INDEPENDENT AUDITOR'S REPORT

To the Members of VE Commercial Vehicles Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of VE Commercial Vehicles Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

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

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39 to the standalone financial statements;

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

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

   iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Act. As stated in note 18 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 095169

UDIN: 22095169AISXZV1736

Place of Signature: Gurugram
Date: May 10, 2022

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: VE Commercial Vehicles Limited ('the Company')

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

(B) The Company has maintained proper records showing full particulars of intangibles assets.

b. All Property, Plant and Equipment were physically verified by the management in the year in accordance with a planned programme of verifying them once in three years, except for assets lying with third parties which have been confirmed by them during the year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c. According to the information and explanations given by the management, the title deeds of all immovable properties included in property, plant and equipment are held in the name of the Company except the following: -

Particulars of the Land and Building	Carrying value as at March 31, 2022 (Rs. in million)	Remarks
Freehold Land and building located at Ahmedabad and Bhiwandi admeasuring 1743.08 square meters and 21,695 square meters respectively	61.7	Pending registration in the name of the Company

d. The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

e. According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a). The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2022. There are no discrepancies of 10% or more in aggregate for each class of inventory.

(b). As disclosed in note 51 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has provided loans to employees and stood guarantee for its subsidiary companies as detailed in table below. There are no loans, advances in the nature of loans to any other companies, firms, Limited Liability Partnerships or any other parties.

	Guarantees	Security	Loans to employees	Advances in nature of loans
Aggregate amount granted/ provided during the year		-		-
- Subsidiaries - Joint Ventures - Associates - Others	213.80 Mn - - -	-	- - - 72.71 Mn	-
Balance outstanding as at balance sheet date in respect of above cases - Subsidiaries - Joint Ventures - Associates - Others	 213.8 Mn - - -	-	 - - - 65.90 Mn	-

(b) During the year the guarantees provided to subsidiary companies and the terms and conditions of the grant of all loans to employees are not prejudicial to the Company's interest. There are no investments made, securities and advances in the nature of loan given by the Company to companies, firms, Limited Liability Partnerships or any other parties.

(c) The Company has granted loans to employees where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. There are no other loans or advance in the nature of loan granted by the Company.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. Further. in our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and guarantees, and securities given have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of certain products, and are of the opinion that prima facia, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, customs duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues of income tax, sales-tax, service tax, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Forum where dispute is pending	Amount (Rs. in million)*	Amount paid under protest (Rs. in million)	Period to which the amount relates
Central Excise Act	Appellate Authority upto Commissioner's level	1.2	-	1991-92 to 1997-98
Central Excise Act	CESTAT	130.8	83	2000-01 to 2015-16
Sales Tax Act	Appellate Authority upto Commissioner's level	1634.2	144.6	1995-96, 2004-05 to 2017-18
Sales Tax Act	Appellate Tribunal	99.9	24.1	1991-92 to 1994-95, 1998-99 to 2000-01, 2002-03, 2009-10, 2011-12, 2013-14 and 2014-15
Sales Tax Act	High Court	60.1	3.0	1995-96, 2000-01, 2005-06 & 2008-09 & 2009-10
Finance Act, 1994 (Service Tax)	CESTAT	15.17	-	2003-07 to 2007-08, 2009-10, 2011-12, 2012-13, 2014-15 to 2015-16
Maharashtra Stamp Act	Collector of Stamps	330.66	-	2008-09
*Amount as per demand orders including interest and penalty wherever indicated in the order.				

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), clause 3(xii)(b) and clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanation given by the management, The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not incurred cash losses in the current financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 48 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, the Company has transferred unspent amount to a fund specified in Schedule VII of the Companies Act, 2013 (the Act) within a period of six months of the expiry of the financial year, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 35 to the financial statements.

(b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 35 to the financial statements.

(xxi) The CARO 2020 is not applicable to the subsidiary companies included in the consolidated financial statements of the Company. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 095169

UDIN: 22095169AISXZV1736

Place: Gurugram
Date: May 10, 2022

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF VE COMMERCIAL VEHICLES LIMTED

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

We have audited the internal financial controls with reference to standalone financial statements of VE Commercial Vehicles ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 with reference to these standalone financial statements 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") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to [standalone] financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 095169

UDIN: 22095169AISXZV1736

Place of Signature: Gurugram
Date: May 10, 2022

VE COMMERCIAL VEHICLES LIMITED
BALANCE SHEET AS AT MARCH 31, 2022

Rs. in million

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	**21,349.0**	**22,378.4**
(b) Capital work-in-progress	6	**1,156.3**	**908.7**
(c) Other Intangible assets	7	**6,918.5**	**8,126.1**
(d) Right-of-use assets	7A	**1,861.8**	**1,789.8**
(e) Intangible assets under development	8	**1,693.4**	**984.5**
(f) Financial assets			
(i) Investments	9	**170.7**	**170.7**
(ii) Loans	11	**26.4**	**19.9**
(iii) Other financial assets	12	**2,574.1**	**2,011.3**
(g) Other assets	13	**773.6**	**491.4**
Total non-current assets		**36,523.8**	**36,880.8**
Current assets			
(a) Inventories	14	**14,380.1**	**13,590.6**
(b) Financial assets			
(i) Trade receivables	10	**20,486.1**	**15,323.8**
(ii) Loans	11	**39.5**	**35.6**
(iii) Cash and cash equivalents	15	**4,158.9**	**3,663.9**
(iv) Bank balances other than (iii) above	16	**9,630.4**	**11,005.9**
(v) Other financial assets	12	**2,801.5**	**2,379.1**
(c) Other assets	13	**1,877.4**	**1,530.9**
Total current assets		**53,373.9**	**47,529.8**
Total assets		**89,897.7**	**84,410.6**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	**100.0**	**100.0**
(b) Other equity	18	**35,938.4**	**35,382.6**
Total equity		**36,038.4**	**35,482.6**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	**778.8**	**3,625.0**
(ii) Lease liabilities	19	**588.3**	**575.0**
(iii) Other financial liabilities	20	**80.4**	**82.7**
(b) Provisions	21	**1,273.2**	**1,001.8**
(c) Deferred tax liabilities (net)	22	**791.2**	**450.1**
(d) Other liabilities	23	**73.1**	**68.1**
Total non-current liabilities		**3,585.0**	**5,802.7**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	**346.2**	**298.1**
(i) Lease liabilities	19	**185.6**	**123.6**
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	25	**1,317.4**	**1,219.8**
- Total outstanding dues of creditors other than micro enterprises and small enterprises	25	**40,893.0**	**34,463.5**
(iii) Other financial liabilities	20	**1,968.8**	**2,882.6**
(b) Provisions	21	**1,002.9**	**1,026.9**
(c) Liabilities for current tax (net)	26	**358.1**	**380.2**
(d) Other liabilities	23	**4,202.3**	**2,730.6**
Total current liabilities		**50,274.3**	**43,125.3**
Total liabilities		**53,859.3**	**48,928.0**
Total equity and liabilities		**89,897.7**	**84,410.6**
See accompanying notes forming part of the financial statements	1 to 54		

In terms of our report attached
For S.R.Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

Praveen Jain
Company Secretary
M No. 3524

Ken Trolle
Chief financial Officer

Per Sanjay Vij
Partner
Membership no.: 095169

For and on behalf of the Board of Directors

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Jan Gurander
Director
DIN: 08599678

Siddhartha Lal
Chairman
DIN: 00037645

Place : Gurugram
Date : May 10, 2022

VE COMMERCIAL VEHICLES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Rs. in million

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	27	**127,127.4**	**86,526.6**
Other income	28	**561.1**	**456.0**
Total Income		**127,688.5**	**86,982.6**
Expenses			
Cost of raw materials and components consumed	29	**86,754.5**	**55,309.7**
Purchases of traded goods	30	**13,823.0**	**12,242.5**
Change in inventories of finished goods, work-in-progress and stock-in-trade	31	**(814.7)**	**(2,769.0)**
Employee benefits expenses	32	**9,166.5**	**7,748.4**
Depreciation and amortisation expenses	33	**5,611.4**	**5,099.9**
Finance costs	34	**359.8**	**381.5**
Other expenses	35	**11,074.7**	**8,137.8**
Total expenses		**125,975.2**	**86,150.8**
Profit before tax		**1,713.3**	**831.8**
Tax expense			
Current tax	36	**291.2**	**-**
Tax adjustment relating to earlier years		**28.1**	**12.1**
Deferred tax charge	36	**321.8**	**274.6**
Total tax expense		**641.1**	**286.7**
Profit for the year		**1,072.2**	**545.1**
Other comprehensive income			
Items that will not be reclassified to profit or loss:-			
Re-measurement losses on defined benefit plans		**(25.2)**	**94.2**
Income tax benefit	36	**8.8**	**(32.9)**
Net other comprehensive income not to be reclassified to profit or loss		**(16.4)**	**61.3**
Total Comprehensive income for the year, net of tax		**1,055.8**	**606.4**
Earnings per share (of Rs.10 each) in Rs.			
Basic/ diluted		**107.22**	**54.51**
See accompanying notes forming part of the financial statements	1 to 54		

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Place : Gurugram
Date : May 10, 2022

VE COMMERCIAL VEHICLES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**1,713.3**	**831.8**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	**5,611.4**	**5,099.9**
Loss on discard of property, plant and equipment and intangible assets	**7.7**	**13.0**
Loss on sale of property, plant and equipment (net)	**0.8**	**5.9**
Re-measurement losses on defined benefit plans	**(25.2)**	**94.2**
Interest income	**(497.7)**	**(439.2)**
Impairment on doubtful debts	**71.2**	**83.0**
Finance costs	**359.8**	**381.5**
Operating profit before changes in working capital	**7,241.3**	**6,070.1**
Working capital adjustments:		
Adjustments for (increase) / decrease assets:		
Non-current		
Loans	**(6.5)**	**(3.5)**
Other financial assets	**(634.0)**	**(1,261.7)**
Other assets	**(14.3)**	**(7.5)**
Current		
Inventories	**(789.5)**	**(4,138.6)**
Trade receivables	**(5,162.3)**	**(7,118.0)**
Loans	**(3.9)**	**(10.3)**
Other financial assets	**(399.9)**	**(772.7)**
Other assets	**(346.5)**	**564.5**
Adjustments for increase / (decrease) in liabilities:		
Non-current		
Other financial liabilities	**(2.3)**	**12.2**
Provisions	**271.4**	**(79.2)**
Other liabilities	**5.0**	**10.8**
Current		
Trade payables	**6,527.1**	**9,577.4**
Provisions	**(24.0)**	**417.2**
Other financial liabilities	**(422.2)**	**710.7**
Other liabilities	**1,471.7**	**242.5**
Cash generated from operating activities	**7,711.1**	**4,213.9**
Income taxes paid	**(313.3)**	**(154.8)**
Net cash flows from operating activities (A)	**7,397.8**	**4,059.1**
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital advances)	**(4,974.6)**	**(5,311.8)**
Proceeds from sale of property, plant and equipment	**81.0**	**130.6**
Investment/(Redemption) in fixed deposits	**1,375.5**	**(1,333.9)**
Interest received (finance income)	**475.2**	**407.1**
Net cash flow used in investing activities (B)	**(3,042.9)**	**(6,108.0)**
C.CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Long term borrowings	**-**	**5,500.0**
Repayment of Long term borrowings	**(2,798.1)**	**(1,576.9)**
Interest paid	**(291.9)**	**(310.1)**
Payment of finance lease liabilities	**(269.9)**	**(312.1)**
Dividends paid to equity holders	**(450.0)**	**-**
Tax on dividend	**(50.0)**	**-**
Net cash flow (used)/generated in financing activities (C)	**(3,859.9)**	**3,300.9**
Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)	**495.0**	**1,252.0**
Cash and cash equivalents at the beginning of the year	**3,663.9**	**2,411.9**
Cash and cash equivalents at the end of the year	**4,158.9**	**3,663.9**

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Components of cash and cash equivalents		
Cash on hand	**4.0**	**3.3**
Cheques/ drafts on hand	**27.5**	**67.9**
Balances with banks:		
In current accounts	**1,079.9**	**598.5**
In deposit accounts	**3,047.5**	**2,994.2**
Total cash and cash equivalents (refer note no. 15)	**4,158.9**	**3,663.9**

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

In terms of our report attached
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For and on behalf of Board of Directors

Vinod Aggarwal
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Chief Executive Officer
DIN: 00038906

Jan Gurander
Director
DIN: 08599678

Siddhartha Lal
Chairman
DIN: 00037645

Place : Gurugram
Date : May 10, 2022

VE COMMERCIAL VEHICLES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity share capital

Rs. in million

	Number of Shares	Amount
Balance as at March 31, 2020	**10,000,000**	**100.0**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	**10,000,000**	**100.0**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	**10,000,000**	**100.0**

Financial year 2021-22

Rs. in million

Particulars	Reserves and surplus			Total
	Share premium	General reserve	Retained earnings	
Balance as at March 31, 2021	**10,786.6**	**2,598.5**	**21,997.5**	**35,382.6**
Profit for the year	-	-	1,072.2	1,072.2
Other comprehensive income	-	-	(16.4)	(16.4)
Dividends paid	-	-	(450.0)	(450.0)
Tax on dividend	-	-	(50.0)	(50.0)
Balance as at March 31, 2022	**10,786.6**	**2,598.5**	**22,553.3**	**35,938.4**

Financial year 2020-21

Rs. in million

Particulars	Reserves and surplus			Total
	Share premium	General reserve	Retained earnings	
Balance as at March 31, 2020	**10,786.6**	**2,598.5**	**21,391.1**	**34,776.2**
Profit for the year	-	-	545.1	545.1
Other comprehensive income	-	-	61.3	61.3
Balance as at March 31, 2021	**10,786.6**	**2,598.5**	**21,997.5**	**35,382.6**

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

In terms of our report attached
For S.R.Batliboi & Co. LLP
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For and on behalf of the Board of Directors

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Chief Executive Officer
DIN: 00038906

Jan Gurander
Director
DIN: 08599678

Siddhartha Lal
Chairman
DIN: 00037645

Place : Gurugram
Date : May 10, 2022

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 is a leading commercial vehicles manufacturer and has a dominant presence in the domestic market.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorize for issue on May 10, 2022.

