Ashley Aviation Limited	0.03	3.60	(0.15)	(4.75)	-	-	(0.13)	(4.75)
8.	Hinduja Tech Limited and its subsidiaries	4.57	559.01	(1.14)	(35.45)	1.52	7.82	(0.76)	(27.63)
9.	Vishwa Buses and Coaches Limited	0.34	41.67	0.01	0.17	(0.01)	(0.05)	-	0.12
10.	Gro Digital Platforms Limited	0.28	34.61	(0.49)	(15.23)	0.01	0.05	(0.42)	(15.18)
11.	OHM Global Mobility Private Limited (from September 1, 2023)	2.44	298.90	(0.15)	(4.58)	0.03	0.14	(0.12)	(4.44)
Foreign Subsidiaries									
12.	Ashok Leyland (Nigeria) Limited	(0.11)	(13.76)	(0.21)	(6.59)	-	-	(0.18)	(6.59)
13.	Ashok Leyland (Chile) S.A	-	-	-	(0.07)	-	-	-	(0.07)
14.	Optare Plc UK and its subsidiaries	0.37	45.11	(16.31)	(506.86)	(7.58)	(38.91)	(15.08)	(545.77)
15.	Ashok Leyland (UAE) LLC and its subsidiaries	1.46	179.06	2.69	83.54	0.46	2.37	2.37	85.91
16.	Albonair GmbH and its subsidiary	0.16	18.99	(0.25)	(7.81)	-	-	(0.22)	(7.81)
17.	Non controlling Interest in all subsidiaries	(29.54)	(3,612.77)	(8.88)	(275.99)	(69.63)	(357.29)	(17.49)	(633.28)
Associates (Investment as per the equity method)									
Indian									
18.	Ashok Leyland Defence Systems Limited #	0.51	62.26	0.55	17.00	-	(0.01)	0.47	16.99
19.	Mangalam Retail Services Limited #	-	0.04	-	-	-	-	-	-
Foreign									
20.	Lanka Ashok Leyland PLC	0.29	35.72	0.39	12.12	0.26	1.35	0.37	13.47
Joint Ventures (Investment as per the equity method)									
Indian									
21.	Ashley Alteams India Limited	0.28	34.81	0.43	13.32	-	0.01	0.37	13.33
22.	Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)	-	-	-	-	-	-	-	-
23.	Zeeyond Limited, United Kingdom (Joint venture of Hinduja Tech Limited and its subsidiaries)	0.03	4.16	(0.06)	(1.54)	-	-	(0.04)	(1.54)
24.	TVS Trucks and Buses Private Limited (from February 23, 2024)	0.09	10.91	(0.30)	(9.32)	-	-	(0.26)	(9.32)
Sub Total		148.52	18,166.98	110.38	3,428.88	99.62	511.18	108.84	3,940.06
Add / (Less): Effect of intercompany adjustments / eliminations		(48.52)	(5,934.89)	(10.38)	(322.08)	0.38	1.96	(8.84)	(320.12)
Total		100.00	12,232.09	100.00	3,106.80	100.00	513.14	100.00	3,619.94

Note:

In case of subsidiaries, the net assets and the profit and loss are as per the Standalone / Consolidated Financial Statements of the respective entities from the date of acquisition wherever applicable. In case of associates and joint ventures, the share in net assets and share in profit and loss of the Parent Company are as per the Standalone / Consolidated Financial Statements of the respective entities from the date of acquisition wherever applicable.

Amount below rounding off norms adopted by the Group

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS

3.2.1 Income tax recognised in profit or loss

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Current tax		
In respect of the current year		
Domestic entities	1,721.14	1,552.35
Foreign entities	10.24	4.07
In respect of prior years		
Domestic entities	(5.52)	(77.51)
A	1,725.86	1,478.91
Deferred tax		
In respect of the current year		
Domestic entities	(513.25)	58.58
Foreign entities	(19.40)	(14.86)
Adjustments to deferred tax attributable to changes in tax rates and laws (Domestic Entities)	14.92	(169.32)
In respect of prior years		
Domestic entities	5.41	56.42
B	(512.32)	(69.18)
Total income tax expense recognised in the Consolidated profit or loss (A+B)	1,213.54	1,409.73

3.2.2 Income tax expense for the year reconciled to the accounting profit:

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Profit before tax		
Domestic entities	5,031.16	4,507.92
Foreign entities	(434.83)	(401.85)
Consolidated Profit before tax	4,596.33	4,106.07
Income tax expense at tax rates applicable to individual entities	1,681.72	1,456.91
Effect of exceptional items, disallowances and reversals (net)	(5.10)	79.98
Effect of previously unrecognised and unused tax losses, tax credits and deductible temporary differences	(342.50)	(71.40)
Effect of concessions and other allowances	(23.40)	(39.85)
Effect of different tax rates of subsidiaries / branches operating in overseas jurisdictions	3.89	3.78
Effect of other adjustments	(115.78)	149.63
Effect on account of rate changes (Refer Note below)	14.71	(169.32)
Income tax expense recognised in Consolidated profit or loss	1,213.54	1,409.73

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

3.2.3 Income tax recognised in other comprehensive income

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Fair value remeasurement of hedging instruments entered into for cash flow hedges	(4.89)	2.22
Gain on fair valuation of loans (relating to financing activities)	311.51	193.43
Remeasurement of defined benefit obligation	(3.17)	(4.12)
A	303.45	191.53
Arising on income and expenses reclassified from equity to profit or loss:		
Relating to cash flow hedges	(2.63)	(9.54)
B	(2.63)	(9.54)
Total income tax recognised in other comprehensive income (A+B)	300.82	181.99
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(3.17)	(4.12)
Items that will be reclassified to profit or loss	303.99	186.11
	300.82	181.99

Note:

The Parent Company is continuing to provide for income tax based on old tax regime, considering the outstanding MAT credit entitlement and various deductions available to the Parent Company under the Income Tax Act, 1961. However, the Parent Company has applied the lower Income tax rates as provided under section 115 BAA of the Income Tax Act, 1961 on the deferred tax assets / liabilities to the extent these are expected to be realized or settled in the future period.

3.2.4 Analysis of deferred tax assets / liabilities:

₹ Crores

March 31, 2025	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	DTL unwinding due to change in tax rate / law	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	(39.85)	40.87	-	-	-	-	1.02
Right-of-use Asset	(1.92)	(25.96)	-	-	-	-	(27.88)
Lease Liability	-	26.75	-	-	-	-	26.75
Unused tax losses (including unabsorbed depreciation)	95.51	32.43	-	-	-	-	127.94
Expenditure allowed upon payments	0.76	(0.09)	0.09	-	-	-	0.76
Provision for other employee benefits	1.77	0.38	0.72	-	-	-	2.87
Other temporary differences	9.08	27.79	-	-	-	-	36.87
	65.35	102.17	0.81	-	-	-	168.33
Deferred tax liabilities / (assets) (net)							
Property, plant and equipment and Intangible Assets	705.78	(5.31)	-	14.30	11.74	-	726.51
Right-of-use Asset	8.77	2.51	-	-	-	-	11.28
Lease Liability	(9.50)	(0.59)	-	-	-	-	(10.09)
Voluntary retirement compensation scheme	(6.98)	5.20	-	-	-	-	(1.78)
Expenditure allowed upon payments	(71.69)	(5.13)	(1.87)	-	-	-	(78.69)
Unused tax credit (MAT credit entitlement)	-	(448.00)	-	-	-	448.00	-
Cash flow hedges	2.63	-	(2.06)	-	-	-	0.57
Other temporary differences	(42.27)	27.50	-	0.41	0.97	-	(13.39)
Unused tax losses / unabsorbed depreciation	(0.94)	(22.31)	-	-	-	-	(23.25)
Deferred tax asset pertaining to financing activity (Refer Note below)	(257.18)	(47.24)	(5.46)	-	-	-	(309.88)
Deferred tax liability pertaining to financing activity (Refer Note below)	718.21	68.50	311.03	-	-	-	1,097.74
	1,046.83	(424.87)	301.64	14.71	12.71	448.00	1,399.02

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

3.2.4 Analysis of deferred tax assets / liabilities: (Contd.)

₹ Crores

March 31, 2024	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	DTL unwinding due to change in tax rate / law	Other adjustments	Unused tax credits -(utilised)	Closing balance
Deferred tax assets / (liabilities) (net)							
Property, plant and equipment and Intangible Assets	(3.11)	(37.32)	-	-	0.58	-	(39.85)
Right-of-use Asset	(1.88)	(0.04)	-	-	-	-	(1.92)
Unused tax losses (including unabsorbed depreciation)	44.60	51.83	-	-	(0.92)	-	95.51
Expenditure allowed upon payments	0.48	0.15	0.13	-	-	-	0.76
Provision for other employee benefits	0.87	0.77	0.13	-	-	-	1.77
Other temporary differences	8.12	(0.29)	0.02	-	1.23	-	9.08
	49.08	15.10	0.28	-	0.89	-	65.35
Deferred tax liabilities / (assets) (net)							
Property, plant and equipment and Intangible Assets	931.33	10.58	-	(237.17)	1.04	-	705.78
Right-of-use Asset	2.33	7.37	-	(0.54)	(0.39)	-	8.77
Lease Liability	(3.49)	(7.27)	-	0.85	0.41	-	(9.50)
Voluntary retirement compensation scheme	(19.45)	7.03	-	5.44	-	-	(6.98)
Expenditure allowed upon payments	(115.40)	14.62	(3.62)	32.41	0.30	-	(71.69)
Unused tax credit (MAT credit entitlement)	(174.57)	-	-	-	-	174.57	-
Cash flow hedges	9.54	-	(6.91)	-	-	-	2.63
Other temporary differences	(101.06)	28.20	-	29.69	0.90	-	(42.27)
Unused tax losses / unabsorbed depreciation	(0.34)	-	-	-	(0.60)	-	(0.94)
Deferred tax asset pertaining to financing activity (Refer Note below)	(221.72)	(34.97)	(0.49)	-	-	-	(257.18)
Deferred tax liability pertaining to financing activity (Refer Note below)	435.24	89.68	193.29	-	-	-	718.21
	742.41	115.24	182.27	(169.32)	1.66	174.57	1,046.83

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.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

3.2.4 Analysis of deferred tax assets / liabilities: (Contd.)

Note on Deferred tax (asset) / liability pertaining to financing activity:

₹ Crores

March 31, 2025	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax asset pertaining to financing activity (Refer Note below)				
Provision for gratuity	-	-	-	-
Provision for compensated absence	(1.36)	(0.63)	-	(1.99)
Provisions for expected credit loss	(195.41)	(37.59)	-	(233.00)
Expected credit loss on EIS receivable (other financial asset)	(46.60)	(7.75)	-	(54.35)
Fair valuation of security deposits	(0.67)	(0.13)	-	(0.80)
Lease Liabilities	(12.73)	(1.14)	-	(13.87)
Impact of cashflow hedge	(0.41)	-	(5.46)	(5.87)
	(257.18)	(47.24)	(5.46)	(309.88)
Deferred tax liability pertaining to financing activity (Refer Note below)				
Provision for gratuity	0.25	(0.47)	(0.49)	(0.71)
Property, plant and equipment (including Intangible assets)	13.72	13.65	-	27.37
Net gain on derecognition of financial instruments	197.97	75.97	-	273.94
Right of Use of Assets	7.82	-	-	7.82
Fair value gain on investments in equity shares	3.12	(1.10)	-	2.02
Prepaid expenses	84.35	(19.55)	-	64.80
Gain on fair valuation of loans	410.98	-	311.52	722.50
Net Total	718.21	68.50	311.03	1,097.74
March 31, 2024	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax asset pertaining to financing activity (Refer Note below)				
Provision for compensated absence	(0.80)	(0.48)	(0.08)	(1.36)
Provisions for expected credit loss	(171.63)	(23.78)	-	(195.41)
Property, plant and equipment (including Intangible assets)	(0.22)	0.22	-	0.00
Expected credit loss on EIS receivable (other financial asset)	(35.45)	(11.15)	-	(46.60)
Fair valuation of security deposits	(0.55)	(0.12)	-	(0.67)
Lease Liabilities	(13.07)	0.34	-	(12.73)
Impact of cashflow hedge	-	-	(0.41)	(0.41)
	(221.72)	(34.97)	(0.49)	(257.18)
Deferred tax liability pertaining to financing activity (Refer Note below)				
Provision for gratuity	0.29	0.10	(0.14)	0.25
Property, plant and equipment (including Intangible assets)	-	13.72	-	13.72
Net gain on derecognition of financial instruments	138.53	59.44	-	197.97
Right of Use of Assets	13.19	(5.37)	-	7.82
Fair value gain on investments in equity shares	0.86	2.26	-	3.12
Prepaid expenses	64.82	19.53	-	84.35
Gain on fair valuation of loans	217.55	-	193.43	410.98
Net Total	435.24	89.68	193.29	718.21

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
- Unused tax losses	3,293.81	3,027.73
- Unused capital losses	21.79	21.79
- Unabsorbed depreciation	0.27	3.63
	3,315.87	3,053.15

Notes:

- These will expire in various years upto 2033-34 (March 2024: 2032-33), except unabsorbed depreciation and unused tax loss in jurisdiction where there is no time limit for expiry.
- The above are gross amounts on which appropriate tax rates would apply.
- The Parent Company has not recognised deferred tax asset in respect of deductible temporary difference relating to certain investments as presently it is not probable that future taxable capital gain will be available in the foreseeable future to recover such deferred tax assets.
- The Parent Company has not recognised deferred tax liabilities on taxable temporary differences arising from investments in subsidiaries, as it has the ability to control the timing of the reversal of these differences and it is probable that such differences will not reverse in the foreseeable future.

3.3 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS)

3.3.1 Defined contribution plans

Payments to defined contribution plans i.e., Group's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

In case of group companies operating in foreign jurisdiction, the payments in the form of defined contribution towards pension/social security schemes is made as per the laws and regulations of local jurisdiction in which the companies operate. These payments are made to the appropriate authority/entity which is managing the funds/schemes. The assets of the funds / schemes managed by the authorities/entities are held separately from that of these group companies and there are no further obligation once the contributions are made.

