INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VE COMMERCIAL VEHICLES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **VE Commercial Vehicles Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the 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, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements-Refer note 37 of the financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer note 52 of the financial statements.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- Refer note 53 of the financial statements.

   iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management-Refer note 46 of the financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)

Jaideep Bhargava
Partner
(Membership No. 090295)

Place : Gurugram
Date : May 3, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **VE COMMERCIAL VEHICLES LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)

Jaideep Bhargava
Partner
(Membership No. 090295)

Place : Gurugram
Date : May 3,2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, plant and equipment.

(b) The Property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed and transfer deed / conveyance deed provided to us, we report that, the title deeds of immovable properties of land and buildings included under the head "Property, plant and equipment", are held in the name of the Company as at the balance sheet date, except the following.

Particulars of the land and building	**Carrying value as at March 31, 2017 (Rs. in million)**	**Remarks**
Freehold land and building located at Ahmedabad, Bhiwandi and Gurgaon, admeasuring 1,743.08 square meters, 21,695 square meters and 28,112 square meters, respectively.	62.8	Pending registration in the name of the Company.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals other than for inventories lying with third parties for which confirmations have been obtained during the year in most of the cases and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of making investments during the year. The Company has not granted any loans or provided guarantees and securities during the year.

(v) According to the information and explanations given to us, the Company has neither accepted any deposit during the year nor has any unclaimed deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of certain products manufactured by the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government of India under subsection (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(b) There are no disputed dues in respect of Customs Duty and Cess as at March 31, 2017 which have not been deposited on account of dispute. Details of disputed dues not deposited/deposited under protest of Income Tax, Sales Tax, Service Tax and Excise Duty as at March 31, 2017 are as follows:

Nature of the Statute	Forum where pending	Amount* (Rs. in million)	Amount paid Under protest (Rs. in million)	Period to which amounts relate
Central Excise Act	Appellate Authority upto Commissioner's level	1.3	-	1991-92 to 1997-98
	CESTAT	128.9	42.7	2000-01 to 2015-16
Sales Tax Act	Appellate Authority upto Commissioner's level	678.3	116.8	1995-96, 2004-05 to 2014-15
	Appellate Tribunal	806.1	42.3	1991-92 to 1994-95, 1998-99 to 2000-01, 2002-03, 2008-09, 2009-10, 2010-11, 2011-12
	High Court	53.4	2.7	1995-96, 2000-01, 2005-06 and 2008-09
Finance Act, 1994	Appellate Authority upto Commissioner's level	0.9	-	2009-10
	CESTAT	612.6	25.0	2003-04 to 2007-08, 2009-10 to 2015-16
Income Tax Act, 1961	Appellate Authority upto Commissioner's level	0.5	-	2011-12

* Amount as per demand orders including interest and penalty wherever indicated in the order.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans/ borrowing to banks. The Company has not taken any loans or borrowings from financial institutions and government and has not issued any debentures during the year.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees have been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)

Jaideep Bhargava
Partner
(Membership No. 090295)

Pale : Gurugram
Date : May 3, 2017

BALANCE SHEET AS AT MARCH 31, 2017

Rs. in million

Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment	5	**15,255.7**	15,362.1	14,393.2
(b) Capital work-in-progress	6	**1,759.1**	823.7	1,243.9
(c) Intangible assets	7	**4,304.5**	2,983.5	3,156.0
(d) Intangible assets under development	8	**1,912.5**	2,378.8	1,424.8
(e) Financial assets				
(i) Investments	9	**89.8**	54.8	54.8
(ii) Trade receivables	10	**89.0**	296.0	256.1
(iii) Loans	11	**19.1**	16.0	14.7
(iv) Other financial assets	12	**337.8**	704.0	1,153.0
(f) Income tax assets (net)	13	**-**	-	18.6
(g) Other assets	14	**1,658.2**	1,728.3	1,698.5
Total non-current assets		**25,425.7**	24,347.2	23,413.6
Current assets				
(a) Inventories	15	**6,463.9**	6,832.6	4,300.0
(b) Financial assets				
(i) Trade receivables	10	**10,435.9**	7,991.7	5,303.5
(ii) Cash and cash equivalents	16	**10,562.4**	5,158.7	3,120.2
(iii) Loans	11	**56.9**	26.0	14.7
(iv) Other financial assets	12	**429.5**	367.7	706.5
(c) Other assets	14	**3,627.6**	3,594.8	2,813.6
Total current assets		**31,576.2**	23,971.5	16,258.5
Total assets		**57,001.9**	48,318.7	39,672.1
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	17	**100.0**	100.0	100.0
(b) Other equity	18	**28,798.5**	25,359.4	23,911.8
Total equity		**28,898.5**	25,459.4	24,011.8
LIABILITIES				
Non-current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	19	**97.5**	76.3	84.1
(b) Provisions	20	**1,246.2**	1,059.4	552.8
(c) Deferred tax liabilities (net)	21	**119.0**	148.8	267.3
(d) Other liabilities	22	**123.2**	23.5	39.4
Total non-current liabilities		**1,585.9**	1,308.0	943.6
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	**2,040.0**	370.1	308.0
(ii) Trade payables	24	**19,408.0**	17,780.4	10,266.0
(iii) Other financial liabilities	19	**2,212.2**	1,203.4	1,479.5
(b) Provisions	20	**858.5**	560.0	632.6
(c) Income tax liabilities (net)	13	**106.8**	82.8	-
(d) Other liabilities	22	**1,892.0**	1,554.6	2,030.6
Total current liabilities		**26,517.5**	21,551.3	14,716.7
Total liabilities		**28,103.4**	22,859.3	15,660.3
Total equity and liabilities		**57,001.9**	48,318.7	39,672.1
See accompanying notes forming part of the financial statements 1 to 54				

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Jaideep Bhargava
Partner

Place : Gurugram
Date : May 3, 2017

For and on behalf of the Board of Directors

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Siddhartha Lal
Director
DIN: 00037645

Hakan Karlsson
Chairman
DIN: 05195444

Praveen Jain
Company Secretary
M No. 3524

Gilles Boutte
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Rs. in million

Particulars	Note	For the year ended March 31 2017	For the fifteen months ended March 31, 2016
Income			
Revenue from operations	25	**92,020.0**	99,414.8
Other Income	26	**570.9**	406.4
Total Income		**92,590.9**	99,821.2
Expenses			
Cost of raw materials consumed	27	**48,316.1**	52,342.8
Purchases of stock-in-trade	28	**15,027.3**	17,665.5
Change in inventories of finished goods, work-in-progress and stock-in-trade	29	**553.4**	(2,174.6)
Excise duty on sale of goods		**7,092.5**	7,020.3
Employee benefits expenses	30	**6,225.9**	6,641.1
Finance costs	31	**178.4**	87.8
Depreciation and amortisation expenses	32	**2,692.5**	2,994.1
Other expenses	33	**8,078.6**	10,167.4
Total expenses		**88,164.7**	94,744.4
Profit before tax and exceptional items		**4,426.2**	5,076.8
Exceptional items (refer note 49)		**-**	165.0
Profit before tax		**4,426.2**	4,911.8
Tax expense			
Current tax	34	**963.8**	1,250.2
Minimum alternate tax (MAT) credit entitlement		**(109.2)**	(1,083.9)
Deferred tax charge	34	**97.8**	966.5
Total tax expense		**952.4**	1,132.8
Profit for the year/period		**3,473.8**	3,779.0
Other comprehensive income			
Items that will not be reclassified to profit or loss:-			
Re-measurement gains / (losses) on defined benefit plans		**(53.1)**	(3.3)
Income tax benefit	34	**18.4**	1.1
Net other comprehensive income not to be reclassified to profit or loss		**(34.7)**	(2.2)
Total Comprehensive income for the year/ period, net of tax		**3,439.1**	3,776.8
Earnings per share (of Rs.10 each) (not annualised) in Rs.			
Basic/ diluted		**347.38**	377.90
See accompanying notes forming part of the financial statements 1 to 54			

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Jaideep Bhargava
Partner

For and on behalf of the Board of Directors

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Siddhartha Lal
Director
DIN: 00037645

Hakan Karlsson
Chairman
DIN: 05195444

Place : Gurugram
Date : May 3, 2017

Praveen Jain
Company Secretary
M No. 3524

Gilles Boutte
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Rs. in million

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax	**3,473.8**	3,779.0
Adjustments for:		
Current tax	**963.8**	1,250.2
Minimum alternate tax (MAT) credit entitlement	**(109.2)**	(1,083.9)
Deferred tax charge	**97.8**	966.5
Exceptional items	**-**	165.0
Depreciation and amortisation expenses	**2,692.5**	2,994.1
Profit on sale of property, plant and equipment	**(4.0)**	(4.3)
Property, plant and equipment and intangible assets discarded	**12.6**	4.4
Loss on sale of property, plant and equipment	**39.8**	24.4
Re-measurement gains / (losses) on defined benefit plans	**(53.1)**	(3.3)
Interest income	**(444.0)**	(334.9)
Excess provision on investment in subsidiary company written back	**(43.1)**	-
Finance costs	**178.4**	87.8
Operating profit before changes in working capital	**6,805.3**	7,845.0
Changes in working capital:		
Adjustments for (increase) / decrease assets:		
Non-current		
Trade receivables	**207.0**	(39.90)
Loans	**(3.1)**	(1.3)
Other financial assets	**(29.4)**	(2.9)
Other assets	**(485.9)**	(0.4)
Current		
Inventories	**368.7**	(2,532.6)
Trade receivables	**(2,444.2)**	(2,688.2)
Loans	**(30.9)**	(11.3)
Other financial assets	**52.9**	363.1
Other assets	**(32.8)**	(781.2)
Adjustments for increase / (decrease) in liabilities:		
Non-current		
Other financial liabilities	**2.4**	(1.6)
Provisions	**301.8**	391.6
Other liabilities	**99.7**	(15.9)
Current		
Trade payables	**1,627.6**	7,514.4
Provisions	**298.5**	(72.6)
Other financial liabilities	**838.7**	234.6
Other liabilities	**337.4**	(476.0)
Cash generated from operating activities	**7,913.7**	9,724.8
Income taxes paid	**(939.8)**	(1,148.8)
Net cash flow from operating activities (A)	**6,973.9**	8,576.0

Rs. in million

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	**(3,740.6)**	(4,936.8)
Sale of fixed assets	**60.9**	41.7
Investment in fixed deposits	**395.6**	451.9
Investment in equity shares of subsidiary companies	**(150.0)**	(50.0)
Interest received	**372.4**	310.6
Net cash flow from investing activities (B)	**(3,061.7)**	(4,182.6)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in short term borrowings (net)	**1,669.9**	62.1
Interest paid	**(178.4)**	(87.8)
Dividend paid	**-**	(1,937.5)
Tax on dividend	**-**	(391.7)
Net cash flow from financing activities (C)	**1,491.5**	(2,354.9)
Net Increase in cash and cash equivalents (A)+(B)+(C)	**5,403.7**	2,038.5
Cash and cash equivalents at the beginning of the year/period	**5,158.7**	3,120.2
Cash and cash equivalents at the end of the year/period	**10,562.4**	5,158.7

Rs. in million

Particulars	As at March 31, 2017	As at March 31, 2016
Components of cash and cash equivalents		
Cash on hand	**1.1**	1.3
Cheques / drafts on hand	**187.1**	566.8
Balances with banks:		
In current accounts	**168.8**	861.4
In deposit accounts	**10,205.4**	3,729.2
Total cash and cash equivalents (refer note no. 16)	**10,562.4**	5,158.7