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, as amended.

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 from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The Company has adopted Ind AS 115 using the modified retrospective approach. Under the modified retrospective approach, there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements.

In respect of Service contracts, revenue is recognised over a period of time when service would be rendered subject to the period till which such option is available with the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers on behalf of the government.

Interest income

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 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 3.10 Impairment of tangible and intangible assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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.

Where grant is related to an asset, it is recognised in the balance sheet by deduction from the carrying amount of the assets.

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

Tax expense represents the sum of current tax and deferred tax.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years. Subject to exceptions below, deferred tax is provided, using the balance sheet method, on all deductible temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, on carry forward of unused tax credits and unused tax loss; deferred income tax is not recognised on the initial recognition (including MAT) of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or equity).

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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 fixed assets 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 6-10 years depending upon the estimated minimum useful life of the related products. Cost of software is amortised over a period of 5 years or less depending upon the estimated useful life of asset.

The amortisation period for intangible assets with finite useful lives are reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

3.10 Impairment of tangible 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) before extraordinary items and 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.

4.0 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.

4.1 Recoverability of intangible assets and intangible assets under development

During the year, the Company assessed the recoverability of the intangible assets and intangible assets under development.

Capitalisation of cost in intangible assets and intangible assets under development is based on management's process of identifying and capitalizing the development expenditure and impairment testing with specific focus on the accounting principles of capitalization of expenditure on internally generated intangible assets as per INDAS 38 such as technical feasibility of the project, intention and ability to complete the intangible asset, ability to use or sell the assets, generation of future economic benefits and ability to measure the cost reliably. This situation is closely monitored, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

4.2 Recoverability of deferred tax assets including Minimum Alternate Tax (MAT) Credit

The Company has accumulated MAT Credit deferred tax asset 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 management of the Company has done the analysis of future profit projections and is confident that the future taxable income will be sufficient to utilise the MAT Credit recognised in these financial statements.

4.3 Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.4 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.

4.5 Useful lives of tangible and intangible assets

Management reviews the useful lives of its tangible and intangible assets at each reporting. As at March 31, 2022 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 and Fixtures	Office equipment	Vehicles	Total
Cost							
At March 31, 2020	**345.5**	**5,782.3**	**27,487.9**	**1,146.9**	**1,477.7**	**1,304.0**	**37,544.3**
Additions	187.4	1,377.6	3,205.0	74.1	128.7	194.3	**5,167.1**
Disposals		4.0	60.4	31.4	52.0	270.5	**418.3**
At March 31, 2021	**532.9**	**7,155.9**	**30,632.5**	**1,189.6**	**1,554.4**	**1,227.8**	**42,293.1**
Additions	0.4	248.5	1,913.4	73.2	149.4	245.3	**2,630.2**
Disposals		2.9	85.8	24.8	7.8	185.2	**306.5**
At March 31, 2022	**533.3**	**7,401.5**	**32,460.1**	**1,238.0**	**1,696.0**	**1,287.9**	**44,616.8**
Accumulated depreciation							
At March 31, 2020	**-**	**1,229.7**	**13,543.4**	**445.9**	**1,217.0**	**641.3**	**17,077.3**
Charge for the year		235.7	2,481.4	79.4	136.3	173.5	**3,106.3**
Less: Adjustments		2.6	44.9	23.6	51.7	146.1	**268.9**
At March 31, 2021	**-**	**1,462.8**	**15,979.9**	**501.7**	**1,301.6**	**668.7**	**19,914.7**
Charge for the year		279.8	2,878.3	83.8	128.0	200.2	**3,570.1**
Less: Adjustments		0.5	74.3	17.2	7.2	117.8	**217.0**
At March 31, 2022	**-**	**1,742.1**	**18,783.9**	**568.3**	**1,422.4**	**751.1**	**23,267.8**
Carrying amount							
At March 31, 2021	**532.9**	**5,693.1**	**14,652.6**	**687.9**	**252.8**	**559.1**	**22,378.4**
At March 31, 2022	**533.3**	**5,659.4**	**13,676.2**	**669.7**	**273.6**	**536.8**	**21,349.0**

* Title deeds for lands and other properties at Ahmedabad and Bhiwandi are pending for registration/mutation in favor of the Company having carrying value of Rs 61.7 million (Rs 61.7 million in March 2021). The title deeds for Ahmedabad are held in the name of Eicher Motors Limited since August 22, 2008 and for Bhiwandi is held in the name Volvo Group India Private Limited since February 02, 2009. The Company is in the process of getting these properties registered in its name.

6. Capital work-in-progress

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	**1,156.3**	**908.7**
	1,156.3	**908.7**

including other direct expenditure amounting to Rs. 3.5 million (March 31, 2021 Rs. 36.9 million) (refer below)

Other direct expenditure

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Payments to and provisions for employees		
Salaries, wages, bonus etc.	-	35.1
Contribution to provident and other funds	-	1.7
Depreciation/amortisation	-	-
Repair and maintenance : Plant and equipment	-	0.7
Legal and professional charges	-	1.6
Rent expenses	-	-
Development expenses	-	1.9
	-	**41.0**
Add: Balance brought forward from previous year	**36.9**	**137.7**
	36.9	**178.7**
Less: Capitalised during the year	33.4	141.8
	3.5	**36.9**

Capital work-in progress ageing schedule

As at March 31, 2022

Rs. in million

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
Projects in progress	1,068.6	33.8	44.4	9.5	1,156.3
Projects temporarily suspended	-	-	-	-	-
Total	**1,068.6**	**33.8**	**44.4**	**9.5**	**1,156.3**

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022

As at March 31, 2021

Rs. in million

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
Projects in progress	679.3	203.9	15.4	10.1	**908.7**
Projects temporarily suspended	-	-	-	-	-
Total	**679.3**	**203.9**	**15.4**	**10.1**	**908.7**

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2021

7. Intangible assets

Rs. in million

	Product design, prototype etc.	Software	Total
Cost			
At March 31, 2020	**12,266.9**	**1,618.3**	**13,885.2**
Additions	716.3	179.7	**896.0**
Disposals	-	31.8	**31.8**
At March 31, 2021	**12,983.2**	**1,766.2**	**14,749.4**
Additions	519.1	90.6	**609.7**
Disposals	-	5.4	**5.4**
At March 31, 2022	**13,502.3**	**1,851.4**	**15,353.7**
Accumulated amortisation			
At March 31, 2020	**3,759.0**	**1,164.4**	**4,923.4**
Charge for the year	1,570.8	160.8	**1,731.6**
Less: Adjustments	-	31.7	**31.7**
At March 31, 2021	**5,329.8**	**1,293.5**	**6,623.3**
Charge for the year	1,640.2	177.1	**1,817.3**
Less: Adjustments	-	5.4	**5.4**
At March 31, 2022	**6,970.0**	**1,465.2**	**8,435.2**
Carrying amount			
At March 31, 2021	**7,653.4**	**472.7**	**8,126.1**
At March 31, 2022	**6,532.3**	**386.2**	**6,918.5**

7A Right-of-use-asset

Rs. in million

	Land	Building	Total
Cost			
At March 31, 2020	**1,549.8**	**843.5**	**2,393.3**
Additions	12.8	69.2	**82.0**
Disposals	-	131.9	**131.9**
At March 31, 2021	**1,562.6**	**780.8**	**2,343.4**
Additions	13.2	368.2	**381.4**
Disposals	-	115.9	**115.9**
At March 31, 2022	**1,575.8**	**1,033.1**	**2,608.9**
Accumulated depreciation			
At March 31, 2020	**143.7**	**208.8**	**352.5**
Charge for the year	21.2	240.6	**261.8**
Less: Adjustments	-	60.7	**60.7**
At March 31, 2021	**164.9**	**388.7**	**553.6**
Charge for the year	18.0	206.3	**224.3**
Less: Adjustments	-	30.8	**30.8**
At March 31, 2022	**182.9**	**564.2**	**747.1**
Carrying amount			
At March 31, 2021	**1,397.7**	**392.1**	**1,789.8**
At March 31, 2022	**1,392.9**	**468.9**	**1,861.8**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Opening lease liability as at March 31, 2021	**698.6**	**941.2**
Lease liability on additions	**371.2**	**69.2**
Less : Derecognised leases	**93.9**	**71.0**
Add : Accretion of interest	**67.9**	**71.4**
Less : Payments	**269.9**	**312.2**
Lease liability as at March 31, 2022	773.9	698.6
Current lease liability **(note no.19)**	**185.6**	**123.6**
Non-current lease liability **(note no.19)**	**588.3**	**575.0**

The maturity analysis of lease liabilities are disclosed in Note 49
The effective interest rate for lease liabilities is 8%, with maturity between 2022-2026

The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	**224.3**	**261.8**
Interest expense on lease liabilities	**67.9**	**71.4**
Expense relating to short-term leases/low-value assets (included in other expenses)	**188.7**	**106.2**
Total amount recognised in profit or loss	**480.9**	**439.4**

8. Intangible assets under development

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Intangible assets under development	**1,693.4**	**984.5**
	1,693.4	**984.5**

Intangible assets under development ageing schedule
As at March 31, 2022

Rs. in million

Particulars	Amount in Intangible assets under developement for a period of				
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
Projects in progress	1,083.5	363.9	79.3	166.6	1,693.4
Projects temporarily suspended	-	-	-	-	-
Total	**1,083.5**	**363.9**	**79.3**	**166.6**	**1,693.4**

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022

As at March 31, 2021

Rs. in million

Particulars	Amount in Intangible assets under developement for a period of				
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
Projects in progress	627.9	133.2	111.3	112.1	984.5
Projects temporarily suspended	-	-	-	-	-
Total	**627.9**	**133.2**	**111.3**	**112.1**	**984.5**

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2021

9. Investments

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in equity instruments	170.7	170.7
	170.7	170.7
Non-current		
Unquoted investment (at cost) in equity shares of:		
Subsidiary companies		
1,26,81,697 (previous year 1,26,81,697) equity shares of 10 LKR each of VECV Lanka (Private) Limited, Sri Lanka	54.3	54.3
310 (previous year 310) equity shares of VECV South Africa (Pty) Limited (no face value)	115.0	115.0
	169.3	169.3
Joint venture company*		
25,000 (previous year 25,000) equity shares of Rs. 10 each fully paid up of Eicher Group Foundation (Licence under Section 8(1) of the Companies Act, 2013)	-	-
Unquoted investment (at FVTPL) in :		
Others		
145,000 (previous year 145,000) equity shares of Rs. 10 each fully paid up of Pithampur Auto Cluster Ltd.	1.4	1.4
	170.7	170.7

*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 earlier year.

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Aggregate book value of quoted investments	-	-
Aggregate carrying value of unquoted investments	170.7	170.7

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

	As at March 31, 2022	As at March 31, 2021
Financial assets carried at fair value through profit or loss (FVTPL)		
Investment in Pithampur Auto Cluster Ltd.	1.4	1.4

These investments excludes investment in subsidiaries and joint ventures carried at cost amounting to Rs. 169.3 million (March 31, 2021 Rs. 169.3 million)

10. Trade receivables

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	20,486.1	15,323.8
Total	20,486.1	15,323.8
Trade receivables		
Secured, considered good	241.3	326.0
Unsecured, considered good	20,244.8	14,997.8
Trade Receivables - credit impaired	310.5	322.8
	20,796.6	15,646.6
Impairment Allowance (allowance for bad and doubtful debts)		
Trade Receivables - credit impaired	(310.5)	(322.8)
Total Trade receivables	20,486.1	15,323.8

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

Trade receivables ageing schedule
As at March 31, 2022

Particulars	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - considered good	16,166.8	3,974.1	203.3	44.5	53.2	44.3	20,486.1
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed - credit impaired	-	31.0	1.8	7.9	107.6	102.6	250.8
Disputed - considered good	-	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	30.0	-	29.6	59.6
Total	16,166.8	4,005.1	205.0	82.4	160.8	176.5	20,796.6

As at March 31, 2021

Particulars	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - considered good	11,814.0	3,158.5	115.2	165.3	59.0	11.9	15,323.8
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed - credit impaired	-	-	3.8	35.8	32.1	66.5	138.2
Disputed - considered good	-	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	57.7	1.5	6.9	118.4	184.6
Total	11,814.0	3,158.5	176.7	202.6	98.0	196.8	15,646.6

11. Loans

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Non - current		
Unsecured, considered good		
Loans to employees	26.4	19.9
Total	26.4	19.9
Current		
Unsecured, considered good		
Loans to employees	39.5	35.6
Total	39.5	35.6

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

12. Other financial assets

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Non - current		
Unsecured, considered good		
Fixed deposits*	2,439.3	1,896.2
Security deposit	134.8	115.1
Total	2,574.1	2,011.3

*Includes fixed deposits of Rs.1,500 million pledged with banks against term loans, 268.4 MINR pledged against bank overdraft limits and 38 MINR pledged against bank guarantees.