The total expense recognised in consolidated profit or loss of ₹ 135.06 crores (2023-24: ₹ 109.86 crores) represents contribution paid/payable to these schemes by the Group at rates specified in the schemes.

3.3.2 Compensated absence and Defined benefit plans

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at the time of retirement, separation, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Group makes annual contributions to a funded gratuity scheme administered by the Life Insurance Corporation of India / SBI Life Insurance.

Eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined benefit plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary. The contributions are made to the provident fund and pension fund set up as irrevocable trusts by the Group. The interest rates declared and credited by trusts to the members have been higher than / equal to the statutory rate of interest declared by the Central Government.

Group's liability towards gratuity (funded) / (unfunded), provident fund, other retirement benefits and compensated absences are actuarially determined at the end of each reporting period using the projected unit credit method as applicable.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.3 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS) (Contd.)

3.3.2 Compensated absence and Defined benefit plans (Contd.)

Provident Fund Trust - Actuarial valuation of interest guarantee :

Group has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. The administered rates are determined annually predominantly considering the social rather than the economic factors and in most cases, the actual return earned by the Group has been lower in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by the Actuarial Society of India and based on the assumptions provided below :

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Provident Fund	As at March 31, 2025	As at March 31, 2024
Discount rate	6.59%	6.97%
Remaining term to maturity of portfolio (years)	10.80	10.70
Expected guaranteed interest rate		
First year	8.25%	8.25%
Thereafter	8.25%	8.25%
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, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Present value of benefit obligation	1,732.20	1,589.73
Fair value of plan asset	1,662.74	1,517.64
Net (liability) arising from defined benefit obligation (funded)	(69.46)	(72.09)

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 assets and present value obligation pertaining to year ended March 31, 2025 is as follows :

Amounts recognised in total comprehensive income in respect of these provident fund are as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Provident Fund		
Current service cost	52.61	48.79
Net interest expense	4.98	5.79
Components of provident fund recognised in profit or loss	57.59	54.58
Remeasurement on the net defined benefit liability comprising:		
Actuarial loss arising from changes in financial assumptions	1.41	0.54
Adjustments relating to opening balance of member fund and plan assets	(0.62)	-
Actuarial loss arising from experience adjustments	30.01	7.16
Actuarial (gain) on plan assets	(25.54)	(12.11)
Components of provident fund recognised in other comprehensive income	5.26	(4.41)
Total	62.85	50.17

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 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS) (Contd.)

3.3.2 Compensated absence and Defined benefit plans (Contd.)

Movements in the present value of the defined benefit obligation were as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Opening defined benefit obligation	1,589.73	1,463.01
Adjustment relating to opening present value obligation	(1.87)	-
Employer Contribution	52.61	48.79
Employee Contribution	144.15	148.09
Interest cost	110.75	105.53
Actuarial loss arising from changes in financial assumptions	1.41	0.54
Actuarial loss arising from experience adjustments	30.01	7.16
Benefits paid	(194.59)	(183.39)
Closing defined benefit obligation	1,732.20	1,589.73

Movements in the fair value of the plan assets were as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Opening fair value of plan assets	1,517.64	1,382.41
Adjustment relating to opening fair value of plan assets	(1.27)	-
Interest on plan assets	105.77	99.74
Actuarial gain on plan assets	25.54	12.11
Contributions	209.65	206.77
Benefits paid	(194.59)	(183.39)
Closing fair value of plan assets	1,662.74	1,517.64

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, 2025	As at March 31, 2024
Central and State Government Securities including Public Sector Undertaking securities	78%	79%
Corporate Bonds	16%	15%
Mutual Funds	2%	1%
Special Deposit Scheme	4%	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, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
If the discount rate is 50 basis points higher/lower, the defined benefit obligation would:		
decrease by	1.85	1.28
increase by	1.91	1.33

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 1.80% (March 2024: 0.24%) or decrease in present value obligation by 1.63% (March 2024: 2.92%).

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.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.3 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS) (Contd.)

3.3.2 Compensated absence and Defined benefit plans (Contd.)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity		
Discount rate	6.35% to 6.81%	6.90% to 7.19%
Expected rate of salary increase	5.00% to 15.00%	5.00% to 12.50%
Average Longevity at retirement age - past service	1.5 to 17.44	1.79 to 17.74
Average Longevity at retirement age - future service	4.10 to 22.76	4.10 to 23.1
Attrition rate	1.00% to 38.00%	1.00% to 38.00%
Compensated Absences		
Discount rate	6.35% to 6.81%	6.90% to 7.19%
Expected rate of salary increase	5.00% to 15.00%	5.00% to 12.50%
Attrition rate	1.00% to 38.0%	1.00% to 38.0%
Other defined benefit plans		
Discount rate	6.59%	6.97%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in total comprehensive income in respect of these defined benefit plans and compensated absence are as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Gratuity		
Current service cost	29.91	26.93
Net interest (income)	(0.16)	(0.70)
Components of defined benefit costs recognised in Consolidated profit or loss (A)	29.75	26.23
<u>Remeasurement on the net defined benefit liability comprising:</u>		
Actuarial (gain) arising from changes in demographic assumptions	(0.13)	-
Actuarial loss arising from changes in financial assumptions	17.00	22.56
Actuarial (gain) arising from experience adjustments	(6.82)	(0.06)
Actuarial (gain) on plan assets	(2.71)	(1.83)
Components of defined benefit costs recognised in other comprehensive income (B)	7.34	20.67
Total (A+B)	37.09	46.90
Compensated absences and other defined benefit plans		
Current service cost	26.56	22.82
Net interest expense	10.60	9.78
Actuarial loss arising from changes in financial assumptions	3.47	7.07
Actuarial (gain) arising from experience adjustments	(18.75)	(16.02)
Components of compensated absences and defined benefit costs recognised in profit or loss	21.88	23.65

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].

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.3 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS) (Contd.)

3.3.2 Compensated absence and Defined benefit plans (Contd.)

The amount included in the Consolidated balance sheet arising from the Group's obligation in respect of its defined benefit plans and compensated absence is as follows:

Gratuity	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Present value of defined benefit obligation	536.14	499.72
Fair value of plan assets	521.32	478.95
Net (liability) arising from defined benefit obligation	(14.82)	(20.77)
Funded	(12.36)	(19.57)
Unfunded	(2.46)	(1.20)
Net (liability) arising from defined benefit obligation	(14.82)	(20.77)
Compensated absences and other defined benefit plans		
Present value of defined benefit obligation	175.02	158.56
Fair value of plan assets	-	-
Net liability arising from Compensated absences and other defined benefit obligation (unfunded)	175.02	158.56

Balances of gratuity and compensated absences are reflected in Notes 1.17, 1.23, 1.30 and 1.31.

Movements in the present value of the defined benefit obligation and compensated absences were as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Gratuity		
Opening defined benefit obligation	499.72	455.69
Current service cost	29.91	26.93
Interest cost	33.55	31.43
Actuarial (gain) arising from changes in demographic assumptions	(0.13)	-
Actuarial loss arising from changes in financial assumptions	17.00	22.56
Actuarial (gain) arising from experience adjustments	(6.82)	(0.06)
Benefits paid	(37.72)	(36.83)
Other adjustments	0.63	-
Closing defined benefit obligation	536.14	499.72
Compensated Absences and other defined benefit plans		
Opening defined benefit obligation	158.56	142.59
Current service cost	26.56	22.82
Interest cost	10.60	9.78
Actuarial loss arising from changes in financial assumptions	3.47	7.07
Actuarial (gain) arising from experience adjustments	(18.75)	(16.02)
Benefits paid	(6.22)	(7.68)
Other adjustments	0.80	-
Closing compensated absences and other defined benefit obligation	175.02	158.56

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.3 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS) (Contd.)

Movements in the fair value of plan assets were as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Gratuity		
Opening fair value of plan assets	478.95	446.08
Interest on plan assets	33.71	32.13
Remeasurements due to actual return on plan assets less interest on plan assets	2.71	1.83
Contributions	39.58	35.74
Benefits paid	(37.72)	(36.83)
Other adjustments	4.09	-
Closing fair value of plan assets	521.32	478.95

The actual return on plan assets was ₹ 36.42 crores (2023-24: ₹ 33.96 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, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Gratuity		
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	20.16	15.93
increase by	16.20	16.77
If the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
increase by	16.60	17.21
decrease by	20.36	16.39
Compensated Absences		
If the discount rate is 50 basis points higher / lower, the obligation would:		
decrease by	6.81	5.65
increase by	7.04	6.02
If the expected salary increases / decreases by 50 basis points, the obligation would:		
increase by	6.97	5.80
decrease by	6.49	5.42

The sensitivity analysis presented above may not be representative of the actual change in the obligation, since the above analysis are based on change in an assumption while holding other assumptions constant. In practice, it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the obligation has been calculated using the projected unit credit method at the end of each reporting period, which is the same as that applied in calculating the liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

The Group expects to make a contribution of ₹ 56.65 crores (March 2024: ₹ 57.43 crores) to the defined benefit plans (gratuity - funded) during the next financial year.

The average duration of the benefit obligation (gratuity) is 7.00 years (March 2024: 7.10 years).

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.4 EARNINGS PER SHARE

	Year ended March 31, 2025	Year ended March 31, 2024
	₹	₹
Basic earnings per share	10.58	8.46
Diluted earnings per share	10.56	8.45
Face value per share	1.00	1.00

3.4.1 Basic and diluted earnings per share

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Profit for the year attributable to owners of the Parent Company	3,106.80	2,483.52

	Year ended March 31, 2025	Year ended March 31, 2024
	Nos.	Nos.
Weighted average number of equity shares used in the calculation of basic earnings per share	2,93,64,48,646	2,93,61,45,309
Adjustments :		
Dilutive effect - Number of shares relating to employee stock options	54,32,446	42,03,315
Weighted average number of equity shares used in the calculation of diluted earnings per share	2,94,18,81,092	2,94,03,48,624

3.5 SHARE BASED PAYMENTS

3.5.1a Details of employees stock option plan of the Group

The Parent Company has Employees Stock Options Plan (ESOP) scheme granted to employees which has been approved by the shareholders of the Parent Company. In accordance with the terms of the plan, eligible employees may be granted options to purchase equity shares of the Parent Company if they are in service on exercise of the grant. Each employee share option converts into one equity share of the Parent Company on exercise at the exercise price as per the scheme. The options carry neither rights to dividend nor voting rights. Options can be exercised at any time from the date of vesting to the date of their expiry.

The following share based payment arrangements were in existence during the current or prior year:

Option series	Number	Grant date	Expiry date	Exercise price ₹	Fair value at grant date ₹
ESOP 3 (Refer Note below)	20,00,000	July 19, 2017	July 19, 2027	83.50	57.42
ESOP 5 (Refer Note below)	1,31,00,000	March 20, 2019	March 20, 2030	91.40	40.19

Note:

Under ESOP 3 and ESOP 5 shares vest on varying dates within the expiry date mentioned above with an option life of 5 years after vesting.

3.5.2a Fair value of share options granted during the year

There are no options granted during the year. 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.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.5 SHARE BASED PAYMENTS (Contd.)

3.5.3a Movements in share options during the year

Particulars	Year ended March 31, 2025 Numbers	Weighted average exercise price ₹	Year ended March 31, 2024 Numbers	Weighted average exercise price ₹
Outstanding at the beginning of the year	94,35,000	90.90	96,35,000	90.74
Granted during the year	-	-	-	-
Forfeited / Lapsed during the year	-	-	-	-
Exercised during the year	2,00,000	83.50	2,00,000	83.50
Outstanding at the end of the year	92,35,000	91.06	94,35,000	90.90

Weighted Average share price on date of exercise of option ₹ 216.32 (2024: ₹ 169.40)

3.5.4a 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 ₹ 91.06 (as at March 31, 2024: ₹ 90.90) and a weighted average remaining contractual life of 3.88 years (as at March 31, 2024: 4.81 years).

3.5.1b Details of employees stock option plan of the Group

One of the Subsidiary of the Group has Employees Stock Options Plan (ESOP) scheme granted to employees which has been approved by its shareholders. In accordance with the terms of the plan, eligible employees may be granted options to purchase equity shares of the subsidiary. Each employee share option converts into one equity share of the subsidiary on exercise at the exercise price as per the scheme. The options carry neither rights to dividend nor voting rights. These are graded vesting options which vests on varying dates within the expiry date mentioned below with an option life of 5 years after vesting. Options can be exercised at any time within 5 years from the expiry date.

The following share based payment arrangements were in existence during the current or prior year:

Option series	Number	Grant date	Expiry date	Exercise price ₹
ESOP 1	70,58,500	July 19, 2018	July 18, 2021	10.00
ESOP 2	70,000	November 15, 2018	November 14, 2021	10.00
ESOP 3	2,55,000	February 12, 2019	February 11, 2022	10.00
ESOP 4	3,50,000	July 29, 2019	July 28, 2022	10.00
ESOP 5	1,90,000	November 6, 2019	November 5, 2022	10.00
ESOP 6	1,00,000	January 6, 2020	July 19, 2023	10.00
ESOP 7	1,95,000	April 23, 2021	July 19, 2023	12.00
ESOP 8	4,46,750	August 16, 2021	July 19, 2023	12.00
ESOP 9	62,46,000	November 30, 2022	November 30, 2026	11.97
ESOP 10	18,00,000	February 22, 2023	November 30, 2026	20.75
ESOP 11	13,00,000	October 1, 2023	September 27, 2027	24.12
ESOP 12	20,80,000	December 4, 2023	November 30, 2027	24.20
ESOP 13	8,05,000	May 16, 2024	November 30, 2027	51.70
ESOP 14	30,00,000	June 24, 2024	June 24, 2028	51.70

3.5.2b Fair value of share options granted during the year

There are 38,05,000 stock options issued during the financial year (the weighted average fair value of the stock options granted during the year ended March 31, 2025 is ₹ 51.70). 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.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.5 SHARE BASED PAYMENTS (Contd.)