See accompanying notes forming part of the financial statements 1 to 54

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Jaideep Bhargava
Partner

Place : Gurugram
Date : May 3, 2017

For and on behalf of the Board of Directors

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Siddhartha Lal
Director
DIN: 00037645

Hakan Karlsson
Chairman
DIN: 05195444

Praveen Jain
Company Secretary
M No. 3524

Gilles Boutte
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

Rs. in million

A. Equity share capital	Number of Shares	Amount
Balance as at January 1, 2015	1,00,00,000	100.0
Changes in equity share capital during the year	-	-
Balance as at March 31, 2016	1,00,00,000	100.0
Changes in equity share capital during the year	-	-
Balance as at March 31, 2017	1,00,00,000	100.0

Rs. in million

Particulars	Reserves and surplus			Total
	Share premium	General reserve	Retained earnings	
Balance as at January 1, 2015	**10,786.6**	**2,224.5**	**10,900.7**	**23,911.8**
Profit for the year	-	-	3,779.0	3,779.0
Other comprehensive income	-	-	(2.2)	(2.2)
Dividends paid	-	-	(1,937.5)	(1,937.5)
Tax on dividend	-	-	(391.7)	(391.7)
Transfer to general reserve	-	374.0	(374.0)	-
Balance as at March 31, 2016	**10,786.6**	**2,598.5**	**11,974.3**	**25,359.4**
Profit for the year	-	-	3,473.8	3,473.8
Other comprehensive income	-	-	(34.7)	(34.7)
Balance as at March 31, 2017	**10,786.6**	**2,598.5**	**15,413.4**	**28,798.5**

See accompanying notes forming part of the financial statements 1 to 54

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Jaideep Bhargava
Partner

For and on behalf of the Board of Directors

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Siddhartha Lal
Director
DIN: 00037645

Hakan Karlsson
Chairman
DIN: 05195444

Place : Gurugram
Date : May 3, 2017

Praveen Jain
Company Secretary
M No. 3524

Gilles Boutte
Chief Financial Officer

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. General Information

VE Commercial Vehicles Limited ("the Company") is a public company domiciled & incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the manufacturing and selling of motorised commercial vehicles, spare parts and related services. The Company has its registered office at New Delhi, India and its corporate office at Gurgaon, Haryana, India.

The financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on May 3, 2017.

2. Basis of preparation and presentation

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are Company's first Ind AS financial statements. The date of transition to Ind AS is January 1, 2015. Refer Note 3.19 for the details of first-time adoption exemptions availed by the Company.

2.2 Accounting convention

The 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.

2.3 Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. Significant Accounting Policies

3.1 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

<u>Sale of goods</u>

Revenue from the sale of goods is recognised when the goods are dispatched and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

<u>Rendering of services</u>

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. Servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold.

<u>Interest income</u>

Interest income from a financial asset is recognised when 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, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.2 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as a lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding is respect of the leases.

The Company as a Lessee

Rental expense from operating leases is generally recognised on a straight line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.3 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

Foreign currency 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.

3.4 Borrowing costs

Borrowing costs 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.

3.5 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants 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.

3.6 Employee benefits

Retirement benefit

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, 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. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), 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. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses or 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'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, 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 short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits such as annual leave and sick leave 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.

3.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as a deferred tax asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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.

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 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.

Current and deferred tax for the year

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.

3.8 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, 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.

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.

Depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act except in respect of moulds and dies depreciated over the useful life of 1 to 15 years, wherein, the life of the said assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

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.

3.9 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

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 the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset So that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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 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.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Intangible assets comprising of product design, prototypes, etc., either acquired or internally developed are amortised over a period of ten years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 5 years or less depending on the estimated useful life of asset.

3.10 Impairment of tangible (property, plant and equipment) and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. 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.

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 a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined 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.

3.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving weighted average. Finished goods and work-in-progress include appropriate proportion of overheads and where applicable, excise duty. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.12 Provisions

Provisions are recognised when the Company has a present obligation (legal 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).

Warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

3.13 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.

3.14 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

3.14.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- 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 of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments.

For the impairment policy on debt instruments at FVTOCI, refer 3.14.4

All other financial assets are subsequently measured at fair value.

3.14.2 Effective interest method

The 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.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

3.14.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL 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. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

3.14.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increase significantly since initial recognition.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on historical credit loss experience and adjustments for forward looking information.

Derecognition 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.

3.15 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by 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.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' Line item.

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.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

3.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) after tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.17 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

3.18 Recent accounting pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS – 7, 'Statement of Cash Flows'. These amendments are in accordance with the recent amendments made by the International Accounting Standards Board (IASB) to IAS – 7, 'Statement of Cash Flows'. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind – AS 7:

The amendment to Ind AS – 7, requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on financial statements is being evaluated.

3.19 First-time adoption - mandatory exceptions, optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of January 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to an optional exemptions availed by the Company as detailed below:

Investments in subsidiaries and joint ventures

The Company has elected to continue with the carrying value of its investments in subsidiary companies and joint venture companies as of January 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors 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 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 areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:-

Recoverability of intangible assets and intangible assets under development

Capitalisation of cost in intangible assets and intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on evaluations carried out, the Company's management has determined that there are no indication which indicates that these assets have suffered any impairment loss.

Recoverability of Minimum Alternate Tax (MAT) Credit

The Company has accumulated MAT Credit which has arisen due to difference between taxable profits and profits under section 115JB of the Income tax Act, 1961 which can be utilised up to 15 years from the year in which it arose. The Company's management has done the analysis of future profit projections and is confident that the future taxable income will be sufficient to utilise the deferred tax asset on MAT Credit recognised in these financial statements.

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. As at March 31, 2017 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

5. Property, plant and equipment

Rs. in million

	Freehold Land*	Buildings*	Plant and equipment	Furniture & Fixtures	Office equipment	Vehicles	Total
Cost							
At 1 January 2015	339.4	3,251.0	14,100.0	823.0	900.3	639.7	20,053.4
Additions	-	240.5	2,560.2	101.4	177.9	393.0	3,473.0
Disposals	-	2.6	48.0	3.1	24.0	87.0	164.7
At 31 March 2016	**339.4**	**3,488.9**	**16,612.2**	**921.3**	**1,054.2**	**945.7**	**23,361.7**
Additions	**-**	**451.3**	**1,086.2**	**113.9**	**101.6**	**407.4**	**2,160.4**
Disposals	**-**	**-**	**40.6**	**14.6**	**19.7**	**162.8**	**237.7**
At 31 March 2017	**339.4**	**3,940.2**	**17,657.8**	**1,020.6**	**1,136.1**	**1,190.3**	**25,284.4**
Accumulated depreciation							
At 1 January 2015	-	432.8	4,250.6	157.3	538.7	280.8	5660.2
Charge for the period@	-	145.2	1,842.7	55.3	244.1	159.4	2446.7
Less: Adjustments	-	2.3	40.5	2.9	10.4	51.2	107.3
At 31 March 2016	**-**	**575.7**	**6,052.8**	**209.7**	**772.4**	**389.0**	**7,999.6**
Charge for the year@	**-**	**129.7**	**1,636.4**	**71.7**	**137.5**	**182.2**	**2157.5**
Less: Adjustments	**-**	**-**	**27.0**	**6.9**	**15.2**	**79.3**	**128.4**
At 31 March 2017	**-**	**705.4**	**7,662.2**	**274.5**	**894.7**	**491.9**	**10,028.7**
Carrying amount							
At 1 January 2015	339.4	2,818.2	9,849.4	665.7	361.6	358.9	14,393.2
At 31 March 2016	339.4	2,913.2	10,559.4	711.6	281.8	556.7	15,362.1
At 31 March 2017	**339.4**	**3,234.8**	**9,995.6**	**746.1**	**241.4**	**698.4**	**15,255.7**

* Title deeds for lands and other properties at Ahmedabad, Bhiwandi and Gurugram are pending for mutation in favour of the Company. @ Rs. 1.2 million (previous period :- Rs. 5.8 million) transferred to capital work in progress.

6. Capital work-in-progress

Rs. in million

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Capital work-in-progress	**1,759.1**	823.7	1,243.9
including pre-operative expenditure (pending allocation) amounting to Rs. 5.5 million (March 31, 2016 Rs. 8.6 million, January 1, 2015 Rs. Nil million) (refer below)	1,759.1	823.7	1,243.9
Pre-operative expenditure (pending allocation)			
Payments to and provisions for employees			
Salaries, wages, bonus etc.	**2.9**	6.0	-
Contribution to provident and other funds	**0.1**	0.2	-
Repairs and maintenance:-Plant and equipment	**0**	0.1	-
Legal and professional charges	**0.2**	0.0	-
Rent expenses	**0.4**	-	-
Development expenses	**(0.9)**	2.3	-
	2.7	8.6	-
Add: Balance brought forward from previous period	**8.6**	-	
	11.3	8.6	-
Less: Capitalised during the year / period	**5.8**	-	-
	5.5	8.6	-

7. Intangible assets

Rs. in million

	Product design, prototype etc.	Software	Total
Cost			
At 1 January 1, 2015	3,324.7	817.8	4,142.5
Additions	266.6	122.9	389.5
Disposals	2.3	11.3	13.6
At March 31, 2016	**3,589.0**	**929.4**	**4,518.4**
Additions	**1,709.2**	**148.0**	**1,857.2**
Disposals	**3.5**	**11.8**	**15.3**
At March 31, 2017	**5,294.7**	**1,065.6**	**6,360.3**
Accumulated amortisation			
At 1 January 2015	553.0	433.5	986.5
Charge for the year	389.2	164.0	553.2
Disposals	0.3	4.5	4.8
At 31 March 2016	**941.9**	**593.0**	**1534.9**
Charge for the year	**354.2**	**182.0**	**536.2**
Disposals	**3.5**	**11.8**	**15.3**
At 31 March 2017	**1,292.6**	**763.2**	**2,055.8**
Carrying amount			
At 1 January 2015	2,771.7	384.3	3,156.0
At 31 March 2016	2,647.1	336.4	2,983.5
At 31 March 2017	**4,002.1**	**302.4**	**4,304.5**

8. Intangible assets under development

Rs. in million

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Intangible assets under development	**1,912.5**	2,378.8	1,424.8
	1,912.5	2,378.8	1,424.8

9. Investments

Rs. in million

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Investment in equity instruments	**89.8**	54.8	54.8
	89.8	54.8	54.8
Non-current			
Unquoted investment (at cost) in equity shares of:			
Subsidiary companies			
Nil (March 31, 2016 9,000; January 1 , 2015 9,000) equity shares of US $ 1 each of Eicher Engineering Solutions, Inc., USA (sold during the year)	**-**	5.4	5.4

Rs. in million

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Nil (March 31, 2016, 8,970; January 1, 2015 7,400) equity shares of US $ 500 each of Eicher Engineering Solutions, Inc., USA (sold during the year)	**-**	279.0	229.0
1,26,81,697 (March 31, 2016 1,26,81,697; January 1, 2015 1,26,81,697) equity shares of 10 LKR each of V E C V Lanka (Private) Limited, Sri Lanka	**54.3**	54.3	54.3
100 (March 31, 2016, Nil; January 1, 2015 Nil) equity shares of VECV South Africa (Pty) Limited (no face value)	**35.0**	-	-
	89.3	338.7	288.7
Less: Impairment in the value of investment in Eicher Engineering Solutions , Inc., USA	**-**	(284.4)	(234.4)
	89.3	54.3	54.3
Joint venture company*			
25,000 (March 31, 2016, 25,000; January 1, 2015 Nil) equity shares of Rs. 10 each fully paid up of Eicher Company Foundation (Licence under Section 8(1) of the Companies Act, 2013)$	**-**	-	-
Unquoted investment (at FVTPL) in :			
Others			
50,000 (March 31, 2016 50,000; January 1, 2015 50,000) equity shares of Rs. 10 each fully paid up of Pithampur Auto Cluster Ltd.	**0.5**	0.5	0.5
	89.8	54.8	54.8

*Cost of investment is stated at Rs. Nil as the same cannot be distributed to the members in the event of liquidation, actual cost of investment of Rs. 250,000 has been charged to the Statement of Profit and Loss in the previous period.