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Unsecured, considered good unless otherwise stated		
Security deposit		
Considered good	105.4	103.5
Considered doubtful	5.0	7.5
	110.4	111.0
Less: impairment for doubtful security deposits	5.0	7.5
	105.4	103.5
Interest accrued on deposits	248.8	226.3
Industrial promotion subsidy receivable	2,288.8	1,883.4
Other receivables		
Considered good	158.5	165.9
Considered doubtful	1.1	3.9
	159.6	169.8
Less: impairment for doubtful other receivables	1.1	3.9
	158.5	165.9
Total	2801.5	2,379.1

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

13 Other assets

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Non - current		
Unsecured, considered good unless otherwise stated		
Capital advances	462.5	194.6
Balance with government authorities		
Considered good	282.3	274.8
Considered doubtful	5.1	5.1
	287.4	279.9
Less: impairment for doubtful advances	5.1	5.1
	282.3	274.8
Prepayment security deposits and other loans	28.8	22.0
Total	773.6	491.4
Current		
Unsecured, considered good unless otherwise stated		
Advance to supplier	900.8	802.4
Prepaid expense	103.1	91.7
Balance with government authorities		
Considered good	862.2	628.9
Considered doubtful	2.0	2.0
	864.2	630.9
Less: impairment for doubtful advances	2.0	2.0
	862.2	628.9
Advances to employees	2.9	-
Prepayment security deposits and other loans	8.4	7.9
Total	1,877.4	1,530.9

14 Inventory

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials and components (includes goods in transit of Rs. 352.3 millions (March 31, 2021 Rs 372.6 million)	**4,408.1**	**4,536.2**
Work in progress	**829.2**	**764.4**
Finished goods (includes goods in transit of Rs. 322.4 millions (March 31, 2021 Rs 465.3 million)	**6,762.6**	**5,822.0**
Stock in trade (includes goods in transit of Rs. 49.1 millions (March 31, 2021 Rs 57.7 million)	**1,793.6**	**1,984.3**
Stores and spares	**355.9**	**299.9**
Loose tools	**230.7**	**183.8**
Total	**14,380.1**	**13,590.6**

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

15 Cash and cash equivalents

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	**4.0**	**3.3**
Cheques, drafts on hand	**27.5**	**67.9**
Balances with banks		
On current accounts	**1,079.9**	**598.5**
On deposit accounts (with original maturity less than 3 months)	**3,047.5**	**2,994.2**
Total	**4,158.9**	**3,663.9**

16 Other bank balance

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
On deposit accounts (with original maturity more than 3 months but less than 12 months)	**9,630.4**	**11,005.9**
Total	**9,630.4**	**11,005.9**

17 Equity share capital

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
10,000,000 (previous year 10,000,000) equity shares of Rs. 10 each	**100.0**	100.0
Total	**100.0**	100.0
Issued, subscribed and paid up		
10,000,000 (previous year 10,000,000) equity shares of Rs. 10 each	**100.0**	100.0
Total	**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 March 31, 2020	**10,000,000**	**100.0**
Movement during the year	-	-
Balance at March 31, 2021	**10,000,000**	**100.0**
Movement during the year	-	-
Balance at March 31, 2022	**10,000,000**	**100.0**

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

Particulars	As at March 31, 2022		As at March 31, 2021		% change during the year
	Nos.	% holding in the class	Nos.	% holding in the class	
Eicher Motors Limited (including its nominees)	**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%**	-

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

(iii) Details of shares held by promoters

As at March 31, 2022

Particulars	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Eicher Motors Limited (including its nominees)	**5,440,000**	-	**5,440,000**	**54.40%**	-
Aktiebolaget Volvo (PUBL), Volvo, Sweden	**3,469,700**	-	**3,469,700**	**34.70%**	-
Volvo Truck Corporation, Sweden (100% subsidiary of Aktiebolaget Volvo (PUBL), Volvo, Sweden)	**1,090,300**	-	**1,090,300**	**10.90%**	-

As at March 31, 2021

Particulars	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Eicher Motors Limited (including its nominees)	**5,440,000**	-	**5,440,000**	**54.40%**	-
Aktiebolaget Volvo (PUBL), Volvo, Sweden	**3,469,700**	-	**3,469,700**	**34.70%**	-
Volvo Truck Corporation, Sweden (100% subsidiary of Aktiebolaget Volvo (PUBL), Volvo, Sweden)	**1,090,300**	-	**1,090,300**	**10.90%**	-

19 Lease Liabilities

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current	**588.3**	**575.0**
Current	**185.6**	**123.6**
Total	**773.9**	**698.6**

20 Other financial liabilities

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current		
Capital creditors	**-**	**10.4**
Security deposits	**80.4**	**72.3**
Total	**80.4**	**82.7**
Current		
Capital creditors	**494.4**	**986.0**
Book overdraft	**556.1**	**1,068.3**
Interest accrued but not due	**5.1**	**22.0**
Employees dues	**913.2**	**806.3**
Total	**1,968.8**	**2,882.6**

21 Provisions

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Employees benefits (i)		
Compensated absences	616.7	613.5
Other employee benefits	287.4	260.7
Other provisions : Warranties (ii)	369.1	127.6
Total	1,273.2	1,001.8
Current		
Employees benefits (i)		
Compensated absences	28.1	29.7
Other employee benefits	60.5	71.1
Other provisions : Warranties (ii)	914.3	926.1
Total	1,002.9	1,026.9

(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, 2022	For the year ended March 31, 2021
Opening balance	1,053.7	893.2
Additional provisions recognised	1,768.8	1,305.8
Amount utilised during the year	(1,576.4)	(1,166.1)
Unwinding of discount	37.3	20.8
Closing balance	1,283.4	1,053.7

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 estimate 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.

22 Deferred tax liabilities (net)

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	4,311.8	4,876.0
Others	51.4	40.5
	4,363.2	4,916.5
Less: Deferred tax assets on		
MAT credit entitlement	3,036.1	3,521.4
Accrued expenses deductible on payment	42.8	48.7
Provision for leave encashment/compensated absences	201.7	224.8
Impairment for doubtful debts and other receivables	111.4	117.5
Others	180.0	554.0
	3,572.0	4,466.4
Deferred tax liabilities (net)	791.2	450.1

Movement in Deferred tax liabilities

For the year ended March 31, 2022

Rs. in million

Particulars		Opening balance	Recognised in profit and loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities on					
Property, plant and equipment and intangible assets		4,876.0	(564.2)	-	4,311.8
Others		40.5	10.9	-	51.4
	(A)	4,916.5	(553.3)	-	4,363.2
Less: Deferred tax assets on					
MAT credit entitlement		3,521.4	(485.3)	-	3,036.1
Accrued expenses deductible on payment		48.7	(5.9)	-	42.8
Provision for leave encashment/compensated absences		224.8	(23.1)	-	201.7
Remeasurement of defined benefit obligation		-	(8.8)	8.8	-
Impairment for doubtful debts and advances		117.5	(6.1)	-	111.4
Others		554.0	(374.0)	-	180.0
	(B)	4,466.4	(903.2)	8.8	3,572.0
Deferred tax (assets)/ liabilities (net)	(A-B)	450.1	349.9	(8.8)	791.2

For the year ended March 31, 2021

Rs. in million

Particulars		Opening balance	Recognised in profit and loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities on					
Property, plant and equipment and intangible assets		4,916.0	(40.0)	-	4,876.0
Others		37.6	2.9	-	40.5
	(A)	4,953.6	(37.1)	-	4,916.5
Less: Deferred tax assets on					
MAT credit entitlement		3,536.8	(15.4)	-	3,521.4
Accrued expenses deductible on payment		41.3	7.4	-	48.7
Provision for leave encashment/compensated absences		189.1	35.7	-	224.8
Remeasurement of defined benefit obligation		-	32.9	(32.9)	-
Impairment for doubtful debts and advances		726.9	(609.4)	-	117.5
Others		329.0	225.0	-	554.0
	(B)	4,823.1	(323.8)	(32.9)	4,466.4
Deferred tax (assets)/ liabilities (net)	(A-B)	130.5	286.7	32.9	450.1

23 Other liabilities

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Advances from customers	73.1	68.1
Total	73.1	68.1
Current		
Advances from customers	2,612.9	2,263.2
Statutory dues	1552.7	467.4
Other Payable	36.7	-
Total	4202.3	2730.6

24 Borrowings

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Secured- at amortised cost		
Current maturities of long term borrowings (i)	346.2	298.1
	346.2	298.1
Non-Current		
Secured- at amortised cost		
Loan repayable on demand from banks		
Long term borrowings (i)	778.8	3,625.0
Total	778.8	3,625.0

(i) 1,125 MINR @ 5% p.a. is due for repayment from June, 2022 to June, 2025. The loan is secured by way of first charge on movable fixed assets, second charge on current asset and fixed deposits.

25 Trade payables

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Total outstanding dues of micro enterprises and small enterprises	1,317.4	1,219.8
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	12,167.1	9,339.0
Other trade payables	28,725.9	25,124.5
Total	42,210.4	35,683.3

Note:- Refer note 40 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006

Trade payables ageing
As on March 31, 2022

Particulars	Outstanding for following period from due date of payment					
	Not due*	Less than 1 yr.	1 -2 yrs.	2 -3 yrs.	More than 3 yrs.	Total
MSME**	1,305.7	11.2	0.2	0.4	-	**1,317.4**
Others*	40,617.6	206.7	46.7	18.1	3.8	**40,893.0**
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**41,923.3**	**217.9**	**46.9**	**18.5**	**3.8**	**42,210.4**

*Not due includes unbilled dues of Rs. 12,938.9 million
** Dues are primarily in relation to vendor's GST compliances.

As on March 31, 2021

Particulars	Outstanding for following period from due date of payment					
	Not due	Less than 1 yr.	1 -2 yrs.	2 -3 yrs.	More than 3 yrs.	Total
MSME	1,203.7	15.3	0.7	0.1	0.1	**1,219.8**
Others	33,778.4	627.6	42.7	8.6	6.2	**34,463.5**
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**34,982.1**	**643.0**	**43.3**	**8.7**	**6.2**	**35,683.3**

* Not due includes unbilled dues of Rs. 9,546.9 million

26 Liabilities for current tax (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for tax (net of advance tax)	358.1	380.2
Total	358.1	380.2

18 Other equity

Rs. in million

	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	Share premium account	**10,786.6**	**10,786.6**
(b)	General reserve	**2,598.5**	**2,598.5**
(c)	Retained earnings	**22,553.3**	**21,997.5**
	Total	**35,938.4**	**35,382.6**

Rs. in million

	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	**Share premium account**		
	Opening balance	**10,786.6**	**10,786.6**
	Add/ (less): movement during the year	**-**	**-**
	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.

(b)	**General reserve**		
	Opening balance	**2,598.5**	**2,598.5**
	Add: Transferred from statement of profit and loss	**-**	**-**
	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.

(c)	**Retained earnings**		
	Opening balance	**21,997.5**	**21,391.1**
	Add: Profit for the year	**1,072.2**	**545.1**
	Add: Other comprehensive income:		
	from remeasurement of defined benefit obligation net of income tax	**(16.4)**	**61.3**
	Less: Final dividend (amount per share Rs. 50 (previous year Rs. Nil))	**(450.0)**	**-**
	Less: Tax on dividend	**(50.0)**	**-**
	Closing balance	**22,553.3**	**21,997.5**

In respect of the year ended March 31, 2022, the directors proposed that a dividend of Rs 75 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 750 million.

27 Revenue from operations

Rs. in million

Particulars		For the year ended March 31, 2022	For the year ended March 31 2021
Revenue from operations			
Sale of products			
Manufactured goods		106,025.3	69,437.1
Stock-in-trade		16,898.5	13,787.0
Sale of services		492.7	372.6
	Sub-total (A)	123,416.5	83,596.7
Other operating revenue			
Export benefits		546.6	289.7
Scrap sales		506.1	278.1
Income from maintenance contracts		1,269.7	1,000.6
Impairment for doubtful debts written back		11.3	13.3
Industrial promotion subsidy		696.9	728.0
Income from other operating revenues		680.2	620.2
	Sub-total (B)	3,710.9	2,929.9
Revenue from operations (net)	Total (A+B)	127,127.4	86,526.6

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31 2021
Details of products sold		
Manufactured goods		
Commercial vehicles	80,885.6	52,492.2
Engines and related components	9,405.1	5,890.9
Spare parts and other components	15,734.6	11,054.0
Total	106,025.3	69,437.1
Stock-in-trade		
Commercial vehicles	11,244.6	8,903.7
Spare parts and other components	5,653.9	4,883.3
Total	16,898.5	13,787.0
Details of services rendered		
Engineering services	23.7	9.3
Other allied services	469.0	363.3
Total	492.7	372.6

28 Other income

Rs. in million

	Particulars		For the year ended March 31, 2022	For the year ended March 31 2021
a)	**Interest income on financial assets carried at amortised cost**			
	- Deposit with bank		458.1	412.6
	- Others		39.6	26.6
		(A)	497.7	439.2
b)	**Other non-operating income**			
	Service charges recovered		17.4	16.8
		(B)	17.4	16.8
c)	**Other gains and losses**			
	Exchange gain (net)		46.0	-
		(C)	46.0	-
		Total (A+B+C)	561.1	456.0

29 Cost of raw materials and components consumed

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31 2021
Inventory at the beginning of the year	4,536.2	3,165.4
Add: purchases of inventory during the year	91,032.6	58,422.3
	95,568.8	61,587.7
Less: inventory at the end of the year	4,408.1	4,536.2
Less: material cost of vehicles capitalised	89.2	106.3
	91,071.5	56,945.2
Less: sale of raw materials and components to suppliers on cost to cost basis	4,317.0	1,635.5
Net consumption	86,754.5	55,309.7

30 Details of purchase of stock-in-trade

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31 2021
Commercial vehicles	9,970.0	8,615.7
Spare parts and other components	3,853.0	3,626.8
Total	13,823.0	12,242.5