3.5.3b Movements in share options during the year

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	Numbers	Weighted average exercise price (₹)	Numbers	Weighted average exercise price (₹)
Outstanding at the beginning of the year	1,39,02,250	13.44	1,22,61,000	12.61
Granted during the year	38,05,000	51.70	33,80,000	24.17
Exercised during the year *	6,39,750	11.03	17,38,750	10.05
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	1,70,67,500	22.06	1,39,02,250	13.44

* Includes 5,09,750 stock options which are pending for allotment as on March 31, 2024.

3.5.4b Share options vested but not exercised during the year

Number of stock options vested but not exercised: 36,19,750 (March 31, 2024 : 45,92,300)

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 ₹ 22.06 (as at March 31, 2024: ₹ 13.44) and a weighted average remaining contractual life of 5 years (as at March 31, 2024: 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 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 9	3,25,000	June 2, 2021	Refer Note Below	92.97	100.00
ESOP 10	2,00,000	August 28, 2024	Refer Note Below	153.00	199.99

Note:

The Exercise Period shall commence from the date of Vesting and the Vested Options can be Exercised within a period of 5 years from date of Vesting of Option or till it is cancelled as per the provisions of the Scheme.

3.5.2c Fair value of share options granted during the year

The Subsidiary measures the compensation cost relating to the stock option using fair value method. The compensation cost is amortised over the vesting period of the stock option. The Subsidiary has accounted for the Employee stock options granted as per Ind AS 102 'Share based payment'. Accordingly, the Subsidiary has recognised an expense of ₹ 1.19 crores (March 31, 2024: ₹ 1.59 crores) towards employee stock compensation expense for the year ended March 31, 2025.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.5 SHARE BASED PAYMENTS (Contd.)

3.5.3c Movements in share options during the year

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	Numbers	Weighted average exercise price (₹)	Numbers	Weighted average exercise price (₹)
Outstanding at the beginning of the year	10,79,000	84.20	13,10,500	84.20
Granted during the year	2,00,000	153.00	-	-
Reinitiated during the year	-	-	-	-
Forfeited during the year	1,62,000	54.40	89,000	54.40
Exercised during the year	92,000	88.89	1,42,500	88.89
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	10,25,000	100.95	10,79,000	84.20

3.5.4c Share options vested but not exercised during the year

7,27,500 options were vested and outstanding as at the end of current year (March 31, 2024: 8,84,000).

3.5.5c Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 100.95 (March 31, 2024: ₹ 84.20)

3.6 FINANCIAL INSTRUMENTS

3.6.1 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group determines the amount of capital required on the basis of annual master planning and budgeting and corporate plan for working capital, capital outlay and long-term product and strategic involvements. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

The Group monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Group.

	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
Debt (long-term and short-term borrowings and lease liabilities net off effective interest rate adjustment) *	49,962.11	40,802.18
Total equity	15,844.86	11,814.59
Debt equity ratio	3.15	3.45
* includes borrowing in relation to financing activity	45,924.05	36,771.98

The capital adequacy ratio relating to subsidiaries engaged in financing activities is 19.29% (March 2024: 17.26%).

The quarterly returns or statements of current assets filed by the Group with Banks are in agreement with the books of account.

The Group has complied with covenants given under the facility agreements executed for its borrowings.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

3.6.2 Financial risk management

In course of its business, the Group is exposed to certain financial risks that could have significant influence on the Group's business and operational / financial performance. These include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The respective company's Board reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.

The Group uses derivative financial instruments to hedge risk exposures in accordance with the Group's policies as approved by the board of directors.

(A) Market risk

Market risk represent changes in market prices, liquidity and other factors that could have an adverse effect on realisable fair values or future cash flows to the Group. The Group's activities exposes it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

(1) Foreign currency risk management:

The Group undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Group actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, through a centralised treasury division and uses derivative instruments such as foreign currency forward contracts and currency swaps to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by Management.

The carrying amounts of Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2025 (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	2,643.79	2,327.98	315.81	426.19	405.92	20.27	(295.54)
EUR	11.39	3.62	7.77	7.71	3.32	4.39	(3.38)
GBP	2.36	0.21	2.15	20.61	3.09	17.52	15.37
JPY	2.09	1.65	0.44	-	-	-	(0.44)
SGD	58.87	58.87	-	-	-	-	-
CAD	0.02	-	0.02	2.10	-	2.10	2.08
AED	1.28	-	1.28	55.32	-	55.32	54.04
Others	4.10	-	4.10	8.29	-	8.29	4.19

As on March 31, 2024 (all amounts are in equivalent Rs. Crores):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	886.60	528.14	358.46	527.02	471.08	55.94	(302.52)
EUR	8.34	2.19	6.15	2.30	-	2.30	(3.85)
GBP	0.21	-	0.21	15.85	3.09	12.76	12.55
JPY	1.21	0.82	0.39	-	-	-	(0.39)
SGD	114.46	114.46	-	-	-	-	-
CAD	-	-	-	2.09	-	2.09	2.09
AED	0.87	-	0.87	-	-	-	(0.87)
Others	4.23	-	4.23	12.17	-	12.17	7.94

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 profit and loss. 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 a reasonable 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, 2025	March 31, 2024
Profit or loss	5.91	6.05
Equity	5.91	6.05
EUR impact		
	March 31, 2025	March 31, 2024
Profit or loss	0.07	0.08
Equity	0.07	0.08
SGD impact		
	March 31, 2025	March 31, 2024
Profit or loss	-	-
Equity	-	-
GBP impact		
	March 31, 2025	March 31, 2024
Profit or loss	0.31	0.25
Equity	0.31	0.25
JPY impact		
	March 31, 2025	March 31, 2024
Profit or loss	0.01	0.01
Equity	0.01	0.01
CAD impact		
	March 31, 2025	March 31, 2024
Profit or loss	0.04	0.04
Equity	0.04	0.04
AED impact		
	March 31, 2025	March 31, 2024
Profit or loss	1.08	0.02
Equity	1.08	0.02
Impact of other currencies		
	March 31, 2025	March 31, 2024
Profit or loss	0.08	0.16
Equity	0.08	0.16

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, 2025	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	0.57	49.02	1.14	April 2025 - July 2025	1 : 1	USD 1 : INR 87.73
Buy USD - Sell INR	USD	1.99	169.67	(2.30)	April 2025 - July 2025	1 : 1	USD 1 : INR 87.26
Fair value hedges:							
Buy USD - Sell INR	USD	0.81	69.37	(0.90)	April 2025 - June 2025	1 : 1	USD 1 : INR 86.93
Sell USD - Buy INR	USD	4.80	405.92	6.88	April 2025 - June 2025	1 : 1	USD 1 : INR 87.27
Sell EUR - Buy INR	EUR	0.04	3.32	0.02	May 2025	1 : 1	EUR 1 : INR 93.25
Buy EUR - Sell INR	EUR	0.04	3.62	#	May 2025	1 : 1	EUR 1 : INR 92.93
Buy JPY - Sell INR	JPY	2.90	1.65	(0.01)	April 2025 - May 2025	1 : 1	JPY 1 : INR 0.58
Buy GBP - Sell INR	GBP	#	0.21	#	May 2025	1 : 1	GBP 1 : INR 111.47

March 31, 2024	Foreign currency (in Crores)		Notional value (₹ Crores)	Fair value assets / (liabilities) * (₹ Crores)	Maturity Date	Hedge ratio	Weighted Average Rate
Cash flow hedges:							
Sell USD - Buy INR	USD	0.56	47.03	(0.04)	April 2024 - May 2024	1 : 1	USD 1 : INR 83.45
Buy USD - Sell INR	USD	0.56	46.97	0.03	April 2024 - May 2024	1 : 1	USD 1 : INR 83.45
Fair value hedges:							
Buy USD - Sell INR	USD	0.49	41.20	0.04	April 2024 - May 2024	1 : 1	USD 1 : INR 83.44
Sell USD - Buy INR	USD	5.65	471.15	(1.09)	April 2024 - June 2024	1 : 1	USD 1 : INR 83.26
Buy EUR - Sell INR	EUR	0.02	2.19	#	April 2024 - May 2024	1 : 1	EUR 1 : INR 90.30
Buy JPY - Sell INR	JPY	1.50	0.82	#	May 2024	1 : 1	JPY 1 : INR 0.56
Sell GBP - Buy INR	GBP	0.03	3.09	0.01	June 2024	1 : 1	GBP 1 : INR 105.03

* included in the balance sheet under 'Current-other financial assets' and 'Current-other financial liabilities'. [Refer notes 1.15 and 1.28]

amount is below rounding off norms adopted by the Group.

(2) Interest rate risk management:

The Group is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies. Further, in appropriate cases, the Group also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates vice versa using interest rate swap contracts.

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
Variable rate Borrowings	42,997.53	35,076.18
Fixed rate Borrowings *	6,637.82	5,422.83
	49,635.35	40,499.01

*includes variable rate borrowings amounting to ₹ 57.76 crores (March 31, 2024: ₹ 389.95 crores) subsequently converted to fixed rate borrowings through swap contracts.

Of the above, variable rate borrowings amounting to ₹ 40,176.54 crores (March 31, 2024: ₹ 33,119.55 crores) and fixed rate borrowings amounting to ₹ 5,670.13 crores (March 31, 2024 : ₹ 3,582.76 crores) relates to financing activity.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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. A 25 basis points 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 Group's profit / loss for the year ended March 31, 2025 would decrease / increase by ₹ 7.05 crores (March 31, 2024: decrease / increase by ₹ 4.89 crores). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

(b) For business relating to financing activities:

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The weighted average interest rate on variable rate borrowing is around 8.70% p.a (March 31, 2024: 8.64% 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. A 25 basis points 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 and all other variables were held constant, the Group's profit for the year ended March 31, 2025 would decrease / increase by ₹ 91.62 crores (March 31, 2024: decrease / increase by ₹ 71.07 crores). The corresponding impact on profit after tax and equity is ₹ 68.56 crores (March 31, 2024: ₹ 53.19 crores). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

All the financial assets except housing loans and loan against property are fixed rate instruments. In relation to housing loans and loan against property the interest rate sensitivity analysis are provided below :

		March 31, 2025	March 31, 2024
		₹ Crores	₹ Crores
Housing Loans	Increase / decrease of 100 basis points	105.89	88.73
Loan against Property	Increase / decrease of 50 basis points	-	21.23

The interest rate sensitivity for loan against property is applicable for the financial year 2024-25 based on the contractual arrangement with customers.

(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 net mark-to-market loss as at March 31, 2025 is ₹ 15.98 crores (March 31, 2024: gain of ₹ 54.69 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, 2025 would approximately decrease / increase by ₹ Nil (year ended March 31, 2024: decrease / increase by ₹ Nil). Of the above ₹ 23.37 crores (March 31, 2024: ₹ 1.65 crores) of foreign currency and interest rate sensitivity relates to financing activity.

(4) Equity price risk:

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. The fair value of some of the Group's investments exposes the Group to equity price risks. In general, these securities are not held for trading purposes.

(B) Credit risk

(a) For businesses other than financing activities:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group is exposed to credit risk from trade receivables, bank balances, financial guarantees and other financial assets.

Credit risk on Trade receivables:

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee cover is taken. The Parent Company operates predominantly on cash and carry basis excepting sale to State Transport Undertaking (STU), Government and Project customers based on tender terms and certain export / domestic customers which are on credit basis. The average credit period is in the range of 7 days to 90 days. However, in select cases, credit is extended which is backed by Security deposit/ Bank guarantee/ Letter of credit and other forms. The Group creates specific provisions for disputes and the expected credit losses for such receivables are insignificant. The Group's trade and other receivables, consists of a large number of customers, across geographies, hence the Group is not exposed to concentration risk except in case of a STU in relation to the Parent Company.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

The Group makes a loss allowance using simplified approach for expected credit loss and on a case to case basis. ECL are the weighted average of credit losses with the expected risk of default occurring as the weights (historically not significant). ECL is difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The ageing on trade receivable is given in note 1.12.

Others:

Expected credit loss for other than trade receivables has been assessed and based on life-time expected credit loss, loss allowance provision has been made. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings. The credit risk on financial guarantees and other financial assets are evaluated to be immaterial.

The Group's investments in highly liquid mutual funds are considered low-risk. The credit ratings of the respective fund houses are carefully evaluated prior to making any investment decision.

(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:

Particulars	March 31, 2025			March 31, 2024		
	Financial services	Retail and wholesale	Total	Financial services	Retail and wholesale	Total
Investments	3,254.00	-	3,254.00	1,899.51	-	1,899.51
Loans	-	47,558.82	47,558.82	-	38,339.21	38,339.21

₹ Crores

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. The Group runs models for its key portfolios which incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour. Probability of Defaults (PD) are then adjusted for Ind AS 109 ECL calculations to incorporate forward looking information and the Ind AS 109 Stage classification of the exposure.

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Group determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios.

The accounts which were restructured under the Resolution Framework for COVID-19 related stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) were initially classified under Stage 2. As at March 31, 2025, the restructured loans were grouped in the respective stages as per the days past due.

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.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

Expected credit loss provision matrix for financing activities is as follows:

Ageing (Weighted average across various portfolios)	Staging	Provisions	March 31, 2025	March 31, 2024
			Expected Credit Loss %	Expected Credit Loss %
0-30 days past due	Stage 1	12 month provision	0.37%	0.48%
30-90 days past due	Stage 2	Life time provision	3.59%	4.87%
More than 90 days past due	Stage 3	Life time provision	42.24%	38.77%

Grouping

As per Ind AS 109, the Group is required to group the portfolio based on the shared risk characteristics. The Group has assessed the risk and its impact on the various portfolios and has divided the portfolio into Two wheeler loans, Vehicle loans, Loan against property, Construction equipment, Three wheeler loans and Housing Loans. The below table represents gross exposures excluding the value of the underlying collaterals.