Rs. in million

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Aggregate book value of quoted investments	**-**	-	-
Aggregate carrying value of unquoted investments (net of impairment)	**89.3**	54.3	54.3
Aggregate amount of impairment in value of investments	**-**	284.4	234.4

Category wise other investments- as per IND AS 109 Classification#

Rs. in million

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Financial assets carried at fair value through profit or loss (FVTPL)			
Investment in Pithampur Auto Cluster Ltd.	**0.5**	0.5	0.5

#These investments excludes investment in subsidiaries and joint ventures carried at cost amounting to Rs. 89.3 million (March 31, 2016 Rs. 54.3 million; January 1, 2015 Rs. 54.3 million)

10. Trade receivables

Rs. in million

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Non-current			
Unsecured - considered good	**89.0**	296.0	256.1
Total	89.0	296.0	256.1
Current			
Secured, considered good	**31.5**	42.6	36.4
Unsecured - considered good	**10,404.4**	7,949.1	5,267.1
- considered doubtful	**131.4**	140.3	132.2
	10,567.3	8,132.0	5,435.7
Less: impairment for doubtful trade receivables	**131.4**	140.3	132.2
Total	**10,435.9**	7,991.7	5,303.5
Age of receivables :			
Within the credit period	**8,731.0**	6,813.0	4,375.3
1 - 30 days past due	**1,019.6**	1,021.2	527.4
31- 180 days past due	**672.5**	324.7	395.2
More than 180 days past due	**101.8**	128.8	261.7
	10,524.9	8,287.7	5,559.6

11. Loans

Rs. in million

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Non - current			
Unsecured, considered good			
Loans to employees	**19.1**	16.0	14.7
Total	**19.1**	16.0	14.7
Current			
Unsecured, considered good			
Loans to employees	**56.9**	26.0	14.7
Total	**56.9**	26.0	14.7

Note :- These financial assets are carried at amortised cost.

12. Other financial assets

Rs. in million

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Non - current			
Unsecured, considered good			
Fixed deposits*	**203.5**	599.1	1,051.0
Security deposit	**134.3**	104.9	102.0
Total	**337.8**	704.0	1153.0

* Represents fixed deposits pledged with banks against short-term borrowings.

Rs. in million

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Current			
Unsecured, considered good unless otherwise stated			
Security deposit			
Considered good	**30.6**	45.9	56.7
Considered doubtful	**7.5**	7.5	2.5
	38.1	53.4	59.2
Less: impairment for doubtful security deposits	**7.5**	7.5	2.5
	30.6	45.9	56.7
Interest accrued on deposits	**143.8**	72.2	47.9
Other receivables			
Considered good	**255.1**	245.2	181.5
Considered doubtful	**3.9**	3.9	3.9
	259.0	249.1	185.4
Less: impairment for doubtful other receivables	**3.9**	3.9	3.9
	255.1	245.2	181.5
Unbilled revenue	**-**	4.4	420.4
Total	**429.5**	367.7	706.5

Note :- These financial assets are carried at amortised cost.

13. Income tax assets / (liability) (net)

Rs. in million

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Tax assets			
Advance tax	**6,628.9**	5,689.1	4,540.3
Less :- Current tax liabilities			
Income tax provision	**6,735.7**	5,771.9	4,521.7
Total	**(106.8)**	(82.8)	18.6

14. Other assets

Rs. in million

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Non - current			
Unsecured, considered good unless otherwise stated			
Capital advances	**319.3**	875.3	845.9
Balance with government authorities			
Considered good	**337.3**	455.0	452.3
Considered doubtful	**82.1**	82.1	82.1
	419.4	537.1	534.4
Less: impairment for doubtful advances	**82.1**	82.1	82.1
	337.3	455.0	452.3
Prepayment land leases	**963.2**	358.1	367.5
Prepayment security deposits and other loans	**38.4**	39.9	32.8
Total	**1658.2**	1728.3	1698.5

Rs. in million

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Current			
Unsecured, considered good unless otherwise stated			
Advances to related parties	**-**	0.8	0.7
Advance to supplier	**725.9**	1,384.2	623.1
Prepaid expense	**54.0**	51.2	14.8
Balance with government authorities			
Considered good	**2,818.9**	2,130.4	2,130.6
Considered doubtful	**2.0**	2.0	2.4
	2,820.9	2,132.4	2,133.0
Less: impairment for doubtful advances	**2.0**	2.0	2.4
	2,818.9	2,130.4	2,130.6
Advances to employees	**4.3**	10.3	11.2
Prepayment land leases	**15.0**	9.4	23.5
Prepayment security deposits and other loans	**9.5**	8.5	9.7
Total	**3,627.6**	3,594.8	2,813.6

15. Inventory

Rs. in million

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Raw materials and components (includes goods in transit of Rs. 176.5 millions; March 31, 2016 Rs 72.7 millions; January 1, 2015 Rs. 45.5 million)	**1,456.3**	1,272.7	1,006.8
Work in progress	429.7	421.4	334.8
Finished goods	**2,981.0**	3,476.2	1,934.3
(includes goods in transit of Rs. 105.3 millions March 31, 2016 Rs 28.3 millions; January 1, 2015 Rs. 1.1 million)			
Stock in trade	**1,222.7**	1,289.2	743.1
(includes goods in transit of Rs. 37.5 millions March 31, 2016 Rs 71.7 millions; January 1, 2015 Rs. 69.7 million)			
Stores and spares	**260.8**	264.9	180.3
Loose tools	**113.4**	108.2	100.7
Total	**6,463.9**	6,832.6	4,300.0

The cost of Inventory recognised as an expenses during the year was Rs. 70, 090.3 (previous period Rs. 74,673 million)

The cost of Inventories recognised as an expenses includes Rs. 220.6 million (previous period Rs. 148.3 million) in respect of write down of inventory to net realisable value, and has been reduced by Rs. 51.2 million (previous period Rs. 53.7 millions)in respect of reversal of such write downs.

Inventory of Rs. 403.1 million (March 31, 2016 Rs. 388.2 million; January 1, 2015 Rs. 378.7 million) are expected to be recovered after more than 12 months.

The Mode of valuation of inventories has been stated in note 3.11.

16. Cash and cash equivalents

Rs. in million

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Cash on hand	**1.1**	1.3	0.9
Cheques, drafts on hand	**187.1**	566.8	213.4
Balances with banks			
In current accounts	**168.8**	861.4	825.8
In deposit accounts	**10,205.4**	3,729.2	2,080.1
Cash and cash equivalents as per Balance sheet	**10,562.4**	5,158.7	3,120.2

17. Equity share capital

Rs. in million

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Authorised			
10,000,000 (March 31, 2016 10,000,000; January 1, 2015 10,000,000) equity shares of Rs. 10 each	**100.0**	100.0	100.0
Total	**100.0**	100.0	100.0
Issued, subscribed and paid up			
10,000,000 (March 31, 2016 10,000,000; January 1, 2015 10,000,000) equity shares of Rs. 10 each	**100.0**	100.0	100.0
Total	**100.0**	100.0	100.0

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

(i) Reconciliation of issue, subscribed and paid up equity shares :

Particulars	No. of Shares	Amount (Rs. in million)
Balance at January 1, 2015	1,00,00,000	100.0
Movement during the period	-	-
Balance at March 31, 2016	**1,00,00,000**	**100.0**
Movement during the year	-	-
Balance at March 31, 2017	**1,00,00,000**	**100.0**

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Nos.	% holding in the class	Nos.	% holding in the class
Eicher Motors Limited	**5,440,000**	**54.40%**	5,440,000	54.40%
Aktiebolaget Volvo (PUBL), Volvo, Sweden	**3,469,700**	**34.70%**	3,469,700	34.70%
Volvo Truck Corporation, Sweden (100% subsidiary of Aktiebolaget Volvo (PUBL), Volvo, Sweden)	**1,090,300**	**10.90%**	1,090,300	10.90%

Particulars	As at January 1, 2015	
	Nos.	% holding in the class
Eicher Motors Limited	54,40,000	54.40%
Aktiebolaget Volvo (PUBL), Volvo, Sweden	34,69,700	34.70%
Volvo Truck Corporation, Sweden (100% subsidiary of Aktiebolaget Volvo (PUBL), Volvo, Sweden)	10,90,300	10.90%

Note:- Eicher Motors Limited and Aktiebolaget Volvo (PUBL), Volvo (including group companies) are co-venturers in the Company.

18. Other equity

(Rs in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
(a) Share premium account	**10,786.6**	10,786.6	10,786.6
(b) General reserve	**2,598.5**	2,598.5	2,224.5
(c) Retained earnings	**15,413.4**	11,974.3	10,900.7
	28,798.5	25,359.4	23,911.8

(Rs in million)

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
(a) Share premium account		
Opening balance	**10,786.6**	10,786.6
Add / (less): movement during the year / period	**-**	
Closing balance	**10,786.6**	10,786.6

Share premium account represent the premium received on issue of share capital of the company . The Company can utilised the same for the purpose of buy back of share or issue of bonus shares as decided by the Management.

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
(b) General reserve		
Opening balance	**2,598.5**	2,224.5
Add: Transferred from Statement of profit and loss	**-**	374.0
Closing balance	**2,598.5**	2,598.5

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
(c) Retained earnings		
Opening balance	**11,974.3**	10,900.7
Add: Profit for the year / period	**3,473.8**	3,779.0
Add: Other comprehensive income: from remeasurement of defined benefit obligation net of income tax	**(34.7)**	(2.2)
Less: Interim dividend (amount per share Rs. Nil (previous period Rs. 118.75)	**-**	1,187.5
Less: Final dividend (amount per share Rs. Nil (previous period Rs. 75.0)	**-**	750.0
Less: Tax on dividend	**-**	391.7
Less: Transfer to general reserve	**-**	374.0
Closing balance	**15,413.4**	11,974.3

In respect of the year ended March 31, 2017, the directors proposed that a dividend of Rs. 95 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is Rs. 950 Million.

19. Other financial liabilities

Rs. in million

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Non- Current			
Capital creditors	**33.0**	14.2	20.4
Security deposits	**64.5**	62.1	63.7
Total	**97.5**	76.3	84.1
Current			
Capital creditors	**468.3**	298.2	808.9
Book overdraft	**928.8**	-	-
Employees dues	**815.1**	905.2	670.6
Total	**2212.2**	1,203.4	1,479.5

20. Provisions

Rs. in million

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Non-current			
Employees benefits (i)			
Compensated absences	**377.9**	318.1	281.0
Other employee benefits	**273.9**	129.6	33.0
Other provisions : Warranties (ii)	**594.4**	496.7	238.8
Provision for losses of subsidiary companies	**-**	115.0	-
Total	**1246.2**	1,059.4	552.8
Current			
Employees benefits (i)			
Compensated absences	**20.5**	18.1	15.1
Other employee benefits	**5.9**	8.2	116.9
Other provisions : Warranties (ii)	**832.1**	533.7	500.6
Total	**858.5**	560.0	632.6

(i) The provision for employee benefits includes earned leave, sick leave, vested long service reward and other long-term incentives. The increase in the carrying amount of the provision for the current year results from increase in the number of employees, period of service and salary cost.