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

Rs. in million

Particulars		For the year ended March 31, 2022	For the year ended March 31 2021
Inventories at the end of the year			
Finished goods		6,762.6	5,822.0
Work-in-progress		829.2	764.4
Stock-in-trade		1,793.6	1,984.3
	(A)	9,385.4	8,570.7
Inventories at the beginning of the year			
Finished goods		5,822.0	3,721.5
Work-in-progress		764.4	637.9
Stock-in-trade		1,984.3	1,442.1
	(B)	8,570.7	5,801.5
	Net change (B-A)	(814.7)	(2,769.2)

32 Employee benefits expenses

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31 2021
Salaries, wages, bonus etc.	8,135.8	6,917.0
Contribution to provident and other funds	301.7	273.0
Gratuity expenses	102.3	99.3
Staff welfare expenses	626.7	459.1
Total	9,166.5	7,748.4

33 Depreciation and amortisation expenses

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31 2021
Depreciation of tangible assets	3,569.8	3,106.5
Amortisation of intangible assets	1,817.3	1,731.6
Depreciation of Right-of-use assets	224.3	261.8
Total	5,611.4	5,099.9

34 Finance costs

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31 2021
Interest expense		
on borrowings	254.6	284.0
on income tax	-	5.3
Interest on lease liabilities	67.9	71.4
Unwinding of discount on provisions	37.3	20.8
Total	359.8	381.5

35 Other expenses

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31 2021
Stores and machinery spares consumed (including loose tools)	**431.1**	**313.2**
Loss on sale of property, plant and equipment	**0.8**	**5.9**
Property, plant and equipment and intangible assets discarded	**7.7**	**13.0**
Power and fuel	**860.6**	**713.3**
Insurance	**213.1**	**169.3**
Repairs and maintenance		
Buildings	**198.8**	**152.4**
Plant and equipment	**406.0**	**296.1**
Others	**342.8**	**278.6**
Rates and taxes	**114.5**	**69.7**
Advertisement	**40.9**	**52.9**
Freight and handling charges	**2,750.9**	**1,810.4**
Incentives	**43.9**	**74.4**
Warranty	**1,768.8**	**1,305.8**
Other selling and distribution expenses	**1,257.5**	**778.7**
Rent	**188.7**	**106.2**
Legal and professional charges #	**138.3**	**136.0**
Travelling and conveyance expenses	**241.7**	**109.2**
Development and testing expenses	**355.7**	**367.3**
Exchange loss (net)	**-**	**59.1**
Corporate social responsibility expenditure ##	**54.9**	**91.8**
Brand fees	**137.3**	**108.8**
Impairment for doubtful debts and advances	**71.2**	**83.0**
Miscellaneous expenses	**1,449.5**	**1,042.7**
Total	**11,074.7**	**8,137.8**

 # Including payment to auditors as below:-

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31 2021
a) As Statutory Audit		
-Audit fee	**5.7**	**5.7**
-Audit fees for foreign reporting	**1.5**	**1.5**
-Limited Review of unaudited financial results	**1.9**	**1.9**
b) In other capacity:		
- other certification	**0.9**	**0.4**
c) Out of pocket expenses	**0.0**	**0.1**

Details of CSR expenditure:

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31 2021
a) Gross amount required to be spent by the Group during the year	54.9	91.8
b) Amount approved by the Board to be spent during the year	54.9	91.8

c) Amount spent during the year ending on March 31, 2022:	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	40.8	-	40.8

d) Amount spent during the year ending on March 31, 2021:	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	53.7	-	53.7

e) Details related to spent / unspent obligations:

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31 2021
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust*	29.1	39.0
iii) Unspent amount in relation to:		
- Ongoing project**	16.2	39.1
- Other than ongoing project	-	-
iv) Contribution to Others	11.7	14.8
	57.0	**92.8**

* represents contribution to Eicher Group foundation (Licence under Section 8(1) of the Companies Act, 2013) which is joint venture Company

**includes interest earned of Rs. 2.1 million in FY 21-22 (previous year Rs. 1 million)

Details of ongoing project and other than ongoing project for FY 21-22

In case of S. 135(6) (Ongoing Project)						
Opening Balance		**Amount required to be spent during the year**	**Amount spent during the year**		**Closing balance**	
With company	**In Separate CSR Unspent A/c***		**From Company's bank a/c**	**From Separate CSR**	**With company**	**In Separate CSR**
-	39.1	57.0	40.8	22.4	16.2	16.7

* The amount was transferred to unspent account in September 2021 post clarification by MCA vide circular no.14/2021 dated 25th August 2021.

In case of S. 135(5) (Other than ongoing project)						
Opening balance	**Amount deposited in Specified Fund of Sch. VII within 6 months**		**Amount required to be spent during the year**		**Amount spent during the year**	**Closing balance**
-	-	-	-	-	-	-

Details of ongoing project and other than ongoing project for FY 20-21

In case of S. 135(6) (Ongoing Project)						
Opening Balance		**Amount required to be spent during the year**	**Amount spent during the year**		**Closing balance**	
With company	**In Separate CSR Unspent A/c**		**From Company's bank**	**From Separate CSR**	**With company**	**In Separate CSR**
-	-	92.8	53.7	-	39.1	-

In case of S. 135(5) (Other than ongoing project)						
Opening balance	**Amount deposited in Specified Fund of Sch. VII within 6 months**		**Amount required to be spent during the year**		**Amount spent during the year**	**Closing balance**
-	-	-	-	-	-	-

CSR activities undertaken directly or through EGF majorly includes sustainable initiative for transforming rural communities, driver care program, road safety education, driver and mechanic Training, school supports, support under Covid-19,etc.

Company's projects are long term and money is spent depending upon the requirement of the projects. During the financial year 2021-22, Rs. 40.8 million was spent as per the requirements of CSR projects and the unspent amount of Rs. 16.2 million is transferred to unspent CSR account pursuant to the CSR Rules.

36 Income tax expense

Rs. in million

Particulars		**For the year ended March 31, 2022**	**For the year ended March 31 2021**
Current tax		291.2	-
Tax adjustment related to previous year		28.1	12.1
Deferred tax charge		321.8	274.6
Total Income tax recognised in the current year	Total	641.1	286.7

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

Rs. in million

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31 2021**
Profit before tax	**1,713.3**	**831.8**
Income Tax expenses calculated at 34.944%	**598.7**	**290.7**
Effect of expenses that are not deductible in determining taxable profit	**5.0**	**16.0**
Others	**37.4**	**(20.0)**
Income tax expense recognised in statement of profit and loss	**641.1**	**286.7**

Income tax expense recognised in other comprehensive income

Rs. in million

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31 2021**
Deferred tax charge		
Arising on income and expenses recognised in other comprehensive income:		
- Remeasurement of defined benefit obligation	**(8.8)**	**(18.8)**
Total Income tax expense recognised in other comprehensive income	**(8.8)**	**(18.8)**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	**(8.8)**	**(18.8)**
	(8.8)	**(18.8)**

37 Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1,962 million (As at March 31, 2021 Rs. 1,284.3 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.

38. Research and development expenses:
Capital expenditure incurred during the year for research and development purposes aggregate Rs. 1,387 million (previous year Rs. 1,131.9 million).

Rs. in million

Capital expenditure	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Building - factory	**-**	**0.9**
Plant and office equipment	**35.6**	**21.4**
Furniture and fittings	**6.8**	**8.4**
Vehicles	**26.3**	**8.9**
Intangible assets	**524.6**	**785.3**
Capital work in progress including intangible assets under development and capital advances	**793.7**	**307.0**
Total	**1,387.0**	**1,131.9**

39. Contingent liabilities not provided for:

Rs. in million

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
a) In respect of following:		
- Sales tax matters	**1,769.1**	**1,751.8**
- Excise duty matters	**62.8**	**62.8**
- Service tax matters	**15.2**	**15.2**
- Income tax matters	**179.5**	**54.3**
b) Claims against the Company not acknowledged as debts	**39.0**	**37.2**
c) Guarantees given		
to a bank credit facility granted to 100% subsidiary companies	**213.8**	**349.8**
- Dues outstanding (net off provision made by the Company)	**1.0**	**3.4**

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.

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

Rs. in million

	Particulars	**As at March 31, 2022**	**As at March 31, 2021**
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year.	**1,377.6**	**1,301.8**
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(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.	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(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.	-	-

41. 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, 2022	For the year ended March 31, 2021
a)	Provident fund *	279.6	251.8
b)	Superannuation fund	19.4	18.4
c)	Employee State Insurance Corporation	11.1	10.4

*Includes Rs. 9.1 million (previous year Rs. 7.6 million) capitalised during the year in intangible assets under development and includes Rs Nil (previous year Rs. 1.7 million) capitalised during the year under pre-operative expenditure pending allocation.

Out of the total contribution made for employees' provident fund, Rs. 93.5 million (previous year Rs. 84.3 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, 2022 is Rs 4,084.8 million as against the total plan assets of Rs. 4,097.2 million. The funds of the trust have been invested under various securities as prescribed under the rules of the trust. Total plan liabilities are still not final as government notification on rate of interest has still not been released.

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 lump sum 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 Insurance companies 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, taken 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, 2022 by Mr.Charan Gupta, 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.

Rs. in million

Principal assumptions:	Gratuity	
	As at March 31, 2022	As at March 31, 2021
Discount rate	7.25%	6.85%
Future salary increase	7.00%	6.50%
Retirement age	58/60 years	58/60/62 years
Withdrawal rate	1-3%	1-3%
In service mortality	IALM (2012-14)	IALM (2012-14)

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, 2022	For the year ended March 31, 2021
Service cost		
Current service cost	92.4	89.8
Net interest expense	10.4	9.7
Component of defined benefit cost recognised in profit or loss	102.8	99.5
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses arising from changes in financial assumptions	11.8	-
Actuarial (gains)/ losses arising from experience adjustments	13.4	(94.3)
Component of defined benefit cost recognised in Other comprehensive Income	25.2	(94.3)

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

	Gratuity	
	As at March 31, 2022	**As at March 31, 2021**
Present Value of funded defined benefit obligation	**1,200.9**	**1,089.5**
Fair value of plan assets	**1,200.9**	**1,089.5**
Net liability arising from defined benefit obligation	-	-

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

Rs. in million

Particulars	Gratuity	
	For the year ended March 31, 2022	**For the year ended March 31, 2021**
Present value of obligation as at the beginning	**1,089.5**	**932.1**
Volvo Bus India acquisition adjustment	**-**	**146.5**
Current service cost	**92.4**	**89.8**
Interest cost	**74.6**	**63.9**
Benefits paid	**(84.4)**	**(60.1)**
Net actuarial (gain) / loss recognised	**28.8**	**(82.64)**
Present value of obligation as at the end	**1,200.9**	**1,089.5**

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

Rs. in million

Particulars	Gratuity	
	For the year ended March 31, 2022	**For the year ended March 31, 2021**
Present Value of fund as at the beginning	**1,089.5**	**932.1**
Interest income	**64.2**	**54.2**
Contribution	**127.9**	**151.7**
Net actuarial (gain) / loss recognised	**(3.6)**	**(11.7)**
Benefits paid	**(84.4)**	**(60.1)**
Present value of fund as at the end @	**1,200.9**	**1,089.5**

@ 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, 2022**	**As at March 31, 2021**
Corporate Bonds categorised by issuers' credit rating		
AAA	**64.9**	**56.7**
AA	**7.6**	**5.8**
A	**2.1**	**5.8**
Corporate debt bonds (traditional plan)	**488.3**	**528.3**
Government securities / Treasury Bills	**560.6**	**421.8**
Money Market	**36.3**	**43.5**
Others	**41.1**	**27.7**

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. 56.6 million (increase by Rs. 61.2 million) (as at March 31, 2021: Decrease by Rs 52.2 million (increase by Rs 56.7 million)).
- If the expected salary growth increases (decreases) by 0.5 basis points, the defined benefit obligation would increase by Rs. 61.1 million (decrease by Rs. 56.9 million) (as at March 31, 2021: increase by Rs 56.6 million (decrease by Rs 52.7 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, 2022	As at March 31, 2021
Average duration of the defined benefit obligation (in years)	**9.8 Years**	**9.0 Years**

The estimated contribution during next year is Rs. 111.5 million (previous year Rs. 109.6 million) to the defined benefit plan.

42. Earnings per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Profit after taxation, per statement of profit and loss (Rs. in million)	**1,072.2**	**545.1**
b) Weighted average number of equity shares (Nos.)	**10,000,000**	**10,000,000**
c) Earnings per share (in rupees):		
(face value-Rs. 10 per share)		
- Basic and Diluted [(a)/(b)]	**107.22**	**54.51**

43. Financial instruments

43.1 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, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company has have long-term debt and uses 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

	As at March 31, 2022	As at March 31, 2021
Share capital	**100.0**	**100.0**
Other equity	**35,938.4**	**35,382.6**
	36,038.4	**35,482.6**

43.2 Categories of financial instruments

Carrying value of the financial instruments are as follows:-

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Financial assets carried at fair value through profit and loss (FVTPL)		
Investment in equity instruments	**1.4**	**1.4**
Financial assets at amortised cost		
Non-current		
Loans	**26.4**	**19.9**
Other financial assets	**2,574.1**	**2,011.3**
Current		
Trade receivables	**20,486.1**	**15,323.8**
Cash and cash equivalents	**4,158.9**	**3,663.9**
Loans	**39.5**	**35.6**
Other financial assets	**2,801.5**	**2,379.1**
Financial liabilities at amortised cost		
Non-current		
Other financial liabilities	**80.4**	**82.7**
Current		
Borrowings	**346.2**	**298.1**
Trade payables	**42,210.4**	**35,683.3**
Other financial liabilities	**1,968.8**	**2,882.6**

43.3 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

	Fair value as at	
	March 31, 2022	March 31, 2021
	Level 3	Level 3
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity instruments	**1.4**	**1.4**

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 liabilities recognised in the financial statements approximate third 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 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.