Expected credit loss for loans and investments relating to financing activity

₹ Crores

Particulars	March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Investments				
Estimated gross carrying amount at default	2,788.29	-	465.71	3,254.00
Expected probability of default	-	-	-	-
Expected credit losses	-	-	-	-
Carrying amount net of impairment provision	2,788.29	-	465.71	3,254.00
Loans				
Estimated gross carrying amount at default	42,338.49	4,554.54	1,712.66	48,605.69
Expected probability of default	0.05% to 7.80%	2.50% to 43.29%	100%	0.05% to 100%
Expected credit losses	(159.80)	(163.59)	(723.48)	(1,046.87)
Carrying amount net of impairment provision	42,178.69	4,390.95	989.18	47,558.82

Particulars	March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Investments				
Estimated gross carrying amount at default	1,346.83	-	804.56	2,151.39
Expected probability of default	-	-	-	-
Expected credit losses	-	-	(251.88)	(251.88)
Carrying amount net of impairment provision	1,346.83	-	552.68	1,899.51
Loans				
Estimated gross carrying amount at default	34,403.22	3,322.84	1,533.71	39,259.77
Expected probability of default	0.05% to 7.80%	2.50% to 43.29%	100%	0.05% to 100%
Expected credit losses	(164.22)	(161.71)	(594.63)	(920.56)
Carrying amount net of impairment provision	34,239.00	3,161.13	939.08	38,339.21

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, 2023	42.56	240.10	446.43	729.09
Assets derecognised or repaid	(5.37)	(10.27)	(102.63)	(118.27)
Assets originated or purchased	130.71	(82.31)	132.36	180.76
Change in the measurement from 12 month to life time expected losses and vice versa	(3.68)	14.19	118.47	128.98
Write offs	-	-	-	-
Balance as at March 31, 2024	164.22	161.71	594.63	920.56
Assets derecognised or repaid	(7.92)	(16.49)	(82.12)	(106.53)
Assets originated or purchased	34.30	13.41	85.30	133.01
Change in the measurement from 12 month to life time expected losses and vice versa	(30.80)	4.96	125.67	99.83
Write offs	-	-	-	-
Balance as at March 31, 2025	159.80	163.59	723.48	1,046.87

The Credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
Concentration by type of loan:			
- Commercial and other vehicles	Retail, NBFCs, Financial Institutions and Housing Finance Company	28,383.25	23,808.17
- Loan against property	Retail	9,549.23	6,343.41
- Housing loans	Retail	10,673.21	9,108.19
Total		48,605.69	39,259.77
In India		48,605.69	39,259.77
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) till the financial year 2023-24. During the current year, the following macro economic variables has been considered:

Segment	Macro-Economic Variables correlated for each segment			
Three Wheelers	Consumer expenditure: Total (US\$)	Nominal GDP (US\$)	Employment growth (% p.a.)	Domestic demand (% of GDP)
Small Commercial Vehicle	Industrial production (% change p.a.)	Real GDP (% change p.a.)	Real personal disposable income	Private consumption
Two Wheeler	Industrial production (% change p.a.)	Private consumption	Effective interest rate (%)	Real GDP (% change p.a.)
Heavy Commercial Vehicle	Real GDP (% change p.a.)	Industrial production	Real personal disposable income	Employment growth (% p.a.)
Intermediate Commercial Vehicle	Consumer expenditure: Total (US\$)	Employment growth (% p.a.)	Nominal GDP (US\$)	Real GDP (% change p.a.)
Light Commercial Vehicles	Consumer expenditure: Total (US\$)	Employment growth (% p.a.)	Nominal GDP (US\$)	Real GDP (% change p.a.)
Medium Commercial Vehicle	Consumer expenditure: Total (US\$)	Employment growth (% p.a.)	Nominal GDP (US\$)	Real GDP (% change p.a.)
Multi Utility Vehicle	Consumer expenditure: Total (US\$)	Employment growth (% p.a.)	Nominal GDP (US\$)	Real GDP (% change p.a.)
Buses	Consumer expenditure: Total (US\$)	Employment growth (% p.a.)	Nominal GDP (US\$)	Real GDP (% change p.a.)
Construction Equipments	Industrial production (% change p.a.)	Private consumption	Real GDP (% change p.a.)	Real personal disposable income
Tipper	Consumer expenditure: Total (US\$)	Employment growth (% p.a.)	Nominal GDP (US\$)	Gross personal income (US\$)
Farm Equipment & Tractor	Gross personal income (US\$)	Employment growth (% p.a.)	Domestic demand (% of GDP)	Nominal GDP (US\$)
Car	Consumer expenditure: Total (US\$)	Nominal GDP (US\$)	Employment growth (% p.a.)	Domestic demand (% of GDP)
Loan Against Property (LAP)	Effective interest rate (%)	Petroleum production	Domestic demand (% of GDP)	Consumer prices (% change p.a.)

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 IRACP 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, 2025 and March 31, 2024 are ₹ 3,254.00 crores and ₹ 1,899.51 crores respectively.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

Changes in objectives, policies and processes for managing the risk for financing activities

There is no significant changes as compared to the previous year in the objectives, policies and processes followed by the Group for managing the risk.

Under Ind AS 109, all financial assets need to be assessed based on their cash flow characteristics and the business model in which they are held in order to determine their classification.

The Group's assessment of business model concluded that "Loans to customers" excluding two wheeler loans, three wheeler loans, tractor loans, corporate term loans, unsecured loans, housing loans are not intended to be held for maturity. Accordingly, loan to customers other than above have been accounted at Fair Value Through Other Comprehensive Income ('FVOCI').

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Group does not have the right to offset in case of the counterparty's bankruptcy, therefore, these disclosures are not required.

(C) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital limits from various banks. Furthermore, the Group has access to funds from debt markets through commercial paper programs, non-convertible debentures, and other debt instruments (includes external commercial borrowings). The Group invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark-to-market risks.

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
From Banks		
- Secured	14,805.22	11,633.97
- Unsecured	915.63	2,816.54
Total	15,720.85	14,450.51

Further to the above, the Parent Company has an option to issue commercial paper for an amount of ₹ 2,000 crores (March 31, 2024: ₹ 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, 2025	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	8,019.48	-	-	8,019.48
Other financial liabilities	1,867.84	116.27	-	1,984.11
Borrowings	15,318.48	31,597.29	4,154.07	51,069.84
Lease Liabilities	93.86	231.21	95.98	421.05
	25,299.66	31,944.77	4,250.05	61,494.48
₹ Crores				
March 31, 2024	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	6,798.02	-	-	6,798.02
Other financial liabilities	3,210.70	125.76	-	3,336.46
Borrowings	16,870.70	28,724.40	2,668.40	48,263.50
Lease Liabilities	80.66	184.41	92.40	357.47
	26,960.08	29,034.57	2,760.80	58,755.45

As there is immaterial expected credit loss on the financial guarantees given to Group companies, the Parent Company has not recognised a liability towards financial guarantee as at the end of the reporting period. Accordingly, not included in the above table.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

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, 2025	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Currency and interest rate swaps	27.89	0.79	28.68
Foreign exchange forward contracts	3.24	-	3.24
	31.13	0.79	31.92

₹ Crores			
March 31, 2024	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Currency and interest rate swaps	-	1.65	1.65
Foreign exchange forward contracts	1.13	-	1.13
	1.13	1.65	2.78

3.6.3 Categories of Financial assets and Financial liabilities:

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Financial assets		
a. Investments - Accounted for using equity method (net of impairment)	140.17	129.12
b. Measured at amortised cost:		
Investments	1,500.29	1,271.12
Cash and cash equivalents	6,544.77	5,217.32
Other bank balances	718.67	1,862.73
Trade receivables (net of allowance)	3,346.87	3,900.70
Loans (net of allowance)	18,328.62	14,856.63
Others (net of allowance)	1,289.73	1,255.09
c. Mandatorily measured at fair value through profit or loss (FVTPL) / Other Comprehensive Income (OCI):		
Investments	4,969.19	928.37
Loans (net of allowance)*	29,291.30	23,482.58
Derivatives designated as hedging instruments	20.74	53.12
Financial liabilities		
a. Measured at amortised cost:		
Borrowings	49,701.10	40,564.34
Trade payables	8,019.48	6,798.02
Other financial liabilities	2,270.40	3,494.67
b. Mandatorily measured at fair value through profit or loss (FVTPL) / Other Comprehensive Income (OCI):		
Derivatives designated as hedging instruments	31.92	2.78
Earnout liability	34.12	63.77

*These are loans relating to financing activities which are measured at fair value through OCI (recurring fair value measurements- Level 3) and the fair value gain accounted during the year amounts to ₹ 1,237.63 crores (March 31, 2024: gain ₹ 768.55 crores)

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

3.6.4 Fair value measurements:

(A) Financial assets and liabilities that are not measured at fair values but in respect of which fair values are as follows:

The carrying amounts of current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature. Difference between fair value of non-current financial instruments carried at amortised cost and their carrying value is not considered to be material to the financials statements. The fair values for loans and security deposits are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values :

₹ Crores				
	March 31, 2025		March 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets held at amortised cost:				
- Investments relating to financing activities	1,482.42	1,482.42	1,271.12	1,271.12
- Loans relating to financing activities	18,267.51	18,267.51	14,856.63	14,856.63
- Other financial assets relating to financing activities	925.86	925.86	636.55	636.55
Financial liabilities				
Financial liabilities held at amortised cost:				
- Redeemable non-convertible debentures (relating to financing activities)	1,355.80	1,355.80	431.05	431.05
- Subordinated redeemable non-convertible debentures (relating to financing activities)	3,212.57	3,212.57	1,672.63	1,672.63
- Commercial Paper (relating to financing activities)	98.73	98.73	1,479.08	1,479.08
- Term loans and cash credit and working capital demand loans (relating to financing activities)	41,179.56	41,179.56	33,119.55	33,119.55

₹ Crores				
	Fair value hierarchy as at March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets held at amortised cost:				
- Investments relating to financing activities	-	-	1,482.42	1,482.42
- Loans relating to financing activities	-	-	18,267.51	18,267.51
- Other financial assets relating to financing activities	-	-	925.86	925.86
Financial liabilities				
Financial liabilities held at amortised cost:				
- Redeemable non-convertible debentures (relating to financing activities)	-	1,355.80	-	1,355.80
- Subordinated redeemable non-convertible debentures (relating to financing activities)	-	3,212.57	-	3,212.57
- Commercial Paper (relating to financing activities)	-	98.73	-	98.73
- Term loans and cash credit and working capital demand loans (relating to financing activities)	-	-	41,179.56	41,179.56

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

₹ Crores

Fair value hierarchy as at March 31, 2024				
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets held at amortised cost:				
- Investments relating to financing activities	-	-	1,271.12	1,271.12
- Loans relating to financing activities	-	-	14,856.63	14,856.63
- Other financial assets relating to financing activities	-	-	636.55	636.55
Financial liabilities				
Financial liabilities held at amortised cost:				
- Redeemable non-convertible debentures (relating to financing activities)	-	431.05	-	431.05
- Subordinated redeemable non-convertible debentures (relating to financing activities)	-	1,672.63	-	1,672.63
- Commercial Paper (relating to financing activities)	-	1,479.08	-	1,479.08
- Term loans and cash credit and working capital demand loans (relating to financing activities)	-	-	33,119.55	33,119.55

The fair values of the financial liabilities included in the level 2 and level 3 categories have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the differences in the rates from date of initial recognition to the reporting dates.

The carrying value and fair value of investments and loans at amortised cost is gross of ECL provision.

The significant inputs were:

- the estimate of cash flows; and
- the discount rate to compute the present value of the future expected cash flows
- decrease in the estimated cash inflows in isolation would result in a significant decrease in the fair value.

(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, 2025	March 31, 2024		
Derivative instruments, i.e. forward foreign currency contracts, currency and interest rate swaps	Assets – ₹ 20.74 Crores; and Liabilities – ₹ 31.92 Crores	Assets – ₹ 53.12 Crores; and Liabilities – ₹ 2.78 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.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2025	March 31, 2024				
Investments in mutual funds	₹ 4,269.45 crores	₹ 225.16 crores	Level 1	Net assets value in an active market	Not applicable	Not applicable
Loans relating to financing activities	₹ 29,291.30 Crores	₹ 23,482.58 Crores	Level 3	Income approach – in this approach, the discounted cash flow method used to capture the present value of the expected future economic benefits	The significant inputs were: a) the estimated cash flows and b) the discount rate to compute the present value of the future expected cash flows	A slight decrease in the discount rate used would result in a significant increase in the fair value. (Note 4)
Investments in unquoted equity shares and Investment in special limited partnership	Equity shares of: Hinduja Energy (India) Limited - ₹ 142.53 crores (Refer note 1.3) Others - ₹ 32.76 crores (Refer note 1.3)	Equity shares of: Hinduja Energy (India) Limited - ₹ 22.01 crores (Refer note 1.3) Others - ₹ 52.81 crores (Refer note 1.3)	Level 3	Income approach and Net Asset Value (Realisable value) approach – in these approaches, the cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these equity instruments	The significant inputs were: a) the estimated cash flows and b) the discount rate to compute the present value of the future expected cash flows	A slight decrease in the estimated cash inflows in isolation would result in a significant decrease in the fair value. (Note 2 and 3)
Investments in security receipts relating to financing activities	₹ 465.71 crores	₹ 552.68 crores	Level 3	The discounted cashflow method used to capture the present value of expected future economic benefits after providing for the impairment loss	a) Estimated future cash flow and its realisable value b) Estimated of Notional loss of underlying assets	Increase in the recovery rate would increase the fair value, while increase in the discount rate would reduce the fair value
Investments in AIF relating to financing activities	₹ 17.55 crores	₹ 19.21 crores	Level 1	Mark to Market approach	Not applicable	Not applicable
Investments in quoted equity shares relating to financing activities	₹ 41.19 crores	₹ 56.50 crores	Level 1	Share price in active market	Not applicable	Not applicable
Earnout Liability	₹ 34.12 crores	₹ 63.77 crores	Level 3	The fair value of the contingent consideration is determined by discounting the estimated amount payable, on satisfaction of the conditions, by applying discounted cash flow approach	Not applicable	Not applicable

Notes:

- There were no transfers between Level 1, 2 and 3 during the year.
- 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 ₹ 15.53 crores / ₹ 16.14 crores (as at March 31, 2024: ₹ 22.01 crores / ₹ 27.09 crores).