(ii) Movement in warranties provision

Rs. in million

	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Opening balance	**1,030.4**	739.4
Additional provisions recognised	**976.2**	876.8
Amount utilised during the year / period	**(623.7)**	(616.2)
Unwinding of discount	**43.6**	30.4
Closing balance	**1,426.5**	1,030.4

The provision for warranty claims represents the present value of the management's best estimate of the future economic benefits that will be required under the Company's obligations for warranties under local sale of goods legislation. The estimated has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

21. Deferred tax liabilities (net)

Rs. in million

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Deferred tax liabilities on			
Property, plant and equipment and intangible assets	**3,516.0**	3,459.3	2,937.8
Others	**48.3**	31.7	12.2
	3,564.3	3,491.0	2,950.0
Less: Deferred tax assets on			
MAT credit entitlement	**3,098.1**	2,988.9	1,905.0
Business losses and unabsorbed depreciation carried forward	**-**	67.1	529.4
Accrued expenses deductible on payment	**59.2**	84.6	101.7
Provision for leave encashment / compensated absences	**114.5**	93.3	78.2
Provision for doubtful debts and advances	**50.1**	53.2	47.9
Others	**123.4**	55.1	20.5
	3,445.3	3,342.2	2,682.7
Deferred tax liabilities (net)	**119.0**	148.8	267.3

Movement in Deferred tax liabilities For the year ended March 31, 2017

Rs. in million

Particulars	Opening alance	Recognised in profit and loss	Recognised in Other compre-hensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	3,459.3	56.7	-	3,516.0
Others	31.7	16.6	-	48.3
	3,491.0	73.3	-	3,564.3
Less: Deferred tax assets on				
MAT credit entitlement	2,988.9	109.2	-	3,098.1
Business losses and unabsorbed depreciation carried forward	67.1	(67.1)	-	-
Accrued expenses deductible on payment	84.6	(25.6)	-	59.2
Provision for leave encashment / compensated absences	93.3	21.2	-	114.5
Remeasurement of defined benefit obligation	-	(18.4)	18.4	-
Provision for doubtful debts and advances	53.2	(2.9)	-	50.1
Others	55.1	68.3	-	123.4
	3,342.2	84.7	18.4	3,445.3
Deferred tax (assets) / liabilities (net)	148.8	(11.4)	(18.4)	119.0
For the fifteen months ended March 31, 2016				
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	2,937.8	521.5	-	3,459.3
Others	12.2	19.5	-	31.7
	2,950.0	541.0	-	3,491.0

Rs. in million

Particulars	Opening alance	Recognised in profit and loss	Recognised in Other compre-hensive income	Closing balance
Less: Deferred tax assets on				
MAT credit entitlement	1,905.0	1,083.9	-	2,988.9
Business losses and unabsorbed depreciation carried forward	529.4	(462.3)	-	67.1
Accrued expenses deductible on payment	101.7	(17.1)	-	84.6
Provision for leave encashment / compensated absences	78.2	15.1	-	93.3
Remeasurement of defined benefit obligation	-	(1.1)	1.1	-
Provision for doubtful debts and advances	47.9	5.3	-	53.2
Others	20.5	34.6	-	55.1
	2,682.7	658.4	1.1	3,342.2
Deferred tax (assets) / liabilities (net)	267.3	(117.4)	(1.1)	148.8

22. Other liabilities

Rs. in million

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Non- Current			
Advances from customers	**123.2**	23.5	39.4
Total	**123.2**	23.5	39.4
Current			
Advances from customers	**1245.3**	881.8	827.2
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	**646.7**	672.8	1,135.7
Gratuity payables	**-**	-	67.7
Total	**1892.0**	1,554.6	2,030.6

23. Borrowings

Rs. in million

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Secured- at amortised cost			
Loan repayable on demand from banks			
Short term loan (i)	**460.0**	370.1	308.0
Unsecured- at amortised cost			
Loan repayable on demand from banks			
Short term loan (ii)	**1,580.0**	-	-
Total	**2,040.0**	370.1	308.0

(i) Rs. 460.0 million (March 31, 2016 :- Rs. 370.1 million; January 1, 2015:- Rs. 308.0 million) secured by way of first pari passu hypothecation charge on all existing and future receivables and current assets of the Company.

(ii) Unsecured loan carries interest @ 4.85%-5.30 % per annum as at March 31, 2017.

24. Trade payables

Rs. in million

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Current			
Acceptances	**6,529.4**	6,286.9	2,544.8
Other trade payables	**12,878.6**	11,493.5	7,721.2
Total	**19,408.0**	17,780.4	10,266.0

Note:- Refer note 38 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006

25. Revenue from operations

Rs. in million

Particulars		For the year ended March 31 2017	For the fifteen months ended March 31, 2016
Revenue from operations			
Sale of products			
Manufactured goods (including excise duty)		**72,017.4**	77,485.8
Stock-in-trade		**17,194.1**	19,005.7
Sale of services		**316.2**	557.0
	Sub-total (A)	**89,527.7**	97,048.5
Other operating revenue			
Export benefits		**514.9**	428.9
Scrap sales		**231.4**	268.8
Income from maintenance contracts		**289.5**	383.9
Provisions / liability no longer required written back		**159.0**	171.6
Provisions for doubtful debts written back		**13.1**	36.0
Industrial promotion subsidy		**811.8**	743.0
Income from other operating revenues		**472.6**	334.1
	Sub-total (B)	**2,492.3**	2,366.3
Revenue from operations (net)	**Total (A+B)**	**92,020.0**	99,414.8
Details of products sold			
Manufactured goods			
Commercial vehicles		**58,494.3**	63,201.5
Engines and related components		**5,289.9**	5,576.0
Spare parts and other components		**8,233.2**	8,708.3
	Total	**72,017.4**	77,485.8
Stock-in-trade			
Commercial vehicles		**12,006.0**	13,374.3
Spare parts and other components		**5,188.1**	5,631.4
	Total	**17,194.1**	19,005.7
Details of services rendered			
Engineering services		**30.0**	248.3
Other allied services		**286.2**	308.7
	Total	**316.2**	557.0

26. Other income

Rs. in million

Particulars		For the year ended March 31 2017	For the fifteen months ended March 31, 2016
a. Interest income on financial assets carried at amortised cost			
- Deposit with bank		**370.0**	257.2
- Others		**74.0**	77.7
		444.0	334.9
b. Other non-operating income			
Service charges recovered		**27.5**	30.6
Other miscellaneous income		**52.3**	32.7
		79.8	63.3
c. Other gains and losses			
Profit on sale of property, plant and equipment		**4.0**	4.3
Excess provision on investment in subsidiary company written back			
Provision made	**399.4**		-
Less: loss on divestment of investment (refer note 50)	**356.3**	**43.1**	-
Exchange gain (net)		**-**	3.9
		47.1	8.2
	Total	**570.9**	406.4

27. Cost of raw materials and components consumed

Rs. in million

Particulars	For the year nded March 31 2017	For the fifteen months ended March 31, 2016
Inventory at the beginning of the year	**1,272.7**	1,006.8
Add: purchases	**49,538.2**	53,224.4
	50,810.9	54,231.2
Less: inventory at the end of the year	**1,456.3**	1,272.7
Less: material cost of vehicles capitalised	**129.2**	152.2
	49,225.4	52,806.3
Less: sale of raw materials and components to suppliers on cost to cost basis	**909.3**	463.5
Net consumption	**48,316.1**	52,342.8

28. Details of purchase of stock-in-trade

Rs. in million

Particulars		For the year ended March 31 2017	For the fifteen months ended March 31, 2016
Commercial vehicles		**10,865.6**	13,073.9
Spare parts and other components		**4,161.7**	4,591.6
	Total	**15,027.3**	17,665.5

29. Change in inventories of finished goods, work-in-progress and stock-in-trade

Rs. in million

Particulars		For the year ended March 31 2017	For the fifteen months ended March 31, 2016
Inventories at the end of the year / period			
Finished goods		**2,981.0**	3,476.2
Work-in-progress		**429.7**	421.4
Stock-in-trade		**1,222.7**	1,289.2
	A	**4,633.4**	5,186.8
Inventories at the beginning of the year / period			
Finished goods		**3,476.2**	1,934.3
Work-in-progress		**421.4**	334.8
Stock-in-trade		**1,289.2**	743.1
	B	**5,186.8**	3,012.2
Net change (B-A)		**553.4**	(2,174.6)

30. Employee benefits expenses

Rs. in million

Particulars		For the year ended March 31 2017	For the fifteen months ended March 31, 2016
Salaries, wages, bonus etc.		**5,548.5**	5,796.5
Contribution to provident and other funds		**193.2**	218.6
Staff welfare expenses		**484.2**	626.0
	Total	**6,225.9**	6,641.1

31. Finance costs

Rs. in million

Particulars		For the year ended March 31 2017	For the fifteen months ended March 31, 2016
Interest expense			
on borrowings		**128.4**	57.4
on income tax		**6.4**	-
Unwinding of discount on provisions		**43.6**	30.4
	Total	**178.4**	87.8

32. Depreciation and amortisation expenses

Rs. in million

Particulars		For the year ended March 31 2017	For the fifteen months ended March 31, 2016
Depreciation of tangible assets *		**2,156.3**	2440.9
Amortisation of intangible assets		**536.2**	553.2
	Total	**2,692.5**	2994.1

* Excludes Rs. 1.2 million (previous period Rs. 5.8 million) transferred to capital work-in-progress.

33. Other expenses

Rs. in million

Particulars			For the year ended March 31 2017	For the fifteen months ended March 31, 2016
Stores and machinery spares consumed (including loose tools)			**434.0**	492.0
Increase / (decrease) in excise duty on finished goods			**(66.5)**	81.5
Loss on sale of property, plant and equipment			**39.8**	24.4
Property, plant and equipment and intangible assets discarded			**12.6**	4.4
Power and fuel			**581.7**	660.3
Insurance			**141.4**	161.4
Repairs and maintenance				
- Buildings			**159.2**	161.0
- Plant and equipment			**307.9**	305.8
- Others			**271.1**	323.3
Rates and taxes			**129.4**	136.1
Advertisement			**191.0**	376.8
Freight and handling charges			**1,489.0**	1720.9
Incentives			**292.7**	340.4
Warranty			**976.2**	876.8
Other selling and distribution expenses			**569.5**	1071.8
Rent			**327.7**	396.0
Legal and professional charges #			**136.3**	341.3
Travelling and conveyance expenses			**491.2**	592.1
Development and testing expenses			**330.5**	442.9
Exchange loss			**39.0**	-
Corporate social responsibility expenditure (refer note no. 48)			**72.0**	81.4
	Current year	Previous period		
Bad debts / advances written off	**4.0**	24.0		
Less: Charged against impairment for doubtful debts and advances	**4.0**	24.0	**-**	-
Impairment for doubtful debts and advances			**8.2**	72.7
Miscellaneous expenses			**1,144.7**	1504.1
	Total		**8,078.6**	10,167.4
# Including payment to auditors as below:-				
a) As Statutory Audit				
- Audit fee			**5.8**	3.9
- Audit fees for foreign reporting			**0.7**	1.6
- Audit fees of accounts for fiscal year			**-**	1.0
- Limited Review of unaudited financial results			**4.2**	5.0
b) In other capacity:				
- For transfer pricing report and other certification			**2.7**	1.9
c) Out of pocket expenses			**0.2**	0.2

34. Income tax expense

Rs. in million

Particulars	For the year ended March 31 2017	For the fifteen months ended March 31, 2016
Current tax	**963.8**	1,250.2
Minimum alternate tax (MAT) credit entitlement	**(109.2)**	(1,083.9)
Deferred tax charge	**97.8**	966.5
Total Income tax recognised in the current year / period	**952.4**	1,132.8

Income tax expense for the year / period can be recognised to the accounting profit as follows :

Profit before tax	**4,426.2**	4,911.8
Income Tax expenses calculated at 34.608%	**1,531.8**	1,699.9
Effect of expenses that are not deductible in determining taxable profit	**15.1**	86.2
Effect of Additional deduction on research and product development cost	**(559.1)**	(578.2)
Effect of Additional deduction for investment allowance under Section 32 AC of the Income tax Act, 1961	**(48.9)**	(102.6)
Others	**13.5**	27.5
	952.4	1,132.8
Income tax expense recognised in statement of profit and loss	**952.4**	1,132.8

Income tax expense recognised in other comprehensive Income Rs. in million

Particulars	For the year ended March 31 2017	For the fifteen months ended March 31, 2016
Deferred tax charge / (benefit)		
Arising on income and expenses recognised in other comprehensive income:		
- Remeasurement of defined benefit obligation	**(18.4)**	(1.1)
Total Income tax expense recognised in other comprehensive income	**(18.4)**	(1.1)

Bifurcation of the income tax recognised in other comprehensive income into:-

Items that will not be reclassified to profit or loss	**(18.4)**	(1.1)
	(18.4)	(1.1)

35. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1,404.4 million (As at March 31 2016, Rs. 1642.0 million and as at January 1 2015, Rs. 1466.3 million).