43.4 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

	As at March 31, 2022		As at March 31, 2021	
Foreign currency exposure	**Trade Receivables**	**Trade Payables**	**Trade Receivables**	**Trade Payables**
USD	36.1	1.3	28.7	3.2
EURO	1.2	3.4	0.8	3.7
SEK	-	4.7	-	3.0
JPY	0.2	72.6	-	91.9
Others	38.8	52.1	27.3	42.9

Breakup and aging of Foreign Currency Exposure Risk in INR million as on March 31, 2022 :

Particulas	Unhedged		Hedged through forward or derivative	Natural Hedge	
	</=1 year	>1 year	Total	</=1 year	> 1 year
FCY Receivables					
(i) Exports	2,670.4	4.3	-	342.6	7.0
Total (A)	**2,670.4**	**4.3**	**-**	**342.6**	**7.0**
FCY Payables					
(i) Imports	353.6	4.6	-	342.6	7.0
Total (B)	**353.6**	**4.6**	**-**	**342.6**	**7.0**

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, 2022		As at March 31, 2021	
	5% increase	5% decrease	5% increase	5% decrease
Receivable				
USD	**(136.1)**	**136.1**	**(105.1)**	**105.1**
EURO	**(5.0)**	**5.0**	**(3.5)**	**3.5**
Others	**(10.1)**	**10.1**	**(6.7)**	**6.7**
Payable				
USD	**5.0**	**(5.0)**	**11.6**	**(11.6)**
EURO	**14.2**	**(14.2)**	**15.8**	**(15.8)**
SEK	**1.9**	**(1.9)**	**1.2**	**(1.2)**
JPY	**6.6**	**(6.6)**	**3.1**	**(3.1)**
Others	**7.6**	**(7.6)**	**5.8**	**(5.8)**
Impact on profit or loss as at the end of the reporting period	**(115.9)**	**115.9**	**(77.7)**	**77.7**
Impact on total equity as at the end of the reporting period	**(75.4)**	**75.4**	**(50.6)**	**50.6**

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 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, 2022	For the year ended March 31, 2021
Balance at beginning of the year	334.2	261.2
Add: Provision on acquisition of Volvo Bus business (Refer note no.45)	-	18.4
Add: Provided during the year	71.2	83.0
Less: reversals of provision	(11.3)	(13.3)
Less: amounts written off	(77.4)	(15.2)
Balance at end of the year	316.6	334.2

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, 2022			
	Less than 1 year	1 Year-5 year	More than 5 years	Total
Non-current				
(i) Borrowings	-	778.8	-	778.8
(ii) Other financial liabilities	-	-	80.4	80.4
Current				
(i) Borrowings	346.2	-	-	346.2
(ii) Other financial liabilities	1,968.8	-	-	1,968.8

Rs. in million

Particulars	As at March 31, 2021			
	Less than 1 year	1 Year-5 year	More than 5 years	Total
Non-current				
(i) Borrowings		3,625.0		3625.0
(ii) Other financial liabilities	-	10.4	72.3	82.7
Current				
(i) Borrowings	298.1	-	-	298.1
(ii) Other financial liabilities	2,882.6	-	-	2,882.6

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

44. 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, 2022	**104,122.1**	**23,005.4**	**127,127.4**
For the year ended March 31, 2021	**73,404.0**	**13,122.6**	**86,526.6**

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 India.
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.

45. Business combinations

Acquisition of Bus business of Volvo Group India Private Limited (VGIPL) during the year ended 31 March 2021

On October 31, 2020, the Company acquired, as a going concern on slump sale basis, the bus business of VGIPL for manufacture, assembly, distribution, and sale of the Volvo buses in India, and other rights forming part of the said business, for a consideration of INR 1,005 million, which is subject to adjustments as provided under the Business Transfer related Agreements.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the bus business as at the date of acquisition were:

	MINR
Particulars	**Fair value recognised on acquisition**
Property, Plant and Equipment	532.0
Inventories	740.9
Trade Receivable	150.3
Other current assets	10.8
Less : Trade payables, provisions and other current liabilities	(389.0)
Total identifiable net assets at fair value	**1,045.0**
Total purchase consideration as on the closing date	**1,045.0**

From the date of acquisition till March 31, 2021, the bus business has contributed revenue of INR 161.6 million and loss of INR 261.2 million. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been INR 239.5 million and the loss would have been INR 620.3 million in the previous year.

46. Related party disclosures under Ind AS 24

a. Related party disclosures

(i) Subsidiaries companies

V E C V Lanka (Private) Limited	(VECV Lanka)
VECV South Africa (Pty.) Limited	(VECV South Africa)

(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
Renault Trucks Gare V1
Renault Trucks Gare 89
Renault Trucks
Volvo Group India Private Ltd
Volvo Lastvagnar AB
Volvo Powertrain Corporation
Volvo Bussar AB
AB Volvo Penta
AB Volvo Penta Germany
Volvo Information Technology AB
Volvo Parts AB
Volvo Construction Equipment AB
Thai Swedish Assembly
Volvo Truck Corporation
Volvo Bus Corporation
Ud Trucks Southern Africa (Pty) Ltd.
Volvo Group Middle East FZE
Volvo Parts Corporation
PT Volvo Indonesia
TMBP Ltd, Thailand
Volvo Group Southern Africa (Pty) Ltd
Volvo Group Singapore (Pte) Ltd
Volvo Financial Services India Pvt Ltd
Volvo Technology AB
UD Trucks Singapore (PTE.) Ltd.
Volvo Logistics Corporation
UD Trucks India Private Limited
Bajaj Allianz General Insurance Company Ltd.
Volvo CE India Private Limited
Mack Trucks Inc.
Volvo Group Connected Solution AB

(v) Entity under the 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)
Eicher Goodearth India Private Limited	(EGIPL)
Shardul Amarchand Mangaldas & Co., Advocates and Solicitors	
Neera Aggarwal	Spouse of Vinod Aggarwal

(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

Executive director :	
Vinod Aggarwal	Managing director, Chief Executive Officer
Non-Executive directors :	
Independent Directors	
Lila Poonawalla	
Inder Mohan Singh	
Other Key management personnel :	
Anders Hager	Chief Financial Officer (till Nov 30, 2021)
Praveen Kumar Jain	Company Secretary
Ken Trolle	Chief Financial Officer (from May 1, 2022)

b. **Transactions with the above parties**

Rs. in million

Name of related party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Subsidiaries companies			
V E C V Lanka (Private) Limited	Sale of goods / services	-	11.6
	Incentives paid	16.2	8.1
	Expenses recovered	0.4	1.1
	Expenses reimbursed	5.7	16.3
VECV South Africa (Pty.) Limited	Sale of finished goods/services	476.2	236.0
	Investment in equity share capital		-
	Incentives paid	28.5	-
	Expenses recovered	0.9	0.3
	Expenses reimbursed	15.0	14.2
(ii) Investor in respect of which the Company is a joint venture			
Eicher Motors Limited	Sale of finished goods/services	1,902.4	1,656.0
	Others	-	14.4
	Dividend paid	272.0	-
	Expenses recovered	20.5	22.5
	Expenses reimbursed	7.4	-
Aktiebolaget Volvo (PUBL), Volvo, Sweden	Dividend paid	173.5	-
(iii) Joint venture company			
Eicher Group Foundation	Contribution for corporate social responsibility	28.8	77.0
(iv) Entity under the control of co-venturer (AB Volvo)			
Volvo do Brasil Veiculos Ltda	Sale of finished goods / services	46.4	35.3
Renault Trucks SAS	Sale of finished goods / services	4,599.8	3,304.4
	Purchase of goods / services	29.2	102.7
	Purchase of capital goods/services	130.0	0.1
	Others	-	5.2
UD Trucks Corporation Limited	Sale of finished goods / services	-	2.3
	Expenses reimbursed	-	7.7
Volvo Group India Private Ltd	Sale of finished goods/ services	229.3	211.3
	Expenses recovered	297.6	197.2
	Expenses reimbursed	29.1	34.0
	Purchase of goods	16,200.3	14,403.2
	Purchase of capital goods/services	14.2	35.7
	Incentives on parts sale	32.0	14.0
	Purchase consideration	-	1,283.0
	Others	247.1	-
Volvo Powertrain Corporation	Sale of finished goods/ services	6.7	8.2
	Others	1.8	2.3
Volvo Bussar AB	Sale of finished goods/ services	10.8	3.9
	Purchase consideration - Adjustment	-	240.1
	Expenses recovered	1.4	-
AB Volvo Penta	Sale of finished goods/ services	49.1	0.6
AB Volvo Penta Germany	Sale of finished goods/ services	257.3	-
Volvo Information Technology AB	Purchase of goods / services	16.9	13.8
Volvo Technology AB	Sale of finished goods/ services	0.1	-
	Purchase of goods / services	4.8	1.1
	Others	46.4	34.0
Volvo Construction Equipment AB	Sale of finished goods / services	-	0.2
Thai Swedish Assembly	Sale of finished goods / services	2.0	488.8
	Purchase of goods / services	-	0.9
Volvo Truck Corporation	Sale of finished goods / services	1.1	-
	Expenses recovered	109.0	122.3
	Expenses reimbursed	-	10.6
	Purchase of capital goods/services	147.7	133.7
	Dividend	54.5	-

Name of related party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
UD Trucks Southern Africa (Pty) Ltd.	Sale of finished goods/ services	-	1.5
Volvo Group Middle East FZE	Sale of finished goods/ services	0.6	0.0
Renault Trucks Gare V1	Sale of finished goods/ services	2.9	2.9
Renault Trucks Gare 89	Sale of finished goods/ services	11.6	-
Volvo Bus Corporation	Sale of finished goods/ services	1.9	-
	Purchase of capital goods/services	6.6	-
	Expenses recovered	22.8	29.6
Volvo Parts Corporation	Sale of finished goods / services	5.8	2.6
	Purchase of goods / services	4.7	4.1
Renault Trucks	Sale of finished goods/ services	185.3	121.3
PT Volvo Indonesia	Expenses reimbursed	5.0	3.1
Volvo CE India Private Limited	Sale of finished goods/ services	187.1	9.5
TMBP Ltd, Thailand	Sale of finished goods/ services	246.7	82.3
	Purchase of goods / services	14.3	31.2
Volvo Group Southern Africa (Pty) Ltd	Sale of finished goods/ services	-	10.4
	Expenses reimbursed	13.0	5.3
Volvo Group Singapore (Pte) Ltd	Sale of finished goods/ services	0.0	356.7
	Purchase of goods / services	-	29.2
	Expenses reimbursed	8.7	6.8
	Expenses recovered	-	58.4
UD Trucks Singapore (PTE.) Ltd.	Sale of finished goods/ services	-	357.0
	Purchase of goods / services	-	2.6
Volvo Lastvagnar AB	Sale of finished goods/ services	2,499.8	888.3
Volvo Financial Services India Pvt Ltd	Purchase of goods / services	7.8	9.5
Volvo Logistics Corporation	Expenses Reimbursed	0.1	0.3
UD Trucks India Private Limited	Sale of finished goods/ services	-	0.2
Mack Trucks Inc.	Sale of finished goods/ services	4.6	-
Volvo Group Connected Solution AB	Purchase of goods/ services	30.0	-
Bajaj Allianz General Insurance Company Ltd.	Others	83.3	-
(v) Entity under the joint control of co-venturer (EML)			
Eicher Polaris Private Limited	Purchase of goods / services	-	3.2
(vi) Entity under the control of key management personnel and their relatives			
Eicher Goodearth Private Limited	Expenses reimbursed	25.9	19.9
	Lease rent	132.8	129.2
Eicher Goodearth India Private Limited	Brand fee	137.3	108.8
Shardul Amarchand Mangaldas & Co., Advocates and Solicitors	Purchase of goods/services	0.2	0.6
Neera Aggarwal	Rent paid	0.3	0.3
(vii) Other related parties			
Eicher Executive Provident Fund	Contribution made	93.5	84.3
Eicher Tractors Executive Staff Superannuation Fund	Contribution made	19.6	18.5
VECV Employees Group Gratuity Scheme	Contribution made to fund	128.0	151.7
	Benefits paid through fund	60.1	84.4

(viii) Key management personnel

Vinod Aggarwal	Short- term benefits	**81.5**	**57.5**
	Post- employment benefits	**2.9**	**0.6**
	Other long- term benefits	**0.3**	**-**
		84.7	**58.1**
Anders Hager	Short-term benefits	**32.0**	**30.0**
Praveen Kumar Jain	Short- term benefits	**6.6**	**4.6**
	Post- employment benefits	**0.1**	**0.1**
	Other long- term benefits	**0.0**	**0.0**
		6.7	**4.7**
Lila Poonawalla	Sitting fees and commission	**1.7**	**1.6**
Inder Mohan Singh	Sitting fees and commission	**1.8**	**1.8**

Balance outstanding at the year end

Name of related party	Nature	As at March 31,2022	As at March 31,2021
(i) Subsidiaries companies			
V E C V Lanka (Private) Limited	- Payables	**4.6**	**0.6**
	- Guarantees given	**154.3**	**293.5**
	- Investment	**54.3**	**54.3**
VECV South Africa (Pty.) Limited	- Receivables	**220.3**	**133.6**
	- Payables	**6.7**	**5.1**
	- Guarantees given	**59.5**	**56.3**
	- Investment	**115.0**	**115.0**
(ii) Investor in respect of which the Company is a joint venture			
Eicher Motors Limited	- Receivables	**419.4**	**305.0**
	- Payables	**-**	**(0.2)**
	- Acceptances*	**6,767.5**	**4,591.3**

* Represents balance outstanding of bill discounting for VECV vendors. The balance at any point of time during the year was within the overall sanction limit of Rs. 10,000 million.