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

3. Other things remaining constant, a 5% increase/ decrease in the revenue would increase/ decrease the fair value of the unquoted equity instruments by ₹ 60.17 crores / ₹ 59.13 crores (as at March 31, 2024: ₹ 63.53 crores / ₹ 22.01 crores).
4. A 100 basis points increase / decrease in the discount rate used would decrease / increase the fair value of loans relating to financing activities by ₹ 555.94 crores / ₹ 578.71 crores (as at March 31, 2024: ₹ 393.10 crores / ₹ 408.13 crores).
5. Gain / loss recognised in profit or loss included in other income (Refer Note 2.2) arising from fair value measurement of Level 3 financial assets is gain of ₹ 0.46 crores (as at March 31, 2024: gain of ₹ 0.71 crores). The Group has also recorded a fair value gain of ₹ 120.53 crores (March 31, 2024: loss of ₹ 124.99 crores) in equity investment of Hinduja Energy (India) Limited and presented the same under exceptional items in Note 2.7.
6. During the current year, the step down subsidiary company (Hinduja Housing Finance Limited) has assessed business model for managing financial assets and concluded that non-housing loans (excluding NPA and refinance loans) portfolio has been held to collect contractual cash flows and sales; accordingly, it has been classified at fair value through other comprehensive income. The fair value of these loan assets as at March 31, 2025 is ₹ 2,150.07 crores, including a gain of ₹ 64.97 crores has been recognised in other comprehensive income ("OCI").

3.6.5 Collateral and other credit enhancements related disclosures for financing activities:

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are vehicles, loan portfolios and mortgaged properties based on the nature of loans. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement. The Group advances loan to maximum extent of 70% of the value of the mortgaged properties and 70% in case of vehicles respectively.

3.7 REVENUE FROM CONTRACTS WITH CUSTOMERS

3.7.1 Disaggregated revenue information

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Type of goods and services		
a) Sale of products		
- Commercial vehicles	34,432.15	33,951.37
- Engines and gensets	1,481.59	1,306.33
- Ferrous castings and patterns	572.24	508.77
- Spare parts and others	4,083.33	3,561.58
	40,569.31	39,328.05
b) Sale of services		
- Freight and related services	978.24	787.42
- Annual Maintenance Contracts (AMC)	271.43	286.36
- IT and engineering services	622.27	567.22
- Others (includes extended warranty services)	580.10	553.11
	2,452.04	2,194.11
c) Other operating revenues		
- Scrap sales	113.72	124.18
- Others	27.02	17.70
	140.74	141.88
Less: Rebates and discounts	881.45	751.89
Total revenue from contracts with customers	42,280.64	40,912.15
India	37,601.95	37,168.59
Outside India	4,678.69	3,743.56
Total revenue from contracts with customers	42,280.64	40,912.15

₹ Crores

Timing of revenue recognition	Year ended March 31, 2025		Year ended March 31, 2024	
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	40,704.62	5.43	39,464.76	5.17
- Sale of Services - Freight and related services	307.67	670.57	221.04	566.38
- Sale of Services - IT and engineering	-	622.27	-	567.22
- Sale of Services - AMC and Others (includes extended warranty services)	158.93	692.60	111.80	727.67
Less: Rebates and discounts	881.45	-	751.89	-
Total revenue from contracts with customers	40,289.77	1,990.87	39,045.71	1,866.44

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, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Trade receivables (Refer notes 1.4 and 1.12)	3,346.87	3,900.70
Contract assets (Refer note 1.16)	56.09	47.09
Contract liabilities (Refer notes 1.22 and 1.29)	850.37	840.04

Contract assets are unbilled revenue earned from AMC and other services which are recognised upon completion of service. Upon billing as per the terms of the contract, the amounts recognised as contract assets are reclassified to trade receivables.

Trade receivables are non - interest bearing and are generally on terms of 7 to 90 days (Refer Credit risk Note 3.6.2 (B)).

Contract liabilities includes advance received from customers and income received in advance arising due to allocation of transaction price towards maintenance contracts, freight on shipments not yet delivered to customer and unexpired service warranties. There is no significant change in contract liabilities.

3.7.3 Revenue recognised in relation to contract liabilities

Particulars	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
Revenue recognised from contract liabilities at the beginning of the year	597.37	465.27
Revenue recognised from performance obligations satisfied in previous years	0.95	0.34

3.7.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	March 31, 2025	March 31, 2024
	₹ Crores	₹ Crores
Contracted price	43,162.09	41,664.04
Adjustments		
Rebates and discounts	(881.45)	(751.89)
Revenue from contracts with customers	42,280.64	40,912.15

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, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Within one year	532.78	684.10
More than one year	372.86	300.16
	905.64	984.26

The remaining performance obligations expected to be recognised in more than one year relate to the extended warranty and other obligation which is expected to be recognised over a period of 24 months to 72 months. The Group applies practical expedient of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of less than a year.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2025	Year ended March 31, 2024
		₹ Crores	₹ Crores
i	Segment Revenue		
	Commercial vehicle	42,333.28	40,956.35
	Financial service *	6,202.98	4,749.66
	Gross Revenue	48,536.26	45,706.01
	Less: Inter-segmental revenue	1.12	2.67
	Revenue from operations	48,535.14	45,703.34
	*includes interest income from financial services	5,453.69	4,187.63
	Material items of expenses		
	Commercial vehicle (Cost of goods sold)	29,679.56	29,229.50
	Financial service (Interest and other borrowing costs relating to financing activities)	3,532.90	2,555.40
	Total Material items of expenses	33,212.46	31,784.90
ii	Segment Results		
	Commercial vehicle	3,688.97	3,614.68
	Financial service (after deducting interest expense on loan financing)	899.23	758.20
	Total Segment Profit before Interest and Tax	4,588.20	4,372.88
	Interest Expense	(397.31)	(426.85)
	Other Income	358.46	227.88
	Share of profit of associates and joint ventures (net)	31.58	16.38
	Exceptional items	15.40	(84.22)
	Profit before Tax	4,596.33	4,106.07
	Less: Tax	1,213.54	1,409.73
	Profit after Tax (including share of profit of associates and joint ventures net)	3,382.79	2,696.34
		As at March 31, 2025	As at March 31, 2024
		₹ Crores	₹ Crores
iii	Segment Assets		
	Commercial vehicle	25,088.57	22,505.58
	Financial service	56,626.07	45,154.88
	Total Segment Assets	81,714.64	67,660.46
iv	Segment Liabilities		
	Commercial vehicle	18,119.28	17,787.37
	Financial service	47,750.50	38,058.50
	Total Segment Liabilities	65,869.78	55,845.87
		Year ended March 31, 2025	Year ended March 31, 2024
		₹ Crores	₹ Crores
v	Addition to Non-current asset		
	Commercial vehicle	2,050.46	875.88
	Financial service	222.06	322.06
	Total Addition to Non-current asset	2,272.52	1,197.94

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.8 SEGMENT RELATED DISCLOSURES (Contd.)

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	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
In India	43,856.45	41,959.78
Outside India	4,678.69	3,743.56
Total	48,535.14	45,703.34

Non-Current Asset	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
In India	9,345.48	8,303.80
Outside India	887.68	763.48
Total	10,233.16	9,067.28

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
Prathama Solarconnect Energy Private Limited
Hinduja Renewables Private Limited
Gulf RAK Lube Oil (Ras Al Khaimah)
Gulf Oil Middle East Limited
HR Vaigai Private Limited
Hinduja Rooftop Private Limited
Hinduja Foundries Holdings Limited
GOCL Corporation Limited
Tirex Transmission 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
TVS Trucks and Buses Private Limited.....From February 23, 2024

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.9 RELATED PARTY DISCLOSURE (Contd.)

Entity which is a Subsidiary of Associate of Holding Company

DA Stuart India Private Limited

Entities where control exist

Ashok Leyland Educational Trust

Entities under the significant influence of Key Management Personnel

Hinduja Investments and Project services limited

S. P. Hinduja HUF Bigger

Hinduja Foundation

Employees Trust

Ashok Leyland Employees Gratuity Fund

Ashok Leyland Superannuation Fund

Ashok Leyland Employees Ennore Provident Fund Trust

Ashok Leyland Senior Executives Provident Fund Trust

Ashok Leyland Employees Hosur Provident Fund Trust

Ashok Leyland Employees Bhandara Provident Fund Trust

Ashok Leyland Employees Alwar Provident Fund Trust

Ennore Foundries Limited Employees Provident Fund

Ennore Foundries Gratuity Fund

Ennore Foundries Employees Pension cum Insurance Fund

Ennore Foundries Senior Executives Superannuation Fund

Global TVS Employees Gratuity Fund

Key Management Personnel

Mr. Dheeraj G Hinduja, Executive Chairman

Mr. Shenu Agarwal, Managing Director and Chief Executive Officer

Mr. Gopal Mahadevan, Whole-time Director#

Mr. K M Balaji, President and Chief Financial Officer From June 1, 2024

Prof. Dr. Andreas H Biagosch Upto July 25, 2024

Mr. Jean Brunol Upto July 25, 2024

Mr. Jose Maria Alapont

Ms. Manisha Girotra

Mr. Sanjay K Asher

Mr. Saugata Gupta

Mr. Shom Ashok Hinduja

Mr. Thomas Dauner From June 04, 2024

Dr. Venkataramani Sumantran.....From May 24, 2024

Dr. C B Rao..... Upto July 31, 2024

Notes:

Transaction with Rajalakshmi Wind Energy Limited (erstwhile Ashok Leyland Wind Energy Limited), HR Vaigai Private 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, HR Vaigai Private Limited and Prathama Solarconnect Energy Private Limited, although the Company holds 26% of the equity share capital of Rajalakshmi Wind Energy Limited, HR Vaigai Private 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

Chief Financial Officer till May 31, 2024

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.9 RELATED PARTY DISCLOSURE (Contd.)

c) Related Party Transactions - summary

	₹ Crores															
	Fellow Subsidiaries				Associates				Joint Ventures				Holding Company			
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Transactions during the year ended March 31	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
1 Purchase of raw materials, components and traded goods (net of GST)	165.40	166.17	164.96	69.43	153.50	151.04	-	3.92	7.11	12.97	-	-	-	-	-	490.97
2 Sales and services (net of GST)	82.00	81.11	264.98	153.51	247.19	1.45	-	-	-	-	-	-	-	0.20	0.12	594.37
3 Other operating income	0.14	-	-	-	1.17	1.86	-	-	-	-	-	-	-	-	-	1.31
4 Other expenditure incurred / (recovered) (net)	59.80	48.68	(3.75)	(1.36)	1.36	(0.04)	1.69	0.68	3.26	0.27	(0.74)	(0.78)	-	6.31	2.02	68.21
5 Interest and other income	0.92	-	1.04	1.30	0.02	0.04	-	-	-	-	-	-	-	-	-	1.98
6 Interest expense	-	-	-	-	-	-	-	0.14	6.19	-	-	-	-	-	-	0.14
7 Financial Guarantee Released	-	-	-	-	2.50	3.63	-	-	-	-	-	-	-	-	-	3.63
8 Dividend payments	4.95	1.85	-	-	-	-	-	1,038.01	388.32	-	-	-	-	-	-	1,042.96
9 Remuneration to key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	390.17
10 Commission and sitting fees to key management personnel*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60.40	41.90
11 Investments in shares of	5.09	-	-	20.36	-	24.95	-	-	-	-	-	-	-	-	10.10	8.59
12 Loan Given	-	-	-	-	1.11	-	-	16.28	-	-	-	-	-	-	-	5.09
13 Loan Repaid	-	-	-	-	-	-	-	101.82	-	-	-	-	-	-	-	45.31
14 Inter-corporate deposits given	200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.28
15 Inter-corporate deposits repaid	200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 Contribution to employee related trusts made during the year	-	-	-	-	-	-	-	-	-	-	-	-	260.06	-	-	200.00
17 Purchase of Asset	8.81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	228.50
																8.81

* Includes commission and sitting fees to other directors aggregating to ₹ 9.30 crores (2024 : ₹ 8.46 crores)

All the transactions are at arms length.

3.9 RELATED PARTY DISCLOSURE (Contd.)

₹ Crores

₹ Crores

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.9 RELATED PARTY DISCLOSURE (Contd.)

e) Significant Related Party Transactions

		₹ Crores	
Transactions during the year ended March 31		2025	2024
1. Purchase of raw materials, components and traded goods (net of GST)			
Gulf Oil Lubricants India Limited	153.55	162.55	
Ashley Alteams India Limited	153.50	151.04	
Ashok Leyland Defence Systems Limited	164.96	69.43	
2. Sales and services (net of GST)			
Gulf Oil Lubricants India Limited	82.00	81.11	
Lanka Ashok Leyland Plc	160.99	87.73	
Ashok Leyland Defence Systems Limited	103.99	65.78	
TVS Trucks and Buses Private Limited	246.56	-	
3. Other operating income			
Ashley Alteams India Limited	1.17	1.86	
Tirex Transmission Private Limited	0.14	-	
4. Other expenditure incurred / (recovered) (net)			
Hinduja Automotive Limited, United Kingdom	1.55	0.68	
Lanka Ashok Leyland Plc	(0.20)	0.11	
Ashok Leyland Defence Systems Limited	(3.55)	(1.47)	
Prathama Solarconnect Energy Private Limited	41.82	40.98	
Hinduja Renewables Private Limited	7.90	7.47	
HR Vaigai Private Limited	5.76	-	
Hinduja Rooftop Private Limited	3.95	-	
DA Stuart India Private Limited	3.26	0.27	
TVS Trucks and Buses Private Limited	1.37	-	
5. Interest and other income			
Hinduja Renewables Energy Private Limited	0.92	-	
Ashok Leyland Defence Systems Limited	1.04	1.30	
Ashley Alteams India Limited	0.02	0.04	
6. Dividend payment			
Hinduja Automotive Limited, United Kingdom	1,038.01	388.32	
Hinduja Foundries Holdings Limited	4.95	1.85	
7. Investment in shares of			
HR Vaigai Private Limited	5.09	-	
Ashok Leyland Defence Systems Limited	-	20.36	
TVS Trucks and Buses Private Limited	-	24.95	
8. Purchase of asset			
Tirex Transmission Private Limited	8.81	-	
9. Loan Given			
Hinduja Automotive Limited, United Kingdom	-	16.28	
Zebeeyond Limited, UK	1.11	-	
10. Loan Repaid			
Hinduja Automotive Limited, United Kingdom	-	101.82	
11. Inter-corporate deposits given			
Hinduja Renewables Energy Private Limited	200.00	-	

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.9 RELATED PARTY DISCLOSURE (Contd.)

e) Significant Related Party Transactions (Contd.)