The Company has other commitments, for purchase / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee's benefits including union agreement in normal course of business. The Company does not have any long term commitments or material non-cancellable contractual commitments/ contracts, which might have material impact on the financial statements.

36. Research and development expenses:

Revenue expenditure on research and development incurred and expensed off during the year / period through the appropriate heads of account aggregate Rs. 1,322.9 million (previous period Rs. 1,575.3 million). The capital expenditure incurred during the year / period for research and development purposes aggregate Rs. 1,363.1 million (previous period Rs.1,425.9 million).

Rs. in million

Capital expenditure	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Building - factory	**49.9**	32.3
Plant and office equipment	**67.2**	307.3
Furniture and fittings	**24.3**	30.2
Vehicles	**46.6**	58.7
Intangible assets	**1,800.0**	286.7
Capital work in progress including intangible assets under development and capital advances	**(624.9)**	710.7
Total	**1,363.1**	1,425.9

Rs. in million

Revenue expenditure	**For the year ended March 31, 2017**	For the fifteen months ended March 31, 2016
Employee cost	**389.2**	475.3
Development expenses	**139.4**	249.3
Depreciation and amortisation	**608.8**	622.0
Other expenses	**185.5**	228.7
Total	**1,322.9**	1,575.3

37. Contingent liabilities not provided for:

Rs. in million

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
a) In respect of following:			
- Sales tax matters	**1,905.3**	1,734.8	1,605.3
- Excise duty matters	**102.5**	129.9	109.2
- Service tax matters	**610.3**	988.2	980.5
- Income tax matters	**0.5**	15.0	286.6
b) Claims against the Company not acknowledged as debts	**35.2**	32.3	40.3
c) Bills discounted	**200.6**	210.6	336.5
d) Guarantees given to a bank credit facility granted to 100% subsidiary companies	**331.80**	532.0	506.7
- Dues outstanding (net off provision made by the Company)	**-**	147.9	275.6

All the above matters other than bills discounted and guarantees given are subject to legal proceedings in the ordinary course of business. The legal proceedings when ultimately concluded will not, in the opinion of management, have a material effect on the result of operations or the financial position of the Company.

38. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Rs. in million

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year / period.	**573.8**	666.6	249.1
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year / period.	**-**	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	**-**	-	-
(iv) The amount of interest due and payable for the year / period.	**-**	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year / period.	**-**	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	**-**	-	-

39. Disclosures under Ind AS 19 (Employee Benefits)

The details of various employee benefits provided to employees are as under:

A. Defined contribution plans

Rs. in million

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
a) Provident fund *	**185.4**	205.3
b) Superannuation fund	**16.3**	20.3
c) Employee State Insurance Corporation	**11.8**	11.4

* includes Rs. 8.4 million (previous period Rs. 6.8 million) capitalised during the year / period in intangible assets under development and includes Rs. 0.1 million (previous period Rs. 0.2 million) capitalised during the year / period under pre-operative expenditure pending allocation.

Out of the total contribution made for employees' provident fund, Rs. 63.5 million (previous period Rs. 65.8 million) is made to Eicher Executive Provident Fund Trust, while the remaining contribution is made to government administered provident fund.

The total plan liabilities under the Eicher Executive Provident Fund Trust as at March 31, 2017 is Rs. 1,543.6 million as against the total plan assets of Rs. 1,559.7 million. The funds of the trust have been invested under various securities as prescribed under the rules of the trust.

B. Defined benefit plans:

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lumpsum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India by whom the plan assets are maintained.

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 (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently for the plan, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest 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. The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2017 by Mr. K.K. Dharni (FIAI M.No. 00051) , Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

Principal assumptions:	Gratuity		
	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Discount rate	**7.50%**	7.50%	7.50%
Future salary increase	**7.00%**	7.00%	7.00%
Retirement age	**58 / 60 years**	58 / 60 years	58 / 60 years
Withdrawal rate	**1-3%**	1-3%	1-3%
In service mortality	**IALM (2006-08)**	IALM (2006-08)	IALM (2006-08)

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows :-

Rs. in million

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Service cost		
Current service cost	**57.8**	62.7
Past service cost and (gain) / Loss from settlements	**-**	-
Net interest expense	**4.9**	6.4
Component of defined benefit cost recognised in profit or loss	**62.7**	69.1
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	**-**	-
Actuarial (gains) / losses arising from changes in demographic assumptions	**-**	-
Actuarial (gains) / losses arising from changes in financial assumptions	-	-
Actuarial (gains) / losses arising from experience adjustments	**53.1**	3.3
Component of defined benefit cost recognised in Other comprehensive Income	**115.8**	72.4

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

Rs. in million

Particulars	Gratuity		
	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Present Value of funded defined benefit obligation	**666.6**	555.1	469.4
Fair value of plan assets	**666.6**	555.1	401.7
Net liability arising from defined benefit obligation	**-**	-	67.7

Movements in the present value of the defined benefit obligation are as follows :-

Rs. in million

Particulars	Gratuity	
	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Present value of obligation as at the beginning	**555.1**	469.4
Current service cost	**57.8**	62.7
Interest cost	**41.6**	44.0
Benefits paid	**(50.8)**	(41.4)
Net actuarial (gain) / loss recognised	**62.9**	20.4
Present value of obligation as at the end	**666.6**	555.1

Reconciliation of opening and closing balances of the present value of fund

Particulars	Gratuity	
	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Present Value of fund as at the beginning	**555.1**	401.7
Interest income	**36.7**	37.6
Contribution	**115.8**	140.1
Net actuarial gain / (loss) recognised	**9.8**	17.1
Benefits paid	**(50.8)**	(41.4)
Present value of fund as at the end @	**666.6**	555.1

@ Funds are managed by VECV Employees Group Gratuity Scheme.

The major categories of plan assets as percentage of total assets maintained with the approved insurance companies for VECV Trust are as follows:

Rs. in million

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Corporate Bonds categorised by issuers' credit rating			
AAA	**122.3**	39.0	-
AA	**22.7**	17.8	-
A	**-**	19.0	-
Corporate debt bonds (traditional plan)	**222.4**	172.4	238.7
Fixed deposits with banks	**-**	11.6	18.9
Government securities / Treasury Bills	**243.2**	221.5	124.1
Money Market	**24.1**	65.5	11.7
Others	**31.9**	8.3	8.3

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase, mortality, etc. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 0.5 basis points higher (lower), the defined benefit obligation would decrease by Rs. 28.4 million (increase by Rs. 30.7 million) (as at March 31, 2016: Decrease by Rs 24.4 million (increase by Rs 26.3 million)) (as at January 1, 2015: decrease by Rs 21.1 million (increase by Rs 22.8 million)).
- If the expected salary growth increases (decreases) by 0.5 basis points, the defined benefit obligation would increase by Rs. 30.7 million (decrease by Rs. 28.7 million) (as at March 31, 2016: increase by Rs 26.3 million (decrease by Rs 24.6 million)) (as at January 1, 2015: increase by Rs 22.8 million(decrease by Rs 21.3 million)).

Sensitivities due to change in mortality rate and change in withdrawal rate are not material and hence impact of such change is not calculated.

Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Asset-Liability Matching Study

There is no (deficit) / Surplus of liability and funds, hence asset liability matching study not performed.

Other disclosures

Maturity profile of defined benefit obligation

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Average duration of the defined benefit obligation (in years)	**9 Years**	9 Years	9 Years

The estimated contribution during next year is Rs. 72.9 million (previous period Rs. 62.1 million) to the defined benefit plan.

40. Earnings per share

Particulars	**For the year ended March 31, 2017**	For the fifteen months ended March 31, 2016
a) Profit after taxation, per statement of profit and loss (Rs. in million)	**3,473.8**	3,779.0
b) Weighted average number of equity shares (Nos.)	**1,00,00,000**	1,00,00,000
c) Earnings per share (in rupees): (face value-Rs. 10 per share) Basic and Diluted [(a)/(b)]	**347.38**	377.90

41. Financial instruments

41.1. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, opimisation of working capital requirements and deployment of surplus funds into various investment options. The Company does not have long-term debt and uses the operational cash flows and equity to meet its capital requirements.

The Company is not subject to any externally imposed capital requirements

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the management of the Company considers the cost of capital and the risks associated with the movement in the working capital.

The following table summarizes the capital of the Company:

Rs. in million

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Share capital	**100.0**	100.0	100.0
Other equity	**28,798.5**	25,359.4	23,911.8
	28,898.5	25,459.4	24,011.8

41.2 Categories of financial instruments

Carrying value of the financial instruments are as follows:-

Rs. in million

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Financial assets carried at fair value through profit and loss (FVTPL)			
Investment in equity instruments	**0.5**	0.5	0.5
Financial assets at amortised cost			
Non-current			
Trade receivables	**89.0**	296.0	256.1
Loans	**19.1**	16.0	14.7
Other financial assets	**337.8**	704.0	1,153.0
Current			
Trade receivables	**10,435.9**	7,991.7	5,303.5
Cash and cash equivalents	**10,562.4**	5,158.7	3,120.2
Loans	**56.9**	26.0	14.7
Other financial assets	**429.5**	367.7	706.5
Financial liabilities at amortised cost			
Non-current			
Other financial liabilities	**97.5**	76.3	-

Rs. in million

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Current			
Borrowings	**2,040.0**	370.1	308.0
Trade payables	**19,408.0**	17,780.4	10,266.0
Other financial liabilities	**2,212.2**	1,203.4	1,479.5

41.3 Fair value measurements

This section provides additional information on balance sheet items that contain financial instruments:-

The following methods and assumptions were used to estimate the fair values :-

The following table categorise the financial instruments measured at fair value accompanied into Level 1 to Level 3, as described below.

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value of the Company's financial assets that are measured at fair value on a recurring basis:-

There are certain Company's financial assets which are measured are fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets are determined:-

Rs. in million

Particulars	Fair value as at		
	March 31, 2017	March 31, 2016	January 1, 2015
	Level 3	Level 3	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity instruments	**0.5**	0.5	0.5

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The management considers that the carrying amounts of financial assets and financial liabiltiies recognised in the financial statements approximate thir fair values.