(iii) Entity under the control of joint venturer (AB Volvo)			
Volvo do Brasil Veiculos Ltda	- Receivables	**1.3**	**19.7**
Renault Trucks SAS	- Receivables	**1,125.4**	**866.4**
	- Payables	**4.6**	**10.8**
UD Trucks Corporation Limited	- Receivables	**-**	**0.5**
	- Payables	**-**	**0.8**
Volvo Group India Private Ltd	- Receivables	**75.2**	**67.0**
	- Payables	**2,462.7**	**2,342.3**
Volvo Powertrain Corporation	- Receivables	**1.5**	**1.9**
	- Payables	**-**	**1.6**
Volvo Bussar AB	- Receivables	**1.9**	**134.6**
AB Volvo Penta	- Receivables	**16.1**	**0.6**
AB Volvo Penta Germany	- Receivables	**53.4**	**-**
Volvo Information Technology AB	- Payables	**0.2**	**0.2**
Volvo Technology AB	- Receivables	**0.1**	**-**
Volvo Parts corporation	- Receivables	**5.3**	**1.1**
	- Payables	**4.8**	**0.0**
Volvo Construction Equipment AB	- Receivables	**-**	**0.2**
Thai Swedish Assembly	- Receivables	**1.6**	**0.0**
Volvo Truck Corporation	- Receivables	**6.3**	**34.1**
	- Payables	**33.8**	**7.0**
UD Trucks Southern Africa (Pty) Ltd.	- Receivables	**-**	**1.1**
Volvo Group Middle East FZE	- Receivables	**0.04**	**-**
Renault Trucks Gare V1	- Receivables	**0.5**	**0.4**
Renault Trucks Gare 89	- Receivables	**10.9**	**-**

Volvo Bus Corporation	- Receivables	**0.0**	**7.9**
	- Payables	**1.3**	**0.2**
Renault Trucks	- Receivables	**50.6**	**21.6**
PT Volvo Indonesia	- Payables	**5.2**	**2.9**
Volvo CE India Private Limited	- Receivables	**34.2**	**8.5**
TMBP Ltd, Thailand	- Receivables	**97.6**	**36.5**
	- Payables	**-**	**10.4**
Volvo Group Southern Africa (Pty) Ltd	- Payables	**3.8**	**3.0**
Volvo Group Singapore (Pte) Ltd	- Payables	**5.0**	**8.1**
UD Trucks Singapore (PTE.) Ltd.	- Receivables	**-**	**185.2**
	- Payables	**-**	**1.7**
Volvo Lastvagnar AB	- Receivables	**459.2**	**159.8**
Volvo Financial Services India Pvt Ltd	- Payables	**0.0**	**0.1**
Volvo Logistics Corporation	- Payables	**0.3**	**0.3**
UD Trucks India Private Limted	- Receivables	**-**	**0.2**
Mack Trucks Inc.	- Receivables	**4.6**	**-**
Bajaj Allianz General Insurance Company Ltd.	- Receivables	**0.1**	**-**
	- Payables	**2.2**	**-**
(v) Entity under the joint control of joint venturer (EML)			
Eicher Polaris Private Limited	- Receivables	**0.1**	**0.4**
	- Payables	**-**	**(2.9)**
Volvo Group Connected Solution AB	- Payables	**2.4**	**-**
(vi) Entity under the control of key management personnel			
Eicher Group Foundation	- Receivables	**2.5**	**0.0**
Eicher Goodearth Private Limited	- Security Deposit Receivable	**39.1**	**39.1**
Eicher Goodearth India Private Limited	- Payables	**137.3**	**107.7**

Notes to the related party transactions
Outstanding balances at the year end are unsecured and settlement occurs in cash.

47. Disclosure in respect of revenue from Customer :

A. **Disaggregation of revenue from contracts with customers :**

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

For the year ended March 31, 2022

(Rs. in million)

Segments	Sale of products and related services	Others	Total
Revenue by Geography			
Domestic	101,680.9	1,186.3	102,867.2
Overseas	23,005.4	-	23,005.4
Total revenue from contract with customers	**124,686.2**	**1,186.3**	**125,872.5**
Revenue by major product lines			
Sale of products	123,416.5	506.1	123,922.6
Product related services	1,269.7	680.2	1,949.9
Total revenue from contract with customers	**124,686.2**	**1,186.3**	**125,872.5**
Timing of revenue recognition			
At a point in time	123,416.5	506.1	123,922.6
Over time	1,269.7	680.2	1,949.9
Total revenue from contract with customers	**124,686.2**	**1,186.3**	**125,872.5**
Revenue			
External customer	124,686.2	1,186.3	125,872.5
Inter-segment revenue	-	-	-
Inter-segment adjustments/eliminations	-	-	-
Total revenue from contract with customers	**124,686.2**	**1,186.3**	**125,872.5**

For the year ended March 31, 2021

(Rs. in million)

Segments	Sale of products and related services	Others	Total
Revenue by Geography			
Domestic	71,474.7	898.3	72,373.0
Overseas	13,122.6	-	13,122.6
Total revenue from contract with customers	**84,597.3**	**898.3**	**85,495.6**
Revenue by major product lines			
Sale of products	83,596.7	278.1	83,874.8
Product related services	1,000.6	620.2	1,620.8
Total revenue from contract with customers	**84,597.3**	**898.3**	**85,495.6**
Timing of revenue recognition			
At a point in time	83,596.7	278.1	83,874.8
Over time	1,000.6	620.2	1,620.8
Total revenue from contract with customers	**84,597.3**	**898.3**	**85,495.6**
Revenue			
External customer	84,597.3	898.3	85,495.6
Inter-segment revenue	-	-	-
Inter-segment adjustments/eliminations	-	-	-
Total revenue from contract with customers	**84,597.3**	**898.3**	**85,495.6**

B. The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

(Rs. in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Within one year	**2,450.1**	**2,570.6**
More than one year	-	-

48. Ratio analysis

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Remarks
Current ratio	Current Assets	Current Liabilities	1.06	1.10	3.66%	-
Debt- Equity Ratio	Total Debt including lease liability	Shareholder's Equity	0.05	0.13	59.55%	On account of higher cash profit earned during the year, the company has made pre-payment of Rs. 2,500 million due to which there is significant decrease in the ratio
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	2.26	2.83	20.26%	-
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	3.0%	1.7%	71.28%	Majorly on account of higher sale of vehicles in current year from 41,258 Vehicles in previous year to 57,024 vehicles in current year due to which there is favourable movement in the ratio
Inventory Turnover ratio	Cost of goods sold	Average Inventory	7.1	5.6	-26.86%	Majorly on account of higher sale of vehicles in current year from 41,258 Vehicles in previous year to 57,024 vehicles in current year due to which there is favourable movement in the ratio
Trade Receivable Turnover Ratio	Net sales	Average Trade Receivable	7.1	7.4	3.46%	-
Trade Payable Turnover Ratio	Cost of goods sold	Average Trade Payables	2.2	1.8	-24.42%	-
Net Capital Turnover Ratio	Net sales	Working capital = Current assets – Current liabilities	33.4	32.3	3.40%	-
Net Profit ratio	Net Profit	Net sales	0.9%	0.7%	33.23%	Increase in volume has led to favourable movement in the ratio.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax liability	7.2%	3.8%	89.67%	Increase in volume has led to favourable movement in the ratio.

49. The maturity analysis of lease liabilities are disclosed below:

(Rs. in million)

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Lease liabilities	53.9	157.4	398.3	1,319.5	1,929.0
Total	53.9	157.4	398.3	1,319.5	1,929.0

50. The details of disputed excise duty, sales tax, service tax and income tax dues as on March 31, 2022 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	1.2	-	1992-1997
	CESTAT	130.8	82.9	2000-01 to 2015-16
Sales Tax Act	Appellate Authority upto Commissioner's level	1,635.0	144.8	1995-96, 2004-05 to 2017-18
	Appellate Tribunal	99.9	24.1	1991-92 to 1994-95, 1998-99, to 2000-01, 2002-03, 2009 -10, 2011-12, 2013-14 and 2014-15
	High Court	60.1	3.0	1995-96, 2000-01, 2005-06 & 2008-09 & 2009-10.
Finance Act, 1994	CESTAT _ GST	0.9	-	2003-07 to 2007-08, 2009-10, 2011-12, 2012-13, 2014-16
	CESTAT	14.3	-	
Income Tax Act, 1961	Appellate Authority upto Commissioner's level	179.5	-	2012-15, 2018-20

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

51. Other Statutory Information

(a) The Company has sanctioned working capital limits amounting to Rs.7,950 million from multiple banks as at March 31, 2022. The security offered is “First Pari-Passu charge by way of hypothecation of the company’s entire stock of raw material, semifinished and finished goods, stores spare other moveable including book debts”. In addition, the company has sanctioned unsecured working capital limits of Rs. 8,500 million as at that date. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(b) The Company has applied the borrowed fund for the specific purpose for which it was obtained as at the balance sheet date.
(c) The Company has not defaulted in on loans payable and have not be declared as wilful defaulter.
(d) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(e) The Company have not revalued its Property, Plant & Equipments, Intangibel Assets and Right to Use Assets during the year.
(f) The Company do not have any transactions with companies struck off.
(g) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(h) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
(i) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
(j) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(k) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
(l) The Company has not granted any loans and advances to promoters, directors, KMPs amd other related partes (as defined under Companies Act 2012) during the year.
(m) The Company have complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

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. Previous year's figures have been recast/regrouped wherever necessary to confirm to the current year presentation.

In terms of our report attached.
For S.R.Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

Per Sanjay Vij
Partner
Membership no.: 095169

Place : Gurugram
Date : May 10, 2022

Praveen Jain
Company Secretary
M No. 3524

Ken Trolle
Chief financial Officer

For and on behalf of the Board of Directors

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Jan Gurander
Director
DIN: 08599678

Siddhartha Lal
Chairman
DIN: 00037645

INDEPENDENT AUDITOR'S REPORT

To the Members of VE Commercial Vehicles Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of VE Commercial Vehicles Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us [and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of two subsidiaries whose financial statements include total assets of Rs 413.67 million as at March 31, 2022, and total revenues of Rs. 593.41 million and net cash inflows of Rs 3.90 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act. The subsidiaries within the group are not incorporated in India, the reporting requirements on disqualification of directors in terms of section 164(2) of the Act is not applicable for subsidiary Companies;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report. Since, the subsidiaries within the group are not incorporated in India, the reporting requirements on operating effectiveness of the internal controls over financial reporting under section 143(3) (1) of the act is not applicable for subsidiary companies.

(g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act. Since the subsidiaries within a group are not incorporated in India, the reporting requirements on managerial remuneration under section 197 of the act is not applicable for subsidiary Companies.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 39 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2022;

iv. a) The management of the Holding Company has represented to us that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Since the subsidiaries within a group are not incorporated in India, the reporting requirements of the act is not applicable for subsidiary Companies;

b) The management of the Holding Company has represented to us that, to the best of its knowledge and belief no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; Since the subsidiaries within a group are not incorporated in India, the reporting requirements of the act is not applicable for subsidiary Companies and;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 18 to the consolidated financial statements, Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 095169

UDIN: 22095169AITDUZ9744

Place of Signature: Gurugram
Date: May 10, 2022

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: VE Commercial Vehicles Limited ('the Holding Company')

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(xxi) The CARO 2020 is not applicable to the subsidiary companies included in the consolidated financial statements of the Company. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 095169

UDIN: 22095169AITDUZ9744

Place: Gurugram
Date: May 10, 2022

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF VE COMMERCIAL VEHICLES LIMTED

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

We have audited the internal financial controls with reference to consolidated financial statements of VE Commercial Vehicles Limited ("the Holding Company") as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date. Since the subsidiaries are not incorporated in India, the reporting requirements on adequacy and operating effectiveness of internal control over financial reporting under section 143(3)(i) of the Act is not applicable for these subsidiaries.

Management's Responsibility for Internal Financial Controls

The Holding 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 with reference to these consolidated financial statements 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") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated financial statements 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 with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to these consolidated financial statements.