		₹ Crores	
Transactions during the year ended March 31		2025	2024
12.	Inter-corporate deposits repaid		
	Hinduja Renewables Energy Private Limited	200.00	-
13.	Interest expense		
	Hinduja Automotive Limited, United Kingdom	0.14	6.19
14.	Contribution to employee related trusts made during the year including loans and interest recovered		
	Ashok Leyland Employees Ennore Provident Fund Trust	55.12	53.19
	Ashok Leyland Employees Hosur Provident Fund Trust	51.63	49.20
	Ashok Leyland Senior Executives Provident Fund Trust	73.05	55.11
	Ashok Leyland Employees Gratuity Fund	34.08	30.11
	Ashok Leyland Superannuation Fund	17.55	16.79
	Ennore Foundries Gratuity Fund	2.26	1.83
	Ennore Foundries Limited Employees Provident Fund	13.47	12.82
15.	Commission and sitting fees to key management personnel		
	Mr. Dheeraj G Hinduja	0.80	0.13
	Commission and sitting fees to other directors in aggregate	9.30	8.46
16.	Financial Guarantee Released		
	Ashley Alteams India Limited	2.50	3.63
17.	Remuneration to key management personnel*		
	Mr. Shenu Agarwal		
	Short term employee benefits	12.22	8.47
	Other long term employee benefits	0.08	0.08
	Mr. Gopal Mahadevan		
	Short term employee benefits	13.73	8.34
	Other long term employee benefits	0.08	0.08
	Share-based payment	0.84	0.93
	Mr. Dheeraj G Hinduja		
	Short term employee benefits	28.65	23.92
	Other long term employee benefits	0.08	0.08
	Mr. K M Balaji		
	Short term employee benefits	4.65	-
	Other long term employee benefits	0.07	-

* 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

Expenses for the year ended March 31, 2025 includes lease expense classified as short term lease expenses aggregating to ₹ 39.33 crores (March 31, 2024: ₹ 28.59 crores) and low value leases of ₹ 0.57 crores (March 31, 2024: ₹ 0.56 crores) which are not required to be recognised as part of the practical expedient under Ind AS 116.

Expenses for the year ended March 31, 2025 includes lease expense classified as variable lease payments aggregating to ₹ 69.19 crores (March 31, 2024: ₹ 70.10 crores).

The total cash outflow for lease for the year ended March 31, 2025 : ₹ 249.68 crores (March 31, 2024 : ₹ 173.79 crores).

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.11 CONTINGENT LIABILITIES

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
a) Claims against the Group not acknowledged as debts (net)		
i) Sales tax / VAT/ GST #	301.23	279.65
ii) Excise duty #	9.03	9.20
iii) Service Tax #	60.52	60.97
iv) Customs Duty #	2.11	0.43
v) Income tax	8.43	8.43
vi) Others	75.76	64.46
b) Share of contingent liabilities of joint ventures	3.76	3.19
c) Bank guarantees	11.63	22.82

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 Supreme Court Judgment in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and the Management believes that further clarity is required on this matter for the time period prior to March 31, 2019. However, it is not likely to have a significant impact and accordingly, no provision has been made in the consolidated financial statement.

The Group is involved in various claims and actions in the ordinary course of business. The Group accrues a liability when a loss is considered probable and the amount can be reasonably estimated. In the opinion of the management the outcome of any existing claims, legal and regulatory proceedings, if decided adversely, is not expected to have a material adverse effect on the business, financial condition, results of operations and cash flows of the Group based on the current position of such claims/legal actions.

3.11.1 Others

The value of corporate guarantee given to bank for the loan taken by a joint venture company for the year ended March 31, 2025 : ₹ 0.75 crores (March 31, 2024 : ₹ 3.25 crores).

3.12 COMMITMENTS

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
a) Capital commitments (net of advances) not provided for [including ₹28.03 crores (March 2024: 50.22 crores) in respect of intangible assets]	825.96	490.73
b) Share of commitments of joint ventures	9.69	0.12
c) Uncalled liability on partly paid shares / investments (Refer Note 1.3)	#	#
d) Other commitments		
(i) Financial support given to certain joint ventures		

The outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved.

Amount is below rounding off norms adopted by the Group.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.13 DETAILS OF BORROWINGS:

I Non-current borrowings:

	As at March 31, 2025			Particulars of Redemption / Repayment	As at March 31, 2024		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores		Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
a. Secured Borrowings:							
i. Non-convertible Debentures (NCD)							
8.60% p.a. to 9.00% p.a (March 2024 : 8.60% p.a to 8.80% p.a.) Secured redeemable non-convertible debentures Sub 1	1,257.90	97.90	1,355.80	1,36,000 debentures with face value of ₹ 1,00,000/- (March 31, 2024: 43,000 debentures with a face value of ₹ 1,00,000/-) were outstanding as on March 31, 2025. These debentures carry interest rates ranging from 8.60% p.a. to 9.00% p.a (March 31, 2024 : 8.60% p.a to 8.80% p.a.) and the redemption period is 3 years to 5 years from the date of allotment.	428.10	2.95	431.05
9.65% to 9.75% Subordinated redeemable non-convertible debentures Sub 1	-	-	-	March 31, 2025: Nil (21,700 debentures with a face value of ₹ 1,00,000/- were outstanding as on March 31, 2024). These debentures carry interest rates ranging from 9.65% p.a. to 9.75% p.a. and the redemption period is 7 years to 15 years.	-	9.94	9.94
Series 3	200.00	-	200.00	Bullet repayment at the end of 5 years from the date of allotment i.e. March 17, 2027.	200.00	-	200.00
	1,457.90	97.90	1,555.80		628.10	12.89	640.99
ii. Term loans:							
TL- 1 - Sub 1	29,536.04	10,972.13	40,508.17	6.65% to 9.60% p.a. repayable in varying monthly / quarterly installments	23,663.73	8,754.31	32,418.04
TL-12	100.00	100.00	200.00	Repayable annually in 5 equal installments starting from September 9, 2022	200.00	100.00	300.00
TL-13	-	55.00	55.00	Repayable annually in 4 equal installments starting from May 12, 2023. Further the Parent Company has made prepayment of ₹ 95 Crores in FY 2024-25.	150.00	75.00	225.00
TL-14	-	12.50	12.50	Repayable semi annually in 8 equal installments starting from February 28, 2022	12.50	25.00	37.50
TL-15	66.25	21.25	87.50	Repayable quarterly in 20 installments of varying amounts starting from July 1, 2023	87.50	8.75	96.25
TL-16	120.00	40.00	160.00	Repayable annually in 5 equal installments starting from March 25, 2025	160.00	40.00	200.00
TL-17	112.50	56.25	168.75	Repayable semi annually in 12 installments of varying amounts starting from September 30, 2022	168.75	56.25	225.00
TL-18	237.73	9.27	247.00	Repayable quarterly in 24 installments of varying amounts starting from September 30, 2025	-	-	-
TL-2- Sub 2	-	-	-	Repaid on October 1, 2024	57.00	-	57.00
TL-3- Sub 2	42.65	8.39	51.04	Repayable in 92 monthly installments commencing from September 2023	51.04	-	51.04
TL-4- Sub 2	100.00	-	100.00	Repayable upon receipt of subsidy receivable from Government	100.00	-	100.00
TL-1- Sub 3	110.69	-	110.69	Repayable in quarterly installments over a period of seven years starting from April 2024	149.67	7.88	157.55

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.13 DETAILS OF BORROWINGS (Contd.)

I Non-current borrowings:

	As at March 31, 2025			Particulars of Redemption / Repayment	As at March 31, 2024		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores		Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
TL-1- Sub 4	10.00	-	10.00	Repayable in 4 quarterly installments of ₹ 0.25 Crores commencing from November 2025 Repayable in 12 quarterly installments of ₹ 0.75 Crores commencing from November 2026	-	-	-
TL-1- Sub 5	48.05	16.36	64.41	Repayable in 17 quarterly instalments (16 installments of ₹ 4.09 crores and 1 installment of ₹ 3.05 crores) starting from March 2025 with an interest rate of 1 year MCLR, currently at 9% p.a.	-	-	-
TL-2- Sub 5	221.29	34.00	255.29	Repayable in 30 quarterly installments of ₹ 8.50 crores starting from June 2025 with an interest rate of 1 year MCLR, currently at 9% p.a.	-	-	-
TL-3- Sub 5	-	120.00	120.00	Repayable on receipt of subsidy from Government	-	-	-
TL-5- Sub 2	876.52	-	876.52	Repayable after 5 years on August 16, 2029	-	-	-
TL-6- Sub 2	60.00	-	60.00	Repayable in 20 monthly installments commencing from June 2026	-	-	-
TL-1- Sub 6	4.98	1.53	6.51	Repayable quarterly in 18 equal installments commencing from January 2025	-	-	-
	31,646.70	11,446.68	43,093.38		24,800.19	9,067.19	33,867.38

I Non-current borrowings:

- 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 loan amount outstanding.
 - 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.
 - 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.
 - 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.
 - TL -16 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Parent Company located at Chennai and Hosur to the extent of loan amount outstanding.
 - 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 to the extent of 1.10 times of the amount of loan.
 - TL-18 Term Loan is secured by way of exclusive charge on the aircraft which is under construction. Further, security will be created within stipulated timeline as per the terms of loan agreement.
 - 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.
- 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.
- 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.
- The assets pledged as security for borrowings relating to subsidiaries engaged in financing activities includes financial assets (loans and investments) amounting to ₹ 51,108.22 crores (March 2024: financial assets (loans and investments) amounting to ₹ 38,013.66 crores).
- Term loan availed by a subsidiary (TL -1- Sub 3) is secured by way of an exclusive charge over stocks, current assets and plant and machinery of the subsidiaries and guarantee.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.13 DETAILS OF BORROWINGS (Contd.)

6. Term loans availed by a subsidiary (TL-2-Sub 2, TL-3- Sub 2, TL-4 - Sub 2) are secured by first pari passu charge on all assets of the specific project related assets, exclusive charge on electric vehicles (EV) of the specific project and receivables of the specific project.
7. Term loan availed by a subsidiary (TL-5-Sub 2) is secured by a Corporate Guarantee provided by the Parent Company.
8. Term loans availed by a subsidiary (TL-6-Sub 2) are secured by exclusive first charge on the tangible moveable fixed assets to be created out of the term loan (approx ₹ 100 crores), first pari passu charge on the unencumbered moveable fixed assets of the subsidiary at Ennore Plant of ₹ 30 Crores and routing of unencumbered cashflows from the Chalo Indore project.
9. Term loans availed by a subsidiary (TL-1-Sub 4) is secured by exclusive charges by way of equitable mortgage on the four immoveable properties of the subsidiary located at Jamshedpur, Bokaro, Tinsukla and Tezpur and subservient charge on the entire current assets of the subsidiary, both present and future.
10. Term loans availed by a subsidiary (TL -1- Sub 5, TL -2- Sub 5, TL -3- Sub 5) are secured by way of an exclusive charge on all revenues and receivables of specific projects, entire current assets of the subsidiary relating to specific projects, all Bank accounts including, without limitation, the Escrow Account to be established and each of the other accounts required to be created under specific projects payments and routine Operation & Maintenance charges, on all movable tangible & intangible assets of specific projects.
11. Term loan availed by a subsidiary (TL -1- Sub 6) is secured by way of an exclusive charge on plant and equipment, specific land and building to the extent of ₹ 8 crores.

iii. Other loans:

	As at March 31, 2025			Particulars of Redemption / Repayment	As at March 31, 2024		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores		Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
SIPCOT Soft Loan	-	31.18	31.18	Repayable on August 1, 2025	31.18	-	31.18
	-	31.18	31.18		31.18	-	31.18

1. The above SIPCOT soft loan is secured by way of first charge on the fixed assets created and the same shall be on pari passu with other first charge holders of LCV division of the Parent Company.

The Companies in the Group, where applicable, has registered the charges / satisfaction / modification of charges with the Registrar of Companies within the stipulated period.

b. Unsecured borrowings:

i. ECB loans:

	As at March 31, 2025			Particulars of Redemption / Repayment	As at March 31, 2024		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores		Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
ECB - 16	-	57.76	57.76	Repayable annually in 3 equal installments starting from November 18, 2023	55.97	55.97	111.94
ECB - 15	-	-	-		-	55.60	55.60
ECB - 14	-	-	-	Repaid on September 23, 2024	-	222.41	222.41
	-	57.76	57.76		55.97	333.98	389.95

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.13 DETAILS OF BORROWINGS (Contd.)