Notes:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, short-term borrowings, other financial liabilities and other financial instruments approximate their carrying amounts largely due to the short-term maturities of these instruments.

Investment in fixed deposits are carried at amortised cost and the fair value is estimated by discounting future cash flows using a discount rate equivalent to the risk free return, adjusted for the any expected credit loss allowance.

The fair value for loans, security deposits which approximates their carrying values were calculated on cash flows discounted using a current lending rate.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

41.4 Financial risk management objectives and Policies

The Company's treasury function is managed by its Corporate Office Finance Department (COFD) which monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk), credit risk and liquidity risk.

'The COFD evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management. The activities of this department includes management of cash resources, implementing strategies for foreign currency exposures and ensuring market risk limit and policies.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

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

(in million)

Foreign currency exposure	**As at March 31, 2017**		As at March 31, 2016		As at January 1, 2015	
	Trade Receivables	**Trade Payables**	Trade Receivables	Trade Payables	Trade Receivables	Trade Payables
USD	**17.1**	**1.5**	9.5	5.2	6.1	0.7
EURO	**0.7**	**1.0**	0.5	0.8	7.3	9.2
SEK	**-**	**5.4**	-	4.2	-	5.7
JPY	**2.9**	**59.8**	538.0	159.7	160.7	95.9
Others	**-**	**14.6**	-	9.3	-	3.6

Foreign currency sensitivity

The following table details the Company's sensitivity to a 5% increase and decrease in the Rs. against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rs. strengthens 5% against the relevant currency. For a 5% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(Rs. in million)

Currency	**As at March 31, 2017**		As at March 31, 2016		As at January 1, 2015	
	5% increase	**5% decrease**	5% increase	5% decrease	5% increase	5% decrease
Receivable						
USD	**(55.3)**	**55.3**	(31.6)	31.6	(19.4)	19.4
EURO	**(2.5)**	**2.5**	(2.0)	2.0	(28.2)	28.2
JPY	**(0.1)**	**0.1**	(15.9)	15.9	(4.3)	4.3

(Rs. in million)

Currency	**As at March 31, 2017**		As at March 31, 2016		As at January 1, 2015	
	5% increase	**5% decrease**	5% increase	5% decrease	5% increase	5% decrease
Payable						
USD	**4.9**	**(4.9)**	17.1	(17.1)	2.4	(2.4)
EURO	**3.5**	**(3.5)**	2.9	(2.9)	35.6	(35.6)
SEK	**2.0**	**(2.0)**	1.7	(1.7)	2.3	(2.3)
JPY	**1.7**	**(1.7)**	4.7	(4.7)	2.5	(2.5)
Others	**1.7**	**(1.7)**	1.0	(1.0)	0.4	(0.4)
Impact on profit or loss as at the end of the reporting period	**(44.1)**	**44.1**	(22.0)	22.0	(8.6)	8.6
Impact on total equity as at the end of the reporting period	**(28.8)**	**28.8**	(14.4)	14.4	(5.6)	5.6

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year / in future years.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in fixed deposits, trade receivables, and other loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in the note no. 10 above.

The Company has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information.

Movement in the expected credit loss allowance of financial assets Rs. in million

	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Balance at beginning of the year	**151.7**	138.6
Add: Provided during the year	**8.2**	72.7
Less: reversals of provision	**(13.1)**	(36.0)
Less: amounts written off	**(4.0)**	(23.6)
Balance at end of the year	**142.8**	151.7

The above does not include provision for diminution in the value of investment in subsidiary company.

Liquidity risk

Liquidity risk represents the inability of the Company to meet its financial obligations within stipulated time.

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

Rs. in million

Particulars	**As at March 31, 2017**			
	Less than 1 year	**1 year - 5 years**	**More than 5 years**	**Total**
Non-current				
(i) Other financial liabilities	**-**	**33.0**	**64.5**	**97.5**
Current				
(i) Borrowings	**2,040.0**	**-**	**-**	**2,040.0**
(ii) Trade payables	**19,408.0**	**-**	**-**	**19,408.0**
(iii) Other financial liabilities	**2,212.2**	**-**	**-**	**2,212.2**

Particulars	As at March 31, 2016			
	Less than 1 year	1 Year - 5 years	More than 5 years	Total
Non-current				
(i) Other financial liabilities	-	14.2	62.1	76.3
Current				
(i) Borrowings	370.1	-	-	370.1
(ii) Trade payables	17,780.4	-	-	17,780.4
(iii) Other financial liabilities	1,203.4	-	-	1,203.4

Rs. in million

Particulars	As at January 1, 2015			
	Less than 1 year	1 Year - 5 years	More than 5 years	Total
Non-current				
(i) Other financial liabilities	-	20.4	63.7	84.1
Current				
(i) Borrowings	308.0	-	-	308.0
(ii) Trade payables	10,266.0	-	-	10,266.0
(iii) Other financial liabilities	1,479.5	-	-	1,479.5

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity period.

42. Segment Reporting Disclosure

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of commercial vehicles, as well as sale of related parts and accessories.

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 indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of IND AS 108 "Operating Segments".

Geographical information

The "Geographical Segments" comprises of domestic segment which includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

(Rs. in million)

	Domestic	**Overseas**	**Total**
Revenue from operations			
For the year ended March 31, 2017	**78,826.2**	**13,193.8**	**92,020.0**
Fifteen months ended March 31, 2016	85,438.8	13,976.0	99,414.8

a) Domestic segment includes sales and services to customers located in India.

b) Overseas segment includes sales and services rendered to customers located outside India.

c) There are no material non-current assets located outside Inida.

d) The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue have been identified to segments on the basis of their relationship to the operating activities of the segment.

Information about major customers

No customer individually accounted for more than 10% of the revenue.

43. Related party disclosures under Ind AS 24

a. Related party disclosures

(i) Subsidiaries companies

Eicher Engineering Solutions, Inc., U.S.A.*	(EES, Inc.)
Eicher Engineering Solutions (Beijing) Co., Ltd.*	(EES, Beijing)
Eicher Engineering Solutions (Shanghai) Co., Ltd. *	(EES, Shanghai)
V E C V Lanka (Private) Limited	(VECV Lanka)
VECV South Africa (Pty.) Limited#	(VECV South Africa)

* Ceased to be subsidiary company w.e.f. March 18, 2017

\# Incorporated w.e.f. January 22, 2016

(ii) Investor in respect of which the Company is a joint venture

Eicher Motors Limited	(EML)
Aktiebolaget Volvo (PUBL), Volvo, Sweden	(AB Volvo)

(iii) Joint venture company

Eicher Group Foundation	(EGF)

(iv) Entity under the control of co-venturer (AB Volvo)

Volvo do Brasil Veiculos Ltda
Renault Trucks SAS
UD Trucks Corporation
Volvo Group India Private Ltd
Volvo Lastvagnar AB
Volvo Powertrain Corporation
Volvo Bussar AB
AB Volvo Penta
Volvo Information Technology AB
Volvo Logistics AB
Volvo Business Services AB
Volvo Parts AB
Volvo Construction Equipment AB
Thai Swedish Assembly
Volvo Truck Corporation
Volvo Merchandise AB
Volvo Bus Corporation
Volvo East Asia (Pte) Ltd.
PT Volvo Asia
Ud Trucks Southern Africa (Pty) Ltd.
Volvo Group Middle East FZE
PT. VOLVO INDONESIA
Renault Trucks Gare V1

(v) Entity under the joint control of co-venturer (EML)

Eicher Polaris Private Limited	(EPPL)

(vi) Entity under the control of key management personnel and their relatives

Eicher Goodearth Private Limited	(EGPL)

(vii) Other related parties

Eicher Executive Provident Fund	Post employment benefit plan
Eicher Tractors Executive Staff Superannuation Fund	Post employment benefit plan
VECV Employees Group Gratuity Scheme	Post employment benefit plan

(viii) Key management personnel

Vinod Aggarwal	Managing Director (w.e.f. October 26, 2016), Chief Executive Officer (upto October 25, 2016)
Siddhartha Lal	Chairman
Hakan Karlsson	Director (w.e.f. October 26, 2016)
Jacques Michel	Director (w.e.f. October 26, 2016)
Philippe Divry	Director
Christophhe Martin	Director (till October 26, 2016)
Raul Rai	Director
Prateek Jalan	Independent Director (w.ef. March 30, 2015), Nominee Director (upto March 29, 2015)
Lila Poonawalla	Independent Director (w.ef. March 30, 2015)
Gilles Boutte	Chief Financial Officer
Praveen Kumar Jain	Company Secretary

b. Transactions with the above parties

Rs. in million

Name of related party	Nature of transaction	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
(i) Subsidiaries companies			
Eicher Engineering Solutions Inc	Sale of finished goods / services	**-**	32.3
	Purchase of goods / services	**1.1**	0.8
	Expenses recovered	**-**	3.7
	Expenses reimbursed	**5.6**	9.8
	Investment in equity share capital	**114.6**	50.0
V E C V Lanka (Private) Limited	Sale of goods / services	**505.8**	481.1
	Others	**11.4**	11.7
VECV South Africa (Pty) Limited	Sale of finished goods / services	**10.8**	-
	Others	**9.6**	-
	Investment in equity share capital	**35.0**	-
(ii) Investor in respect of which the Company is a joint venture			
Eicher Motors Limited	Sale of finished goods / services	**1,457.4**	1,167.6
	Corporate service charges recovered	**26.0**	30.4
	Dividend paid	**-**	1,054.0
	Tooling advance received	**-**	2.1
	Expenses recovered	**4.3**	2.3
Aktiebolaget Volvo (PUBL), Volvo, Sweden	Dividend paid	**-**	672.3

Rs. in million

Name of related party	Nature of transaction	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
(iii) Joint venture company			
Eicher Group Foundation	Contribution for corporate social responsibility	**59.7**	0.3
(iv) Entity under the control of co-venturer (AB Volvo)			
Volvo do Brasil Veiculos Ltda	Sale of finished goods / services	**7.3**	0.3
Renault Trucks SAS	Sale of finished goods / services	**3,101.7**	4,019.7
	Expenses recovered	**0.8**	30.4
	Expenses reimbursed	**19.6**	14.6
	Purchase of goods / services	**21.3**	24.8
	Purchase of capital goods / services	**63.7**	253.6
	Others	**-**	0.8
UD Trucks Corporation	Sale of finished goods / services	**236.8**	495.6
	Expenses reimbursed	**8.7**	8.7
	Purchase of goods / services	**10.9**	83.9
	Purchase of capital goods / services	**4.4**	-
Volvo Group India Private Ltd	Sale of finished goods / services	**210.8**	379.8
	Expenses recovered	**766.7**	338.0
	Expenses reimbursed	**62.9**	68.6
	Purchase of goods	**14,242.3**	18,826.7
	Purchase of capital goods / services	**71.4**	96.3
	Others	**0.3**	-
Volvo Powertrain Corporation	Variance paid	**53.5**	174.5
	Expenses recovered	**5.6**	4.5
	Others	**7.2**	-
AB Volvo Penta	Sale of finished goods / services	**1.2**	1.6
Volvo Information Technology AB	Purchase of goods / services	**19.3**	40.8
	Purchase of capital goods / services	**-**	0.4
Volvo Logistics AB	Expenses recovered	**3.4**	0.7
	Others	**0.1**	-
Volvo Parts AB	Sale of finished goods / services	**0.3**	0.1
Volvo Construction Equipment AB	Sale of finished goods / services	**0.1**	-
Thai Swedish Assembly	Sale of finished goods / services	**0.4**	-
	Expenses recovered	**-**	0.1
Volvo Truck Corporation	Sale of finished goods / services	**1,405.3**	933.7
	Expenses recovered	**334.7**	278.5
	Expenses reimbursed	**0.7**	-
	Purchase of goods / services	**43.9**	50.9
	Purchase of capital goods / services	**46.1**	34.1
	Others	**17.1**	26.8