Meaning of Internal Financial Controls With Reference to these Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to Consolidated financial statements 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, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to Consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 095169

UDIN: 22095169AITDUZ9744

Place of Signature: Gurugram
Date: May 10, 2022

VE COMMERCIAL VEHICLES LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

Rs. in million

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	**21,349.3**	**22,379.0**
(b) Capital work-in-progress	6	**1,156.3**	**908.7**
(c) Other Intangible assets	7	**6,918.5**	**8,126.1**
(d) Right-of-use assets	7A	**1,861.8**	**1,789.8**
(e) Intangible assets under development	8	**1,693.4**	**984.5**
(f) Financial assets			
(i) Investments	9	**1.4**	**1.4**
(ii) Loans	11	**26.4**	**19.9**
(iii) Other financial assets	12	**2,574.6**	**2,012.0**
(g) Other assets		**774.0**	**491.4**
Total non-current assets		**36,355.7**	**36,712.8**
Current assets			
(a) Inventories	14	**14,538.0**	**13,669.6**
(b) Financial assets			
(i) Trade receivables	10	**20,379.4**	**15,266.9**
(ii) Loans	11	**39.5**	**35.6**
(iii) Cash and cash equivalents	15	**4,225.9**	**3,727.0**
(iv) Bank balances other than (iii) above	16	**9,630.4**	**11,005.9**
(v) Other financial assets	12	**2,804.5**	**2,379.5**
(c) Other assets	13	**1,912.5**	**1,562.8**
Total current assets		**53,530.2**	**47,647.3**
Total assets		**89,885.9**	**84,360.1**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	**100.0**	**100.0**
(b) Other equity	18	**35,891.1**	**35,307.9**
Total equity		**35,991.1**	**35,407.9**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	**778.8**	**3,625.0**
(ii) Lease liabilities	19	**588.3**	**575.0**
(iii) Other financial liabilities	20	**80.4**	**82.7**
(b) Provisions	21	**1,273.2**	**1,001.8**
(c) Deferred tax liabilities (net)	22	**784.4**	**440.0**
(d) Other liabilities	23	**73.1**	**68.1**
Total non-current liabilities		**3,578.2**	**5,792.6**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	**346.2**	**298.1**
(ii) Lease liabilities	19	**185.6**	**123.6**
(iii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	25	**1,317.4**	**1,219.8**
- Total outstanding dues of creditors other than micro enterprises and small enterprises	25	**40,928.4**	**34,489.3**
(iv) Other financial liabilities	20	**1,973.2**	**2,887.9**
(b) Provisions	21	**1,002.9**	**1,026.9**
(c) Liabilities for current tax (net)	26	**358.9**	**379.4**
(d) Other liabilities	23	**4,204.0**	**2,734.6**
Total current liabilities		**50,316.6**	**43,159.6**
Total liabilities		**53,894.8**	**48,952.2**
Total equity and liabilities		**89,885.9**	**84,360.1**
See accompanying notes forming part of the financial statements	1 to 54		

In terms of our report attached.
For S.R.Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

Per Sanjay Vij
Partner
Membership no.: 095169

Praveen Jain
Company Secretary
M No. 3524

Ken Trolle
Chief financial Officer

For and on behalf of the Board of Directors

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Jan Gurander
Director
DIN: 08599678

Siddhartha Lal
Chairman
DIN: 00037645

Place : Gurugram
Date : May 10, 2022

VE COMMERCIAL VEHICLES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Rs. in million

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	27	**127,244.5**	**86,763.7**
Other income	28	**573.4**	**456.5**
Total Income		**127,817.9**	**87,220.2**
Expenses			
Cost of raw materials and components consumed	29	**86,754.5**	**55,309.7**
Purchases of traded goods	30	**13,906.1**	**12,296.7**
Change in inventories of finished goods, work-in-progress and stock-in-trade	31	**(894.3)**	**(2,689.6)**
Employee benefits expenses	32	**9,203.6**	**7,779.2**
Depreciation and amortisation expenses	33	**5,611.7**	**5,100.2**
Finance costs	34	**359.9**	**387.3**
Other expenses	35	**11,118.3**	**8,163.2**
Total expenses		**126,059.8**	**86,346.7**
Profit before tax		**1,758.1**	**873.5**
Tax expense			
Current tax	36	**302.5**	**-**
Tax adjustment relating to earlier years		**28.1**	**12.1**
Deferred tax charge	36	**321.8**	**289.1**
Total tax expense		**652.4**	**301.2**
Profit for the year		**1,105.7**	**572.3**
Other comprehensive income			
Items that will not be reclassified to profit or loss:-			
Re-measurement losses on defined benefit plans		**(25.2)**	**94.2**
Income tax benefit	36	**8.8**	**(32.9)**
Net other comprehensive income not to be reclassified to profit or loss		**(16.4)**	**61.3**
Items that may be reclassified to profit or loss:-			
Exchange differences in translating the financial statements of foreign operations		**(9.4)**	**(9.0)**
Income tax effect	36	**3.3**	**3.1**
		(6.1)	**(5.9)**
Net other comprehensive income not to be reclassified to profit or loss		**(22.5)**	**55.4**
Total Comprehensive income for the year, net of tax		**1,083.2**	**627.7**
Earnings per share (of Rs.10 each) in Rs.			
Basic/ diluted		**110.57**	**57.23**
See accompanying notes forming part of the financial statements	1 to 54		

In terms of our report attached
For S.R.Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

Praveen Jain
Company Secretary
M No. 3524

Ken Trolle
Chief financial Officer

Per Sanjay Vij
Partner
Membership no.: 095169

For and on behalf of Board of Directors

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Jan Gurander
Director
DIN: 08599678

Siddhartha Lal
Chairman
DIN: 00037645

Place : Gurugram
Date : May 10, 2022

VE COMMERCIAL VEHICLES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**1,758.1**	**873.5**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	**5,611.7**	**5,100.2**
Loss on discard of property, plant and equipment and intangible assets	**7.7**	**13.0**
Loss on sale of property, plant and equipment (net)	**0.8**	**5.9**
Exchange differences in translating the financial statements of foreign operations	**(9.4)**	**(9.0)**
Re-measurement losses on defined benefit plans	**(25.2)**	**94.2**
Interest income	**(498.5)**	**(439.7)**
Impairment on doubtful debts	**71.2**	**83.0**
Finance costs	**359.9**	**387.3**
Operating profit before changes in working capital	**7,276.3**	**6,108.4**
Working capital adjustments:		
Adjustments for (increase) / decrease assets:		
Non-current		
Loans	**(6.5)**	**(3.6)**
Other financial assets	**(633.8)**	**(1,261.8)**
Other assets	**(14.8)**	**(7.5)**
Current		
Inventories	**(868.4)**	**(4,059.3)**
Trade receivables	**(5,112.5)**	**(7,122.4)**
Loans	**(3.9)**	**(10.3)**
Other financial assets	**(402.5)**	**(772.2)**
Other assets	**(349.7)**	**482.3**
Adjustments for increase / (decrease) in liabilities:		
Non-current		
Other financial liabilities	**(2.3)**	**12.2**
Provisions	**271.4**	**(79.2)**
Other liabilities	**5.0**	**10.8**
Current		
Trade payables	**6,536.8**	**9,671.7**
Provisions	**(24.0)**	**417.2**
Other financial liabilities	**(423.0)**	**714.4**
Other liabilities	**1,469.4**	**295.0**
Cash generated from operating activities	**7,717.5**	**4,395.7**
Income taxes paid	**(316.4)**	**(156.1)**
Net cash flows from operating activities (A)	**7,401.1**	**4,239.6**
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital advances)	**(4,885.1)**	**(5,311.9)**
Proceeds from sale of property, plant and equipment	**(8.5)**	**130.7**
Investment/Redemption in fixed deposits	**1,375.5**	**(1,333.9)**
Interest received (finance income)	**476.0**	**407.6**
Net cash flow used in investing activities (B)	**(3,042.1)**	**(6,107.5)**
C.CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Long term borrowings	**-**	**5,500.0**
Repayment of Long term borrowings	**(2,798.2)**	**(1,703.1)**
Interest paid	**(292.0)**	**(315.9)**
Payment of finance lease liabilities	**(269.9)**	**(312.1)**
Dividends paid to equity holders	**(450.0)**	**-**
Tax on dividend	**(50.0)**	**-**
Net cash flow (used)/generated in financing activities (C)	**(3,860.1)**	**3,168.9**
Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)	**498.9**	**1,301.0**
Cash and cash equivalents at the beginning of the year	**3,727.0**	**2,426.0**
Cash and cash equivalents at the end of the year	**4,225.9**	**3,727.0**

Particulars	As at March 31, 2022	As at March 31, 2021
Components of cash and cash equivalents		
Cash on hand	4.0	3.3
Cheques/ drafts on hand	27.5	67.9
Balances with banks:		
In current accounts	1,094.8	612.5
In deposit accounts	3,099.6	3,043.3
Total cash and cash equivalents (refer note no. 15)	4,225.9	3,727.0

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

In terms of our report attached
For S.R.Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

Per Sanjay Vij
Partner
Membership no.: 095169

Praveen Jain
Company Secretary
M No. 3524

Ken Trolle
Chief financial Officer

For and on behalf of Board of Directors

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Jan Gurander
Director
DIN: 08599678

Siddhartha Lal
Chairman
DIN: 00037645

Place : Gurugram
Date : May 10, 2022

VE COMMERCIAL VEHICLES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity share capital

Rs. in million

	Number of Shares	Amount
Balance as at March 31, 2020	**10,000,000**	**100.0**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	**10,000,000**	**100.0**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	**10,000,000**	**100.0**

Financial year 2021-22

Rs. in million

Particulars	Reserves and Surplus				Total
	Share Premium	General reserve	Retained Earning	Foreign currency translation reserve	
Balance as at March 31, 2021	**10,786.6**	**2,598.5**	**21,909.5**	**13.3**	**35,307.9**
Profit for the year	-	-	1,105.7	-	1,105.7
Other comprehensive income	-	-	(16.4)	-	(16.4)
Exchange differences in translating the financial statements of foreign operations			-	(6.1)	(6.1)
Dividends paid	-	-	(450.0)	-	(450.0)
Tax on dividend	-	-	(50.0)	-	(50.0)
Balance as at March 31, 2022	**10,786.6**	**2,598.5**	**22,498.8**	**7.2**	**35,891.1**

Financial year 2020-21

Rs. in million

Particulars	Reserves and Surplus				Total
	Share Premium	General reserve	Retained Earning	Foreign currency translation reserve	
Balance as at March 31, 2020	**10,786.6**	**2,598.5**	**21,275.9**	**19.2**	**34,680.2**
Profit for the year	-	-	572.3	-	572.3
Other comprehensive income	-	-	61.3	-	61.3
Exchange differences in translating the financial statements of foreign operations			-	(5.9)	(5.9)
Balance as at March 31, 2021	**10,786.6**	**2,598.5**	**21,909.5**	**13.3**	**35,307.9**

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

In terms of our report attached.
For S.R.Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

Praveen Jain
Company Secretary
M No. 3524

Ken Trolle
Chief financial Officer

Per Sanjay Vij
Partner
Membership no.: 095169

For and on behalf of the Board of Directors

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Jan Gurander
Director
DIN: 08599678

Siddhartha Lal
Chairman
DIN: 00037645

Place : Gurugram
Date : May 10, 2022

1. General Information

VE Commercial Vehicles Limited ("the Holding Company") is a public Company domiciled & incorporated under the provisions of the Companies Act, 1956. The Holding Company and its subsidiaries (hereinafter referred to as "the Group") is engaged in the manufacturing and selling of motorised commercial vehicles, spare parts and related services. The Group is a leading commercial vehicles manufacturer and has a dominant presence in Indian domestic market.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorize for issue on May 10, 2022.

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.

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 Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group 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 Basis of Consolidation

The consolidated financial statements incorporate the consolidated financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

3.1.1 Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

(i) The consolidated financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2022.

(ii) The consolidated financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intragroup balances and intra-group transactions and unrealised profits have been fully eliminated.

3.1.2 The following subsidiary companies are considered in the consolidated financial statements:

Name of the subsidiary Company	Country of Incorporation	Voting power held as at March 31, 2022	Voting power held as at March 31, 2021
V E C V Lanka (Private) Limited (VECV Lanka)	Sri Lanka	100%	100%
VECV South Africa(Pty) Limited (VECV South Africa)	South Africa	100%	100%

3.2 Revenue Recognition

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The Company has adopted Ind AS 115 using the modified retrospective approach. Under the modified retrospective approach, there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements.

In respect of service contracts, revenue is recognised over a period of time when service would be rendered subject to the period till which such option is available with the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers on behalf of the Government.

Interest income

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.

3.3 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 3.10 Impairment of tangible and intangible assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.4 Foreign currencies

In preparing the financial statements of the Group, transactions in currencies other than the Group'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.

3.5 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.

3.6 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.

Where grant is related to an asset, it is recognised in the balance sheet by deduction from the carrying amount of the assets.

3.7 Employee benefits

<u>Retirement benefit</u>

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 Group 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 Group'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.

<u>Short-term and other long-term employee benefits</u>

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 Group in respect of services provided by employees up to the reporting date.

3.8 Taxation

Tax expense represents the sum of current tax and deferred tax.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years. Subject to exceptions below, deferred tax is provided, using the balance sheet method, on all deductible temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, on carry forward of unused tax credits and unused tax loss; deferred income tax is not recognised on the initial recognition (including MAT) of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or equity).

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.9 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 fixed assets generally in accordance with that provided in the Schedule II to the Companies Act, 2013 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.

3.10 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 6-10 years depending upon the estimated minimum useful life of the related products. Cost of software is amortised over a period of 5 years or less depending upon the estimated useful life of asset. The useful lives of intangible assets are given below:

The amortisation period for intangible assets with finite useful lives are reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

3.11 Impairment of tangible and intangible assets

At the end of each reporting period, the Group 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 Group 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 Group 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.

3.12 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.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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.

3.14 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.15 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

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.

All other financial assets are subsequently measured at fair value.

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.

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

Investments in equity instruments are classified as at FVTPL, unless the Group 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 Group 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 Group'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.

Impairment of financial assets

The Group 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 Group 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 Group 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 Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

3.16 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by Group are classified as either financial liabilities or as' equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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

3.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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 Group are segregated based on the available information.

4.0 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group accounting policies, which are described in note 3, the management of the Group 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 Group'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

During the year, the Group assessed the recoverability of the intangible assets and intangible assets under development.