As at March 31, 2025				Particulars of Redemption / Repayment	As at March 31, 2024		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores		Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
ii. Non-convertible Debentures:							
9.25% p.a. to 9.75% p.a. (March 2024 : 9.20% p.a. to 11.60% p.a.) - Subordinated redeemable non-convertible debentures - Sub 1	3,212.57	-	3,212.57	2,53,350 (March 31, 2024: 63,750) debentures with a face value of ₹ 1,00,000/- to ₹ 10,00,000/- were outstanding as on March 31, 2025. These debentures carry interest rates ranging from 9.25% p.a. to 9.75% p.a. and the redemption period is 5.4 years to 15.01 years.	1,113.10	549.59	1,662.69
	3,212.57	-	3,212.57		1,113.10	549.59	1,662.69
As at March 31, 2025				Particulars of Redemption / Repayment	As at March 31, 2024		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores		Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
iii. Interest free sales tax loans:							
Programme II	66.41	-	66.41	Varying amounts repayable on a periodical basis ending on June 2028	66.41	-	66.41
	66.41	-	66.41		66.41	-	66.41
As at March 31, 2025				Particulars of Redemption / Repayment	As at March 31, 2024		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores		Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
iv. Other loans:							
Other loan - Sub 2	-	-	-	Repaid on March 31, 2025	1.43	-	1.43
	-	-	-		1.43	-	1.43

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 9.75% p.a. (as at March 31, 2024: 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, 2025		Particulars of Redemption / Repayment	As at March 31, 2024
₹ Crores			₹ Crores
a	Secured borrowings		
- STL 1 Sub 1	671.40	Repayable on demand	701.51
- STL 3 Sub 6	-	Repaid on various dates upto February 2025	16.00
- STL 4 Sub 6	-	Repaid on April 23, 2024	3.50
- STL 5 Sub 6	5.00	Repayable on demand	-
- STL 6 Sub 6	1.04	Repayable on demand	-
- STL 1 Sub 7	-	Repaid on April 06, 2024	4.00
- STL 2 Sub 7	14.72	Repayable on demand	9.62
- STL 2 Sub 5	128.92	Repayable within 6 months	125.83
- STL 3 Sub 5	27.63	Repayable on November 20, 2025	26.96
- STL 1 Sub 8	31.57	Repayable on demand	108.10
- STL 1 Sub 12	-	Repaid on various dates upto December 2024	31.51
- Bills discounted	-	Repaid on various dates upto September 2024	10.51
- STL 27	-	Repaid on April 10, 2024	250.00
- STL 2 Sub 12	-	Repaid on various dates upto August 2024	335.05
- STL 3 Sub 12	134.19	Repayable within 12 months from the date of disbursement	150.00
- STL 4 Sub 12	-	Repaid on various dates upto November 2024	262.97
- STL 5 Sub 12	-	Repaid on October 01, 2024	12.67
- STL 6 Sub 12	-	Repaid on March 31, 2025	7.69
- STL 1 Sub 11	37.75	Repayable on demand	61.33
- STL 7 Sub 12	240.00	Repayable within 12 months from the date of disbursement	-
- STL 1 Sub 13	0.85	Repayable on demand	-
- STL 1 Sub 14	13.12	Repayable on demand	-
	1,306.19		2,117.25

- STL 1 Sub 1 relating to a subsidiary are cash credit facilities and working capital demand loans from banks which are secured by way of an exclusive charge on the receivables due to the subsidiary other than those that are specifically charged to the lenders of the subsidiary.
- STL 3 Sub 6, STL 4 Sub 6, STL 5 Sub 6 and STL 6 Sub 6 relating to a subsidiary are working capital demand loans which are secured by way of hypothecation of bills receivables, book debt, inventories and all other movable assets both present and future of the subsidiary amounting to ₹ 19.20 crores (March 31, 2024: ₹ 45.70 crores) reduced by trade payable of the subsidiary.
- STL 1 Sub 7 and STL 2 Sub 7 relating to a subsidiary are secured by way of a pari passu first charge on current assets (including stocks of raw materials, stores and spares, work-in-progress, finished goods and books debts) both present and future of the subsidiary to the extent of ₹ 25.00 crores (March 31, 2024: ₹ 25.00 crores).
- 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.
- STL 2 Sub 5 and STL 3 Sub 5 relating to a subsidiary is in the nature of working capital facility which is secured by corporate guarantee given by the Parent Company.
- STL 27 / Bills discounted relating to Parent Company are secured by way of hypothecation of the whole stocks of Raw Materials, Semi Finished and Finished goods, Stores and Spares not related to Plant and Machinery (Consumable stores and spares) Bills Receivable, Book Debts and all other movables both present and future now lying or stored about the factory premises, godowns, warehouses, yards and any other locations to the extent of ₹ 2,000 crores (March 31, 2024: ₹ 2,000 crores).
- STL 1 Sub 12 and STL 2 Sub 12 relating to a subsidiary are secured against assets and undertakings of the subsidiary.
- STL 3 Sub 12, STL 4 Sub 12, STL 5 Sub 12, STL 6 Sub 12 and STL 7 Sub 12 availed by a subsidiary is secured by first pari passu charge on all assets of the specific project related assets, exclusive charge on electric vehicles (EV) of the specific project and receivables of the specific project.
- STL 1 Sub 11 relating to a subsidiary is secured against current assets of the subsidiary.
- STL 1 Sub 13 relating to a subsidiary is secured by assets of specific project, with an interest rate of 1 year MCLR, currently at 9%
- STL 1 Sub 14 relating to a subsidiary is secured by way of hypothecation of the book 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, 2025		Particulars of Redemption / Repayment	As at March 31, 2024
₹ Crores			₹ Crores
b Unsecured borrowings			
- STL 26	-	Repaid on June 20, 2024	150.00
- STL 28	150.00	Repayable on April 11, 2025	-
- STL 1 Sub 8	128.19	Repayable on demand	83.41
- Other Loans Sub 3	1.55	Payable in equal monthly instalments	1.84
- Bills discounted	-	Repaid on various dates upto September 2024	73.80
- Commercial Paper	98.73	Commercial papers are issued for a period ranging from 171 days to 365 days (March 2024: 92 days to 365 days)	1,479.08
	378.47		1,788.13

The above outstanding borrowings carry varying rates of interest with the maximum rate of interest going upto 9.75% p.a. (as at March 31, 2024: 11.60% 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, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
1. Cash and cash equivalents	6,544.77	5,217.32
2. Liquid investments	4,265.83	225.16
3. Borrowings	(49,626.03)	(40,580.94)
4. Derivative Asset / (Liability)	(11.18)	50.34
5. Lease Liabilities	(261.01)	(237.84)
Net debt	(39,087.62)	(35,325.96)

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.13 DETAILS OF BORROWINGS (Contd.)

III Net debt reconciliation: (Contd.)

₹ Crores

Particulars	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Liquid investments	Borrowings	Derivative Asset / (Liability)	Lease Liabilities	
Net debt as at March 31, 2023	1,908.58	3,171.40	(30,978.79)	97.50	(240.49)	(26,041.80)
Cash flows (net)	3,308.99	(3,002.43)	(9,674.25)	-	74.54	(9,293.15)
Foreign exchange adjustments (Realised / Unrealised)	(0.25)	-	31.85	-	-	31.60
Profit on sale of liquid investments (net)	-	60.61	-	-	-	60.61
Interest expense	-	-	(369.27)	-	(14.09)	(383.36)
Interest paid	-	-	409.52	-	-	409.52
Other non-cash movements						
- Addition / Deletion (Net) relating to lease liabilities	-	-	-	-	(57.80)	(57.80)
- Fair value adjustments	-	(4.42)	-	(47.16)	-	(51.58)
Net debt as at March 31, 2024	5,217.32	225.16	(40,580.94)	50.34	(237.84)	(35,325.96)
Cash flows (net)	1,327.78	3,990.53	(9,049.78)	-	99.22	(3,632.25)
Foreign exchange adjustments (Realised / Unrealised)	(0.33)	-	0.18	-	-	(0.15)
Profit on sale of liquid investments (net)	-	43.12	-	-	-	43.12
Interest expense	-	-	(300.84)	-	(18.86)	(319.70)
Interest paid	-	-	305.35	-	-	305.35
Other non-cash movements						
- Addition / Deletion (Net) relating to lease liabilities	-	-	-	-	(103.53)	(103.53)
- Fair value adjustments	-	7.02	-	(61.52)	-	(54.50)
Net debt as at March 31, 2025	6,544.77	4,265.83	(49,626.03)	(11.18)	(261.01)	(39,087.62)

Note:

Borrowings and interest expense is gross of impact on account of effective interest rate changes.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.14 INFORMATION RELATING TO SUBSIDIARIES

A) Details of the group's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest	
			As at March 31, 2025	As at March 31, 2024
Hinduja Leyland Finance Limited and its subsidiaries	Relating to financing activities	Chennai - India	61.12%	60.40%
Global TVS Bus Body Builders Limited	Relating to commercial vehicle	Madurai - India	66.67%	66.67%
Gulf Ashley Motor Limited	Trading in commercial vehicle	Chennai - India	93.15%	93.15%
Optare Plc and its subsidiaries	Manufacturing of commercial vehicle	United Kingdom	92.59%	92.59%
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	82.05%	81.72%
Ashok Leyland (UAE) LLC and its subsidiaries	Manufacturing of commercial vehicle	UAE	100.00%	100.00%
Albonair (India) Private Limited	Relating to commercial vehicle	Chennai - India	100.00%	100.00%
Albonair GmbH and its subsidiary	Relating to commercial vehicle	Germany	100.00%	100.00%
Ashley Aviation Limited	Relating to air chartering services	Chennai - India	100.00%	100.00%
Hinduja Tech Limited, its subsidiaries and joint venture	Relating to IT services	Chennai - India	72.99%	73.22%
Vishwa Buses and Coaches Limited	Relating to commercial vehicle	Chennai - India	100.00%	100.00%
Gro Digital Platforms Limited	Relating to commercial vehicle	Chennai - India	80.56%	80.20%
OHM Global Mobility Private Limited (from September 1, 2023)	Relating to commercial vehicle	Chennai - India	100.00%	100.00%
Ashok Leyland Foundation (from July 6, 2024)	Relating to CSR activities	Chennai - India	100.00%	-

Ownership interest includes joint holding and beneficial interest.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.14 INFORMATION RELATING TO SUBSIDIARIES (Contd.)

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, 2025	March 31, 2024
Manufacturing of commercial vehicle	UAE	1	1
Trading in commercial vehicle	Russia*	-	1
Trading in commercial vehicle	Ivory Coast*	1	1
Trading in commercial vehicle	Nigeria	1	1
Trading in commercial vehicle	Chile	1	1
Relating to commercial vehicle	India	3	3
Relating to commercial vehicle	Germany	1	1
Relating to commercial vehicle	China*	1	1
Relating to air chartering services	India	1	1
Relating to CSR activities	India	1	-

* wholly owned step down subsidiaries

Also refer note 3.1

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		March 31, 2025	March 31, 2024
Relating to financing activities	Chennai - India**	3	3
Relating to commercial vehicle	Madurai - India	1	1
Relating to commercial vehicle	Chennai - India	1	1
Manufacturing of commercial vehicle	United Kingdom **	5	6
Trading in commercial vehicle	Chennai - India	1	1
Manpower supply services	Chennai - India	1	1
Relating to IT services	Chennai - India**	16	9

** includes 15 step down subsidiaries relating to IT services, 4 step down subsidiaries relating to manufacturing of commercial vehicles and 2 step down subsidiaries relating to financing activities (March 31, 2024: 8 step down subsidiaries relating to IT services, 5 step down subsidiaries relating to manufacturing of commercial vehicles and 2 step down subsidiaries relating to financing activities)

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, 2025	March 31, 2024	March 31, 2025 ₹ Crores	March 31, 2024 ₹ Crores	March 31, 2025 ₹ Crores	March 31, 2024 ₹ Crores
Hinduja Leyland Finance Limited and its subsidiaries	Chennai - India	38.88%	39.60%	665.60	480.65	3,383.75	2,697.86
Individually immaterial subsidiaries with non-controlling interests				(32.32)	(42.87)	229.02	112.11
				633.28	437.78	3,612.77	2,809.97

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.14 INFORMATION RELATING TO SUBSIDIARIES (Contd.)

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, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Current assets	19,032.85	15,204.72
Non-current assets	37,507.41	29,674.70
Total assets	56,540.26	44,879.42
Current liabilities	12,785.19	12,265.11
Non-current liabilities	35,052.00	25,801.52
Total liabilities	47,837.19	38,066.63
Equity attributable to owners of the Company	5,319.32	4,114.93
Non-controlling interests	3,383.75	2,697.86
	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
Revenue	6,280.51	4,659.90
Expenses (including tax)	5,500.52	4,019.36
Profit for the year	779.99	640.54
Profit attributable to owners of the Company	472.50	386.89
Profit attributable to the non-controlling interests	307.49	253.65
Profit for the year	779.99	640.54
Other Comprehensive Income attributable to owners of the Company	550.29	346.24
Other Comprehensive Income attributable to the non-controlling interests	358.11	227.00
Other Comprehensive Income for the year	908.40	573.24
Total Comprehensive Income attributable to owners of the Company	1,022.79	733.13
Total Comprehensive Income attributable to the non-controlling interests	665.60	480.65
Total Comprehensive Income for the year	1,688.39	1,213.78
Net cash outflow from operating activities	(7,196.63)	(8,364.58)
Net cash outflow from investing activities	(1,758.09)	(419.14)
Net cash inflow from financing activities	9,227.63	10,647.72
Net cash inflow	272.91	1,864.00

During the year ended March 31, 2023, the Board of Directors of Hinduja Leyland Finance Limited (HLFL), a subsidiary of the Parent Company, had approved a scheme of merger by absorption of HLFL into NXT DIGITAL Limited (currently NDL Ventures Limited). HLFL has reapplied for necessary approvals from RBI which is currently under process. Thereafter, HLFL will take necessary approvals from various statutory and regulatory authorities, respective shareholders for swap ratios and approvals from creditors.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.14 INFORMATION RELATING TO SUBSIDIARIES (Contd.)

D) Goodwill

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Gross Goodwill at the beginning of the year	1,813.96	1,809.57
Add: Recognised during the year (Refer Note 3.27)	138.91	4.39
Gross Goodwill at the end of the year	1,952.87	1,813.96
Opening accumulated impairment	616.98	616.98
Add: Impairment during the year	-	-
Closing accumulated impairment	616.98	616.98
Carrying amount of Goodwill	1,335.89	1,196.98

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, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Hinduja Leyland Finance Limited and its subsidiaries	426.47	426.47
Light commercial vehicle division of parent company	449.90	449.90
Hinduja Tech Limited and its subsidiaries	437.08	298.17
Others	22.44	22.44
	1,335.89	1,196.98

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 15.50% to 19.00% (March 2024: 11.50% to 17.50%) and terminal growth rate ranging from 1.00% to 5.00% (March 2024: 1.00% to 5.00%) for the purpose of impairment testing based on the next five to nine years (March 2024: five to nine years) projected cash flows. Both pre tax and post tax discount rate gives the same recoverable amount. The Group believes that any reasonable further change in the key assumptions on which recoverable amount is based, would not cause the carrying amount to exceed its recoverable amount.