Rs. in million

Name of related party	Nature of transaction	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
UD Trucks Southern Africa (Pty.) Limited	Sale of finished goods / services	**-**	0.9
Volvo Group Middle East FZE	Sale of finished goods / services	**0.4**	-
	Expenses recovered	**0.1**	-
Renault Trucks Gare V1	Sale of finished goods / services	**0.7**	-
Volvo Bus Corporation	Expenses recovered	**204.7**	223.5
Volvo East Asia (PTE) ltd.	Sale of finished goods / services	**0.1**	2.3
Volvo Parts Corporation	Purchase of goods / services	**12.6**	10.2
(v) Entity under the joint control of co-venturer (EML)			
Eicher Polaris Private Limited	Sale of finished goods / services	**13.6**	104.1
	Corporate service charges recovered	**1.5**	0.2
	Tooling advance received	**0.4**	-
	Others	**0.7**	0.8
(vi) Entity under the control of key management personnel			
Eicher Goodearth Private Limited	Expenses recovered	**-**	0.3
	Expenses reimbursed	**19.5**	23.6
	Lease rent	**99.0**	106.7
	Brand fee	**316.6**	352.3
(vii) Other related parties			
Eicher Executive Provident Fund	Contribution made	**63.5**	65.8
Eicher Tractors Executive Staff Superannuation Fund	Contribution made	**15.8**	17.2
VECV Employees Group Gratuity Scheme	Contribution made to fund	**115.8**	140.1
	Benefits paid through fund Interest	**50.8**	41.4
(viii) Key management personnel			
Vinod Aggarwal	Short- term benefits	**38.9**	51.9
	Post- employment benefits	**2.3**	1.6
	Other long- term benefits	**0.4**	0.2
		41.6	53.7
Gilles Boutte	Short-term benefits	**27.4**	33.0
Praveen Kumar Jain	Short- term benefits	**3.7**	5.2
	Post- employment benefits	**0.1**	0.1
	Other long- term benefits	**0.01**	0.1
		3.8	5.4
Prateek Jalan	Sitting fees	**0.9**	1.1
Lila Poonawalla	Sitting fees	**0.7**	0.8

Balance outstanding at the year end

Rs. in million

Name of related party	Nature	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
(i) Subsidiaries companies				
Eicher Engineering Solution Inc	- Receivables	**-**	15.4	20.1
	- Payables	**1.9**	-	0.9
	- Guarantees given	**-**	278.6	266.0
VECV South Africa (Pty.) Limited	- Receivables	**10.4**	-	-
	- Investment	**35.0**	-	-
VECV Lanka (Private) Limited	- Receivables	**152.9**	43.5	20.1
	- Guarantees given	**247.6**	253.4	240.7
	- Investment	**54.3**	54.3	54.3
(ii) Investor in respect of which the Company is a joint venture				
Eicher Motors Limited	- Receivables	**326.8**	266.3	140.7
	- Advance from customer	**-**	0.2	-
Aktiebolaget Volvo (PUBL), Volvo, Sweden	- Payables	**-**	-	0.1
(iii) Entity under the control of joint venturer (AB Volvo)				
Volvo do Brasil Veiculos Ltda	- Receivables	**3.6**	-	0.3
Renault Trucks SAS	- Receivables	**593.2**	548.6	549.0
	-Other financial assets	**-**	19.6	4.5
	- Payables	**16.2**	26.4	406.4
UD Trucks Corporation	- Receivables	**6.7**	326.9	97.1
	- Payables	**6.4**	69.2	16.1
Volvo Group India Private Ltd	- Receivables	**56.3**	504.2	-
	- Other financial assets	**55.5**	52.5	19.7
	- Payables	**1,798.5**	1,403.4	1,870.1
Volvo Powertrain Corporation	- Receivables	**5.6**	-	-
	-Other financial assets	**-**	4.4	424.9
	- Payables	**115.1**	174.9	2.2
AB Volvo Penta	- Receivables	**-**	-	0.1
Volvo Information Technology AB	- Payables	**14.4**	0.1	27.7
Volvo Logistics AB	- Payables	**0.0**	0.1	0.7
Volvo Parts AB	- Receivables	**0.2**	0.1	-
Volvo Construction Equipment AB	- Receivables	**-**	0.1	-
	- Payables	**-**	-	1.6
Thai Swedish Assembly	- Receivables	**0.2**	-	-
Volvo Trucks Corporation	- Receivables	**258.6**	128.8	1.1
	-Other financial assets	**-**	5.7	-
	- Payables	**27.3**	7.0	39.5
UD Trucks Southern Africa (Pty) Ltd.	- Payables	**-**	-	0.1
Volvo Group Middle East FZE	- Receivables	**0.4**	-	-
Renault Trucks Gare V1	- Receivables	**0.7**	-	-
Volvo Bus Corporation	- Receivables	**36.8**	19.5	26.7

Rs. in million

Name of related party	Nature	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Volvo Bus India Private Limited	- Receivables	**-**	-	42.9
	-Other financial assets	**-**	-	25.5
Volvo Merchandise AB	- Receivables	**-**	-	1.2
Volvo Parts Corporation	- Payables	**11.0**	10.2	4.2
(v) Entity under the joint control of joint venturer (EML)				
Eicher Polaris Private Limited	- Receivables	**2.1**	7.1	7.9
	- Advances from Customers	**0.1**	0.6	-
(vi) Entity under the control of key management personnel				
Eicher Goodearth Private Limited	- Payables	**306.6**	317.8	189.4
	- Security Deposit Receivable	**35.1**	35.1	35.1

Notes to the related party transactions

Outstanding balances at the year end are unsecured and settlement occurs in cash.

44. Disclosure in respect of leases

A. Operating lease

The Company has taken certain premises under various operating lease agreements. The total lease rental recognize as expense aggregate to Rs. 327.7 million (previous period Rs. 396.0 million).

Future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following periods:

(Rs. in million)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Not later than one year	**69.6**	60.1	37.2
Later than one year and not later than five years	**44.6**	69.2	44.0
Later than five years	**3.5**	2.6	2.5

B. Finance lease

The Company has entered into finance lease arrangements for certain vehicles. Future minimum lease payments and reconciliation of gross investment in the lease and present value of minimum lease payments are as under:

(Rs. in million)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Future minimum lease payments			
- not later than one year	**233.3**	250.6	119.6
- later than one year and not later than five years	**98.2**	331.5	303.8
Less: future finance charges	**35.5**	88.9	87.9
Present value of minimum lease payments receivable			
- not later than one year	**207.0**	197.2	79.4
- later than one year and not later than five years	**89.0**	296.0	256.1
- later than five years	**-**	-	-
Unguaranteed residual value	**-**	-	-
Accumulated provision for uncollectible minimum lease payments receivable	**-**	-	-
Contingent rents recognised in Statement of Profit or loss during the year	**-**	-	-

45. The details of disputed excise duty, sales tax, service tax and income tax dues as on March 31, 2017 which have not been deposited or deposited under protest are as follows:

Nature of the Statute	Forum where pending	Amount* (Rs. in million)	Amount paid under protest (Rs. in million)	Period to which amount relate
Central Excise Act	Appellate Authority upto Commissioner's level	1.3	-	1991-92 to 1997-98
	CESTAT	128.9	42.7	2000-01 to 2015-16
Sales Tax Act	Appellate Authority upto Commissioner's level	678.3	116.8	1995-96, 2004-05 to 2014-15
	Appellate Tribunal	806.1	42.3	1991-92 to 1994-95, 1998-99 to 2000-01, 2002-03,2008-09, 2009-10, 2010-11, 2011-12
	High Court	53.4	2.7	1995-96, 2000-01, 2005-06 and 2008-09
Finance Act, 1994	Appellate Authority upto Commissioner's level	0.9	-	2009-10
	CESTAT	612.6	25.0	2003-04 to 2007-08 2009-10 to 2015-16
Income Tax Act, 1961	Appellate Authority upto Commissioner's level	0.5	-	2011-12

* Amount as per demand orders including interest and penalty wherever indicated in the order

46. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the Table below:

(in Rs)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 8.11.2016	**12,15,000**	**2,04,576**	**14,19,576**
(+) Permitted receipts	**-**	**67,54,889**	**67,54,889**
(-) Permitted payments	**76,500**	**46,48,316**	**47,24,816**
(-) Amount deposited in Banks	**11,38,500**	**13,45,100**	**24,83,600**
Closing cash in hand as on 30.12.2016	**-**	**9,66,049**	**9,66,049**

47. Remittance in foreign currency towards dividends:

The particulars of dividends declared during the year and paid to non-resident shareholders are as under:		**For the year ended March 31, 2017**	For the fifteen months ended March 31, 2016
(i) Number of non-resident shareholders			
(a) For 2015-16	Nos.	-	2
(b) For 2014	Nos.	-	2
(ii) Number of shares held by them			
(a) For 2015-16	Nos.	-	45,60,000
(b) For 2014	Nos.	-	45,60,000
(iii) Gross amount of dividend			
(a) For 2015-16	Rs. in millions	-	541.5
(b) For 2014	Rs. in millions	-	342.0

48. Expenditure on Corporate Social Responsibility (CSR)

(Rs. in millions)

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
(a) Gross amount required to be spent	**71.9**	68.4
(b) Amount spent:		
(i) Construction / acquisition of any asset	**-**	-
(ii) On purpose other than (i) above	**71.0**	81.1
	71.0	81.1
(c) Administrative expense	**1.0**	-

49. In the previous period, exceptional items comprised of Rs. 50 millions towards provision for diminution in value of investment held in a subsidiary company as well as Rs. 115.0 millions towards financial exposure arising on account of bank guarantee given on behalf of this subsidiary company.

50. The Company has divested 100% shares of Eicher Engineering Solutions Inc. (USA) a wholly owned subsidiary alongwith its two step down wholly owned subsidiaries Eicher Engineering Solutions (Beijing) Co., Ltd. and Eicher Engineering Solutions (Shanghai) Co., Ltd. by way of sale of equity shares at gross consideration of USD 18.5 Million.

51. The figures for the current year are for twelve months from April 1, 2016 to March 31, 2017, whereas the corresponding previous period figures are for fifteen months from January 1, 2015 to March 31, 2016. As such corresponding figures for the previous period are not directly comparable with those of current year.

52. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

53 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

54. First-time Ind AS Adoption reconciliations

54.1 Effect of Ind AS Adoption on the balance sheet as at March 31, 2016 and January 1, 2015

Rs. in million

Particulars	Refer Notes in 54.6	As at January 1, 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
ASSETS				
Non-current assets				
(a) Property, plant and equipment	(a) , (b)	14,891.5	(498.3)	14,393.2
(b) Capital work-in-progress		1,243.9	-	1,243.9
(c) Intangible assets		3,156.0	-	3,156.0
(d) Intangible assets under development		1,424.8	-	1,424.8
(e) Financial assets			-	
(i) Investments		54.8	-	54.8
(ii) Trade receivables		256.1	-	256.1
(iii) Loans	(c)	20.1	(5.4)	14.7
(iv) Others	(c)	1,190.1	(37.1)	1,153.0
(f) Tax assets (net)		18.6	-	18.6
(g) Other non-current assets	(a), (c)	1,298.2	400.3	1,698.5
		23,554.1	(140.5)	23,413.6

Rs. in million

Particulars	Refer Notes in 54.6	As at January 1, 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
Current assets				
(a) Inventories		4,300.0	-	4,300.0
(b) Financial assets				
(i) Trade receivables		5,303.5	-	5,303.5
(ii) Cash and cash equivalents		3,120.2	-	3,120.2
(iii) Loans		14.7	-	14.7
(iv) Others		706.5	-	706.5
(c) Other current assets	(a), (c)	2,780.4	33.2	2,813.6
		16,225.3	33.2	16,258.5
Total		39,779.4	(107.3)	39,672.1
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		100.0	-	100.0
(b) Other equity	(b), (d), (e)	23,059.1	852.7	23,911.8
		23,159.1	852.7	24,011.8
LIABILITIES				
Non-current liabilities				
(a) Financial liabilities		84.1	-	84.1
(b) Provisions	(d)	587.9	(35.1)	552.8
(c) Deferred tax liabilities (Net)	(b), (d)	292.2	(24.9)	267.3
(d) Other non- current liabilities		39.4	-	39.4
		1,003.6	(60.0)	943.6
Current liabilities				
(a) Financial liabilities				
(i) Borrowings		308.0	-	308.0
(ii) Trade payables		10,266.0	-	10,266.0
(iii) Other financial liabilities		1,479.5	-	1,479.5
(b) Provisions	(e)	1,532.6	(900.0)	632.6
(c) Other current liabilities		2,030.6	-	2,030.6
		15,616.7	(900.0)	14,716.7
Total		39,779.4	(107.3)	39,672.1

54.1 Effect of Ind AS Adoption on the balance sheet as at March 31, 2016 and January 1, 2015 - Continued

Rs. in million

Particulars	Refer Notes in 54.6	As at March 31, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
ASSETS				
Non-current assets				
(a) Property, plant and equipment	(a)	15,729.6	(367.5)	15,362.1
(b) Capital work-in-progress		823.7	-	823.7
(c) Intangible assets		2,983.5	-	2,983.5
(d) Intangible assets under development		2,378.8	-	2,378.8
(e) Financial assets				
(i) Investments		54.8	-	54.8
(ii) Trade receivables		296.0	-	296.0
(iii) Loans	(c)	22.5	(6.5)	16.0
(iv) Others	(c)	745.9	(41.9)	704.0
(f) Tax assets (net)		-	-	-
(g) Other non-current assets	(a), (c)	1,330.3	398.0	1,728.3
		24,365.1	(17.9)	24,347.2
Current assets				
(a) Inventories		6,832.6	-	6,832.6
(b) Financial assets				
(i) Trade receivables		7,991.7	-	7,991.7
(ii) Cash and cash equivalents		5,158.7	-	5,158.7
(iii) Loans		26.0	-	26.0
(iv) Others		367.7	-	367.7
(c) Other current assets	(a), (c)	3,576.9	17.9	3,594.8
		23,953.6	17.9	23,971.5
Total		48,318.7	-	48,318.7
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		100.0	-	100.0
(b) Other equity	(d)	25,299.7	59.7	25,359.4
		25,399.7	59.7	25,459.4
LIABILITIES				
Non-current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities		76.3	-	76.3
(b) Provisions	(d)	1,150.8	(91.4)	1,059.4
(c) Deferred tax liabilities (Net)	(d)	117.1	31.7	148.8
(d) Other liabilities		23.5	-	23.5
		1,367.7	(59.7)	1,308.0

Rs. in million

Particulars	Refer Notes in 54.6	As at March 31, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
Current liabilities				
(a) Financial liabilities				
(i) Borrowings		370.1	-	370.1
(ii) Trade payables		17,780.4	-	17,780.4
(iii) Other financial liabilities		1,203.4	-	1,203.4
(b) Provisions		560.0	-	560.0
(c) Income tax liabilities (net)		82.8	-	82.8
(d) Other current liabilities		1,554.6	-	1,554.6
		21,551.3	-	21,551.3
Total		48,318.7	-	48,318.7

54.2 Reconciliation of total equity as at March 31, 2016 and January 1, 2015

Rs. in million

Particulars	Refer Notes in 54.6	As at March 31, 2016	As at January 1, 2015
Equity as reported under previous GAAP		25,399.7	23,159.1
Add : Proposed dividend (including tax thereon)	(e)	-	900.0
Less : Increase in accumulated depreciation due to change in useful life of assets	(b)	-	(70.2)
Add: Impact of discounting of provision for warranty as per Ind-AS 37 (net of tax)	(d)	59.7	22.9
Total equity as per Ind AS		**25,459.4**	**24,011.8**

54.3 Effect of Ind AS Adoption on the statement of profit and loss for the fifteen months ended March 31, 2016

Rs. in million

Particulars	Refer Notes in 54.6	"Fifteen months ended March 31, 2016 (Latest period presented under previous GAAP)"		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
Income				
Revenue from operation (gross)	(h)	1,02,559.4	(3,144.6)	99,414.8
Less:- excise duty	(f)	7,020.3	(7,020.3)	-
Revenue from operation (net)		95,539.1	3,875.7	99,414.8
Other Income	(c)	396.7	9.7	406.4
Total Income		95,935.8	3,885.4	99,821.2

Rs. in million

Particulars	Refer Notes in 54.6	"Fifteen months ended March 31, 2016 (Latest period presented under previous GAAP)"		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
Expenses				
Cost of raw materials consumed		52,342.8	-	52,342.8
Purchases of stock-in-trade		17,665.5	-	17,665.5
Change in inventories of finished goods, work-in-progress and stock-in-trade		(2,174.6)	-	(2,174.6)
Excise duty on sale of goods	(f)	-	7,020.3	7,020.3
Employee benefits expenses	(c), (g)	6,642.1	(1.0)	6,641.1
Finance costs	(d)	57.4	30.4	87.8
Depreciation and amortisation expenses	(a)	3,017.6	(23.5)	2,994.1
Other expenses	(a), (c), (d), (h)	13,367.8	(3,200.4)	10,167.4
Total expenses		90,918.6	3,825.8	94,744.4
Profit before tax and exceptional item		5,017.2	59.6	5,076.8
Exceptional item		165.0	-	165.0
Profit before tax	(d), (g)	4,852.2	59.6	4,911.8
Tax expense				
Current tax		1,250.2	-	1,250.2
Minimum alternate tax (MAT) credit entitlement		(1,083.9)	-	(1,083.9)
Deferred tax charge	(d), (g)	945.9	20.6	966.5
Total tax expense		1,112.2	20.6	1,132.8
Profit for the year / period		3,740.0	39.0	3,779.0
Other comprehensive income				
Items that will not be reclassified to profit or loss:-				
Re-measurement gains (losses) on defined benefit plans		-	3.3	(3.3)
Income tax effect	(g)	-	(1.1)	1.1
Net other comprehensive income not to be reclassified to profit or loss		-	2.2	(2.2)
Total Comprehensive income for the year, net of tax		3,740.0	36.8	3,776.8

54.4 Reconciliation of total comprehensive income for the fifteen months ended March 31, 2016

Rs. in million

Particulars	Refer Notes 54.6	For the fifteen months ended March 31, 2016
Profit after tax as reported under previous GAAP		3,740.0
Reclassification of actuarial (gain) / loss in respect of defined benefit plan to "Other Comprehensive Income"	(g)	3.3
Impact of discounting of provision for warranty as per Ind-AS 37	(d)	56.3
Tax adjustments	(d),(g)	(20.6)
Profit after tax as reported under Ind-AS		**3,779.0**
Other comprehensive income / (expense) (net of tax)	(g)	(2.2)
Total comprehensive income as reported under Ind-AS		**3,776.8**

Note : Under Previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under previous GAAP.

54.5 Cash flow Statements

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

54.6 Notes to the reconciliations

Rs. in million

Impact under Ind AS on account off :	Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
(a) Leasehold land being considered as operating lease opposed to fixed assets under Previous GAAP				
On Balance sheet				
Property, plant and equipment	**Decrease**	(391.0)	(367.5)	-
Other non-current assets	**Increase**	367.5	358.1	-
Other current assets	**Increase**	23.5	9.4	-
On Statement of profit and loss				
Depreciation expense	**Decrease**	-	-	(23.5)
Rent expense	**Increase**	-	-	23.5
(b) Increase in accumulated depreciation due to change in useful life of assets				
On Balance sheet				
Property, plant and equipment	**Decrease**	(107.3)	-	-
Deferred tax liability on accelerated depreciation	**Decrease**	(37.1)	-	-
On equity	**Decrease**	(70.2)	-	
(c) Recognition of financial instruments comprising of security deposits, employee loan, etc. at their fair value as opposed to transactions values as considered under Previous GAAP.				
On Balance sheet				

Rs. in million

		Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
	Non-current				
	Financial assets				
	Loans (loans to employees)	**Decrease**	(5.4)	(6.5)	-
	Other financial assets (security deposits)	**Decrease**	(37.1)	(41.9)	-
	Other non-current assets (Prepayment security deposits and other loans)	**Increase**	32.8	39.9	-
	Other current assets (Prepayment security deposits and other loans)	**Increase**	9.7	8.5	-
	On Statement of profit and loss				
	Interest income	**Increase**	-	-	9.7
	Employee benefit expense	**Increase**	-	-	2.3
	Rent expense	**Increase**	-	-	7.4
(d)	**Recognising provision for warranty at discounted value as opposed to cost under Previous GAAP.**				
	On Balance sheet				
	Non-current				
	Long-term provisions				
	Provisions for warranties	**Decrease**	(35.1)	(91.4)	-
	Deferred tax liability	**Increase**	12.2	31.7	
	On Statement of profit and loss				
	Interest expense	**Increase**			30.4
	Warranty expense	**Decrease**			(86.7)
	Profit before tax	**Increase**			56.3
	Tax expense	**Increase**			19.5
	Profit after tax	**Increase**			36.8
	On equity	**Increase**	22.9	59.7	-
(e)	**Dividends including tax thereon are recognised when declared by the members in a general meeting as opposed to recognition on recommendation by the board of directors under Previous GAAP**				
	On Balance sheet				
	Short-term provisions	**Decrease**	(900.0)	-	-
	On equity	**Increase**	900.0	-	
(f)	**Excise duty on sale of products to be presented separately on the face of statement of profit and loss as opposed to netting it off from revenue from operations under Previous GAAP.**				
	On statement of profit and loss				
	Revenue from operations	**Increase**	-	-	7,020.3
	Excise duty on sale of products	**Increase**	-	-	7,020.3

Rs. in million

Impact under Ind AS on account off :	Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
(g) Actuarial gains and losses to be recognised in other comprehensive income instead of statement of profit and loss				
On statement of profit and loss				
Employee benefit expense	**Decrease**	-	-	(3.3)
Profit before tax	**Increase**			3.3
Tax expense	**Increase**			1.1
Profit after tax	**Increase**			2.2
On Other comprehensive income				
Remeasurement of the net defined liability / asset (Net of tax)	**Decrease**	-	-	(2.2)
(h) Trade discounts, rebates, etc. are to be netted off from revenue as opposed to classification in other expenses under Previous GAAP.				
On statement of profit and loss				
Revenue from operations	**Decrease**	-	-	(3,144.6)
Other expenses	**Decrease**	-	-	(3,144.6)

For and on behalf of the Board of Directors

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Siddhartha Lal
Director
DIN: 00037645

Hakan Karlsson
Chairman
DIN: 05195444

Place : Gurugram
Date : May 3, 2017

Praveen Jain
Company Secretary
M No. 3524

Gilles Boutte
Chief Financial Officer