Also Refer Notes 1E.2, 1D and 3.27.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.15 INFORMATION RELATING TO ASSOCIATES

Details of material associates

There are no associates which are individually material and thus, only aggregate information of associates that are not individually material is given below:

Aggregate information of associates that are not individually material	Year ended March 31, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
The Group's share of profit	29.12	12.57
The Group's share of other comprehensive income	1.34	2.41
The Group's share of total comprehensive income	30.46	14.98

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Aggregate carrying amount of the Group's interests in these associates	98.02	79.32

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, 2025	Year ended March 31, 2024
	₹ Crores	₹ Crores
The Group's share of profit	2.46	3.81
The Group's share of other comprehensive income / (loss)	0.01	(0.22)
The Group's share of total comprehensive income / (loss)	2.47	3.59

	As at March 31, 2025	As at March 31, 2024
	₹ Crores	₹ Crores
Aggregate carrying amount of the Group's interests in these joint ventures	49.88	49.80

3.17 During the year ended March 31, 2025, the Parent Company paid share application money on March 27, 2025 amounting to GBP 45 million (₹ 498.76 crores) towards additional equity investment in Optare Plc (Parent Company's subsidiary) [Intermediary 1]. The shares were subsequently allotted on April 02, 2025. Intermediary 1 intends to invest in Switch Mobility Limited, UK (its subsidiary) [Ultimate Beneficiary].

During the year ended March 31, 2025, Hinduja Tech Limited (HTL), a subsidiary of the Parent Company, invested in Hinduja Tech GmbH, Germany (its subsidiary) [Intermediary 1] as equity share capital by subscribing to 1,68,00,000 shares of EUR 1.25 each on September 23, 2024. Hinduja Tech GmbH, Intermediary 1 paid ₹ 173.24 crores (EUR 19 million) (as upfront consideration) to the erstwhile shareholders of TECOSIM Group [Ultimate Beneficiary] on November 30, 2024.

During the year ended March 31, 2024, the Parent Company has invested ₹ 1,199.30 crores in two tranches viz November 28, 2023 and February 06, 2024, in Optare Plc, UK (Parent Company's subsidiary) [Intermediary 1]. Out of the aforementioned amount, Intermediary 1 has invested in Switch Mobility Limited, UK (its subsidiary) [Intermediary 2] a sum of GBP 36.27 million on November 30, 2023 and another tranche of GBP 50.68 million on February 08, 2024 as equity. Further, from the amount received, Intermediary 2 invested ₹ 208.64 crores on December 11, 2023 and ₹ 341.36 crores on February 09, 2024 in Switch Mobility Automotive India Limited [Ultimate Beneficiary].

The Parent Company and the Subsidiary has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013, to the extent applicable, and these transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Except as detailed above, the Group, its associates and joint venture companies, which are incorporated in India 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

3.18 The Group, its associates and joint venture companies, which are incorporated in India 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, its associates and joint venture companies incorporated in India 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

3.19 The Group does not have any transactions with struck off companies under Companies Act, 2013 or Companies Act, 1956, during the year.

3.20 During the Financial year, Hinduja Tech Limited, a Subsidiary had issued Compulsorily Convertible Preference Shares (CCPS) amounting to ₹ 392.03 crores. Given that the number of shares to be issued upon conversion was variable and linked to EBITDA for the year ending March 31, 2025, these CCPS were initially classified as a financial liability measured at Fair value through profit and loss ('FVTPL') under Ind AS 109.

As at March 31, 2025, the financial liability is remeasured in accordance with Ind AS 109 at ₹ 350.81 crores, which has resulted in a fair value gain of ₹ 41.23 crores and is presented as an exceptional item in the consolidated statement of profit and loss.

As at March 31, 2025, the final conversion ratio was fixed at 1:1 and this fixed conversion ratio indicated a fundamental change in the instrument's primary economic characteristics, shifting towards equity. As a result, the subsidiary has reclassified the CCPS from a financial liability to its equity.

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.

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, 2025, the Group has recorded a reversal of impairment of ₹ 7.82 crores (March 31, 2024: impairment ₹ 8.03 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 11.50% - 13.50% for current and previous years for the aforementioned entities. Both pre tax discount rate and post tax discount rate gives the same recoverable amount.

3.26 The figures for the previous year have been reclassified / regrouped wherever necessary including for amendments relating to Schedule III of the Companies Act, 2013 for better understanding and comparability. The reclassifications / regroupings do not have material impact on the consolidated financial statements.

3.27 Accounting for Business Combination

TECOSIM Group GmbH

- On November 29, 2024, the Hinduja Tech Limited, a subsidiary of the Parent Company, through its wholly owned subsidiary Hinduja Tech GmbH Limited entered into a Share Purchase Agreement (SPA) to acquire 100% of the issued capital of TECOSIM Group GmbH along with its subsidiaries Tecosim GmbH, Tecosim Limited (UK), Tecosim Engineering S.R.L (Romania), Tecosim Inc (US), Tecosim Japan Limited (Japan), Tecosim Engineering Services Private Limited (India) (collectively referred to as 'TECOSIM Group') respectively for an upfront cash consideration of ₹ 173.24 crores (EUR 19 million). There are no contingent consideration arrangements.
- Consequently the acquired entities became step-down subsidiaries of Hinduja Tech Limited, India effective from November 29, 2024 on satisfactory completion of the closing conditions under the SPA and has been consolidated with effect from that date.
- The TECOSIM group provides advanced solutions to transport, energy, healthcare, fitness industry and technology sectors and specialises in services such as Computer Aided Engineering, Manufacturing Execution Systems, Industrial Measurement Technology etc.
- The primary reason for this acquisition was to expand the market reach and enhance the global presence of the group.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.27 ACCOUNTING FOR BUSINESS COMBINATION (Contd.)

- As required by Ind-AS 103, Business Combinations, the Company has accounted for the assets and liabilities of the TECOSIM Group at their respective fair values, including the intangibles and resultant goodwill arising from such acquisition.
- For the year ended March 31, 2025, the Group had accounted for the aforesaid acquisition based on provisional amounts as permitted by Paragraph 45 of Ind AS 103, which provides a measurement period of one year from the acquisition date, to complete the final acquisition accounting. During the current year, the Group has recorded the following identifiable assets and liabilities of TECOSIM group on a provisional fair value basis and the resulting goodwill arising on acquisition.

Particulars	₹ Crores
Assets	Provisional Fair Values
Property, plant and equipment	20.77
Intangible assets (excluding customer relationships)	3.63
Customer relationships recognized pursuant to business combinations	46.05
Deferred tax liabilities on acquired intangibles	(11.59)
Other assets (Net of liabilities)*	(17.22)
Total	41.64
Fair value of purchase consideration (including fair value of contingent consideration)	173.24
Provisional goodwill arising on acquisition	131.60

* Includes cash and cash equivalents acquired of ₹ 15.92 crores

As at the date of acquisition, fair value of acquired trade receivables is ₹ 36.36 crores. The gross contractual amount of receivable amounted is ₹ 36.78 crores and allowance for credit loss is ₹ 0.42 crores.

Since the date of acquisition, TECOSIM Group has contributed ₹ 90.09 crores to the Group's revenue from operations and ₹ 6.78 crores of losses to the Group for the year ended March 31, 2025.

During the year ended March 31, 2025, the Company incurred acquisition-related expenses totalling ₹ 17.31 crores. These expenses were included in the statement of profit and loss as follows:

- Insurance expenses: ₹ 1.54 crores
- Professional charges: ₹ 15.77 crores

3.28 The Board of Directors of Switch Mobility Limited, UK (Switch UK) (step down subsidiary of the Parent Company) on March 26, 2025 approved commencement of consultation process with the employees which could potentially lead to cessation of its manufacturing and assembly activities at the Sherburn facility. Switch UK would continue to be present in the UK market and will participate in all the demand requirements in the UK by sourcing the buses through near by plants. Switch UK's aftermarket operations and service will continue to operate in the UK.

3.29 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.

3.30 The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number: 213126

May 23, 2025
Chennai

For and on behalf of the Board of the Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

K.M. Balaji
Chief Financial Officer

N. Ramanathan
Company Secretary

May 23, 2025
London

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 / Incorporated on	Country of incorporation	Reporting Currency	Share capital (including share application money pending allotment)		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
					Other equity											
1	Hinduja Leyland Finance Limited and its subsidiaries	April 1, 2013	India	INR	545.24	8,157.83	47,837.19	56,540.26	3,254.00	6,280.51	1,045.99	266.00	779.99	908.40	1,688.39	61.12%
2	Global TVS Bus Body Builders Limited	December 10, 2013	India	INR	9.90	33.65	71.39	114.94	-	281.23	6.62	1.81	4.81	(0.26)	4.55	66.67%
3	Gulf Ashley Motors Limited	April 1, 2013	India	INR	29.70	(28.71)	41.92	42.91	0.02	239.97	(3.74)	0.26	(4.00)	0.03	(3.97)	93.15%
4	Optare Plc and its subsidiaries	April 1, 2013	UK	GBP	1,030.97	(975.17)	2,365.60	2,421.40	-	1,232.59	(526.26)	(19.40)	(506.86)	(38.91)	(545.77)	92.59%
5	Ashley Aviation Limited	January 1, 2019	India	INR	45.90	(42.30)	6.91	10.51	-	9.15	(4.75)	-	(4.75)	-	(4.75)	100.00%
6	Ashok Leyland (Nigeria) Limited	April 1, 2013	Nigeria	NGN	0.36	(14.12)	24.68	10.92	-	17.48	(6.52)	0.07	(6.59)	-	(6.59)	100.00%
7	Ashok Leyland (Chile) SA	April 1, 2013	Chile	CLP	3.77	(3.77)	-	-	-	-	(0.07)	-	(0.07)	-	(0.07)	100.00%
8	HLF Services Limited	April 1, 2013	India	INR	0.55	20.06	29.50	50.11	3.62	317.77	4.49	1.40	3.09	0.19	3.28	82.05%
9	Ashok Leyland (UAE) LLC and its subsidiaries	April 1, 2015	UAE	AED	96.52	82.54	848.61	1,027.67	-	2,446.37	91.76	8.22	83.54	2.37	85.91	100.00%
10	Albonair (India) Private Limited	April 1, 2013	India	INR	45.00	132.65	240.45	418.10	-	948.90	112.65	28.91	83.74	(0.70)	83.04	100.00%
11	Hinduja Tech Limited and its subsidiaries*	February 25, 2021	India	INR	210.90	1.46	742.69	955.05	4.16	704.35	(29.48)	7.51	(36.99)	7.82	(29.17)	72.99%
12	Albonair GmbH, Germany and its subsidiary	April 1, 2013	Germany	EUR	372.38	(353.39)	221.86	240.85	-	320.86	(5.86)	1.95	(7.81)	-	(7.81)	100.00%
13	Vishwa Buses and Coaches Limited	November 19, 2020	India	INR	39.80	1.87	63.08	104.75	-	295.86	2.05	1.88	0.17	(0.05)	0.12	100.00%
14	Gro Digital Platforms Limited	April 14, 2021	India	INR	70.00	(35.39)	81.55	116.16	-	406.01	(26.56)	(11.33)	(15.23)	0.05	(15.18)	80.56%
15	OHM Global Mobility Private Limited	September 1, 2023	India	INR	300.00	(1.10)	485.63	784.53	-	62.71	(6.51)	(1.93)	(4.58)	0.14	(4.44)	100.00%

* Hinduja Tech Limited and its subsidiaries holds 50% in its joint venture, Zebeeyond Limited (Investment amounting to ₹ 8.84 crores comprising of 150 shares) and exercises significant influence via voting rights. Networth of Zebeeyond Limited (not subject to audit) as at March 31, 2025 is ₹ 4.16 crores and its total comprehensive loss is ₹ 3.08 crores of which ₹ 1.54 crores is considered for consolidation.

Notes:

- 1 Reporting period of all entities mentioned above is April to March
- 2 There is no dividend proposed by the above entities
- 3 Exchange rate used in case of foreign subsidiaries, associates and joint ventures are given below:

CURRENCY	EUR	GBP	CLP	USD	NGN	AED	LKR
Closing Rate	92.09	110.70	0.09	85.48	0.06	23.27	0.29
Average Rate	90.77	107.90	0.09	84.57	0.06	23.03	0.28

- 4 During the year, LLC Ashok Leyland Russia and OHM International Mobility Limited, United Kingdom step down subsidiaries of the Parent Company have been liquidated.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Part "B": Associates and Joint Ventures

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		₹ Crores
			No.	Investment Held (₹ Crores)	Holding %			Considered in consolidation	Not considered in Consolidation	
(A) Associates										
1	Ashok Leyland Defence Systems Limited	31-Mar-25	79,92,218	25.39	48.49% Voting Power	Not Applicable	120.78	16.99		18.06
2	Lanka Ashok Leyland PLC	31-Mar-25	10,08,332	0.57	27.85% Voting Power	Not Applicable	174.27	13.47		34.89
3	Mangalam Retail Services Limited	31-Mar-25	37,470	0.04	37.48% Voting Power	Not Applicable	0.08	##		##
(B) Joint Ventures										
1	Ashley Alteams India Limited	31-Mar-25	7,59,47,500	75.94	50.00% Voting Power	Not Applicable	69.69	13.33		13.33
2	TVS Trucks and Buses Private Limited	31-Mar-25	2,49,50,000	24.95	49.90% Voting Power	Not Applicable	29.33	(9.32)		(9.37)
3	Ashok Leyland John Deere Construction Equipment Company Private Limited # (under liquidation)	24-Sep-21	17,27,270	1.73	50.00% Voting Power	Not Applicable	13.38	-		0.63

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

Baskar Pannarselvam
Partner
Membership Number: 213126
May 23, 2025
Chennai

For and on behalf of the Board of the Directors

Dheeraj G Hinduja Executive Chairman DIN : 00133410	Shenu Agarwal Managing Director and Chief Executive Officer DIN : 03485730
K.M. Balaji Chief Financial Officer May 23, 2025 London	N. Ramanathan Company Secretary

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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



HINDUJA GROUP