Capitalisation of cost in intangible assets and intangible assets under development is based on management's process of identifying and capitalizing the development expenditure and impairment testing with specific focus on the accounting principles of capitalization of expenditure on internally generated intangible assets as per INDAS 38 such as technical feasibility of the project, intention and ability to complete the intangible asset, ability to use or sell the assets, generation of future economic benefits and ability to measure the cost reliably. This situation is closely monitored, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

Recoverability of deferred tax assets including Minimum Alternate Tax (MAT) Credit

The Company has accumulated MAT Credit deferred tax asset 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 management of the Company has done the analysis of future profit projections and is confident that the future taxable income will be sufficient to utilise the MAT Credit recognised in these financial statements.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Provision and contingent liability

On an ongoing basis, Group 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 tangible and intangible assets

Management reviews the useful lives of its tangible and intangible assets at each reporting. As at March 31, 2022 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 and Fixtures	Office equipment	Vehicles	Total
Cost							
At March 31, 2020	345.5	5,782.7	27,531.7	1,157.2	1,431.8	1,306.2	37,555.1
Additions	187.4	1,377.6	3,205.0	74.1	128.7	194.3	5,167.1
Disposals		4.0	60.4	31.4	52.0	270.5	418.3
At March 31, 2021	532.9	7,156.3	30,676.3	1,199.9	1,508.5	1,230.0	42,303.9
Additions	0.4	248.5	1,913.4	73.2	149.4	245.3	2,630.2
Disposals		2.9	85.8	24.9	7.8	185.2	306.7
At March 31, 2022	533.3	7,401.9	32,503.9	1,248.2	1,650.0	1,290.1	44,627.4
Accumulated depreciation							
At March 31, 2020	-	1,229.8	13,587.0	453.8	1,169.9	646.7	17,087.2
Charge for the year		235.7	2,481.4	79.6	136.4	173.5	3,106.6
Less: Adjustments		2.6	44.9	23.6	51.7	146.1	268.9
At March 31, 2021	-	1,462.9	16,023.5	509.8	1,254.6	674.1	19,924.9
Charge for the year		279.8	2,878.1	83.9	128.1	200.2	3,570.1
Less: Adjustments		0.5	74.3	17.2	7.2	117.8	217.0
At March 31, 2022	-	1,742.2	18,827.3	576.5	1,375.5	756.5	23,278.0
Carrying amount							
At March 31, 2021	532.9	5,693.4	14,652.8	690.1	253.9	555.9	22,379.0
At March 31, 2022	533.3	5,659.7	13,676.6	671.7	274.5	533.6	21,349.4

* Title deeds for lands and other properties at Ahmedabad and Bhiwandi are pending for registration/mutation in favor of the Company having carrying value of Rs 61.7 million (Rs 61.7 million in March 2021). The title deeds for Ahmedabad are held in the name of Eicher Motors Limited since August 22, 2008 and for Bhiwandi is held in the name Volvo Group India Private Limited since February 02, 2009. The Company is in the process of getting these properties registered in its name.

6. Capital work-in-progress

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	1,156.3	908.7
	1,156.3	908.7

including other direct expenditure amounting to Rs. 3.5 million (March 31, 2021 Rs. 36.9 million) (refer below)

Other direct expenditure

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Payments to and provisions for employees		
Salaries, wages, bonus etc.	**-**	**35.1**
Contribution to provident and other funds	**-**	**1.7**
Depreciation/amortisation	**-**	**-**
Repair and maintenance : Plant and equipment	**-**	**0.7**
Legal and professional charges	**-**	**1.6**
Rent expenses	**-**	**-**
Development expenses	**-**	**1.9**
	-	**41.0**
Add: Balance brought forward from previous year	**36.9**	**137.7**
	36.9	**178.7**
Less: Capitalised during the year	**33.4**	**141.8**
	3.5	**36.9**

Capital work-in progress ageing schedule

As at March 31, 2022

-

Particulars	Amount in CWIP for a period of				
	Less than 1 year	**1 -2 years**	**2 -3 years**	**More than 3 years**	**Total**
Projects in progress	1,068.6	33.8	44.4	9.5	**1,156.3**
Projects temporarily suspended	-	-	-	-	-
Total	**1,068.6**	**33.8**	**44.4**	**9.5**	**1,156.3**

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022.

As at March 31, 2021

-

Particulars	Amount in CWIP for a period of				
	Less than 1 year	**1 -2 years**	**2 -3 years**	**More than 3 years**	**Total**
Projects in progress	679.3	203.9	15.4	10.1	**908.7**
Projects temporarily suspended					-
Total	**679.3**	**203.9**	**15.4**	**10.1**	**908.7**

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2021.

7. Intangible assets

Rs. in million

	Product design, prototype etc.	Software	Goodwill	Total
Cost				
At March 31, 2020	12,266.9	1,631.7	110.6	14,009.2
Additions	716.4	179.7	-	896.1
Disposals	-	31.8	-	31.8
At March 31, 2021	12,983.3	1,779.6	110.6	14,873.5
Additions	519.1	90.6	-	609.7
Disposals		5.4	-	5.4
At March 31, 2022	13,502.4	1,864.8	110.6	15,477.8
Accumulated amortisation				
At March 31, 2020	3,802.3	1,134.5	110.6	5,047.4
Charge for the year	1,570.8	160.8	-	1,731.6
Disposals	-	31.6	-	31.6
At March 31, 2021	5,373.1	1,263.7	110.6	6,747.4
Charge for the year	1,640.2	177.2	-	1,817.3
Disposals		5.4	-	5.4
At March 31, 2022	7,013.3	1,435.5	110.6	8,559.3
Carrying amount				
At March 31, 2021	7,610.2	515.9	-	8,126.1
At March 31, 2022	6,489.1	429.3	-	6,918.5

7A Right-of-use-asset

Rs. in million

	Land	Building	Total
Cost			
At March 31, 2020	**1,549.8**	**843.5**	**2,393.3**
Additions	**12.8**	**69.2**	**82.0**
Disposals	**-**	**131.9**	**131.9**
At March 31, 2021	**1,562.6**	**780.8**	**2,343.4**
Additions	13.2	368.2	**381.4**
Disposals		115.9	**115.9**
At March 31, 2022	**1,575.8**	**1,033.1**	**2,608.9**
Accumulated depreciation			
At March 31, 2020	**143.7**	**208.8**	**352.5**
Charge for the year	**21.2**	**240.6**	**261.8**
Less: Adjustments	**-**	**60.7**	**60.7**
At March 31, 2021	**164.9**	**388.7**	**553.6**
Charge for the year	18.0	206.3	**224.3**
Less: Adjustments		30.8	**30.8**
At March 31, 2022	**182.9**	**564.3**	**747.1**
Carrying amount			
At March 31, 2021	**1,397.7**	**392.1**	**1,789.8**
At March 31, 2022	**1,392.9**	**468.8**	**1,861.8**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Rs. in million

	As at March 31, 2022	**As at March 31, 2021**
Opening lease liability as at March 31, 2021	**698.6**	**941.2**
Lease liability on additions	**371.2**	**69.2**
Less : Derecognised leases	**93.9**	**71.0**
Add : Accretion of interest	**67.9**	**71.4**
Less : Payments	**269.9**	**312.2**
Lease liability as at March 31, 2022	**773.9**	**698.6**
Current lease liability **(note no.19)**	**185.6**	**123.6**
Non-current lease liability **(note no.19)**	**588.3**	**575.0**

The maturity analysis of lease liabilities are disclosed in Note 48

The effective interest rate for lease liabilities is 8%, with maturity between 2022-2026

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	**224.3**	**261.8**
Interest expense on lease liabilities	**67.9**	**71.4**
Expense relating to short-term leases/low-value assets (included in other expenses)	**202.8**	**122.1**
Total amount recognised in profit or loss	**495.0**	**455.3**

8. Intangible assets under development

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Intangible assets under development	**1,693.4**	**984.5**
	1,693.4	**984.5**

Intangible assets under development ageing schedule
As at March 31, 2022

Rs. in million

Particulars	Amount in Intangible assets under developement for a period of				
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
Projects in progress	1,083.5	363.9	79.3	166.6	**1,693.4**
Projects temporarily suspended	-	-	-	-	-
Total	**1,083.5**	**363.9**	**79.3**	**166.6**	**1,693.4**

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022

As at March 31, 2021

Rs. in million

Particulars	Amount in Intangible assets under developement for a period of				
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
Projects in progress	627.9	133.2	111.3	112.1	**984.5**
Projects temporarily suspended	-	-	-	-	-
Total	**627.9**	**133.2**	**111.3**	**112.1**	**984.5**

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2021

9. Investments

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in equity instruments	**1.4**	**1.4**
	1.4	**1.4**
Non-current		
	-	-
Joint venture company*		
25,000 (previous year 25,000) equity shares of Rs. 10 each fully paid up of Eicher Group Foundation (License under Section 8(1) of the Companies Act, 2013).	-	-
Unquoted investment (at FVTPL) in :		
Others		
145,000 (previous year 145,000) equity shares of Rs. 10 each fully paid up of Pithampur Auto Cluster Ltd.	**1.4**	**1.4**
	1.4	**1.4**

*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 earlier years.

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Aggregate book value of quoted investments	-	-
Aggregate carrying value of unquoted investments	**1.4**	**1.4**

Category wise other investments- as per IND AS 109 Classification

	As at March 31, 2022	As at March 31, 2021
Financial assets carried at fair value through profit or loss (FVTPL)		
Investment in Pithampur Auto Cluster Ltd.	**1.4**	**1.4**

10 Trade receivables

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	**20,379.4**	**15,266.9**
Total	**20,379.4**	**15,266.9**
Trade receivables		
Secured, considered good	**241.4**	**326.0**
Unsecured, considered good	**20,138.0**	**14,940.9**
Trade Receivables - credit impaired	**310.5**	**322.8**
	20,689.9	**15,589.7**
Impairment Allowance (allowance for bad and doubtful debts)		
Trade Receivables - credit impaired	**(310.5)**	**(322.8)**
Total Trade receivables	**20,379.4**	**15,266.9**

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

Trade receivables ageing schedule
As at March 31, 2022

Particulars	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - considered good	**16,166.9**	**3,867.3**	**203.3**	**44.5**	**53.2**	**44.3**	**20,379.4**
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed - credit impaired	-	**31.0**	**1.8**	**7.9**	**107.6**	**102.6**	**250.9**
Disputed - considered good	-	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	**30.0**	-	**29.6**	**59.6**
Total	**16,166.9**	**3,898.3**	**205.0**	**82.4**	**160.8**	**176.5**	**20,689.9**

As at March 31, 2021

Particulars	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - considered good	11,814.0	3,101.6	115.2	165.3	59.0	11.9	15,266.9
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed - credit impaired	-	-	3.8	35.8	32.1	66.5	138.2
Disputed - considered good	-	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	57.7	1.5	6.9	118.4	184.6
Total	11,814.0	3,101.6	176.7	202.6	98.0	196.8	15,589.7

11. Loans

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Non - current		
Unsecured, considered good		
Loans to employees	26.4	19.9
Total	26.4	19.9
Current		
Unsecured, considered good		
Loans to employees	39.5	35.6
Total	39.5	35.6

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

12. Other financial assets

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Non - current		
Unsecured, considered good		
Fixed deposits*	2,439.3	1,896.2
Security deposit	135.3	115.8
Total	2,574.6	2,012.0

*Includes fixed deposits of Rs.1,500 million pledged with banks against term loans, 268.4 MINR pledged against bank overdraft limits and 38 MINR pledged against bank guarantees.

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Unsecured, considered good unless otherwise stated		
Security deposit		
Considered good	105.9	103.9
Considered doubtful	5.0	7.5
	110.9	111.4
Less: impairment for doubtful security deposits	5.0	7.5
	105.9	103.9
Interest accrued on deposits	248.8	226.3
Industrial promotion subsidy receivable	2,288.8	1,883.4
Other receivables		
Considered good	161.0	165.9
Considered doubtful	1.1	3.9
	162.1	169.8
Less: impairment for doubtful other receivables	1.1	3.9
	161.0	165.9
Total	2,804.5	2,379.5

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

13. Other assets

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Non - current		
Unsecured, considered good unless otherwise stated		
Capital advances	462.4	194.6
Balance with government authorities		
Considered good	282.8	274.8
Considered doubtful	5.1	5.1
	287.9	279.9
Less: impairment for doubtful advances	5.1	5.1
	282.8	274.8
Prepayment security deposits and other loans	28.8	22.0
Total	774.0	491.4
Current		
Unsecured, considered good unless otherwise stated		
Advance to supplier	932.2	830.0
Prepaid expense	103.2	91.8
Balance with government authorities		
Considered good	866.0	633.1
Considered doubtful	2.0	2.0
	868.0	635.1
Less: impairment for doubtful advances	2.0	2.0
	866.0	633.1
Advances to employees	2.7	-
Prepayment security deposits and other loans	8.4	7.9
Total	1,912.5	1,562.8

14. Inventory

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials and components (includes goods in transit of Rs. 352.3 millions (March 31, 2021 Rs 372.6 million)	4,410.2	4,539.0
Work in progress	826.0	761.5
Finished goods (includes goods in transit of Rs. 322.4 millions (March 31, 2021 Rs 465.3 million)	6,853.5	5,902.7
Stock in trade (includes goods in transit of Rs. 49.1 millions (March 31, 2021 Rs 57.7 million)	1,861.7	1,982.7
Stores and spares	355.9	299.9
Loose tools	230.7	183.8
Total	14,538.0	13,669.6

The Mode of valuation of inventories has been stated in note 3.12.

15 Cash and cash equivalents

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	4.0	3.3
Cheques, drafts on hand	27.5	67.9
Balances with banks		
On current accounts	1,094.8	612.5
On deposit accounts (with original maturity less than 3 months)	3,099.6	3,043.3
Total	4,225.9	3,727.0

16 Other bank balance

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
On deposit accounts (with original maturity more than 3 months but less than 12 months)	9,630.4	11,005.9
Total	9,630.4	11,005.9

17. Equity share capital

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
10,000,000 (previous year 10,000,000) equity shares of Rs. 10 each	100.0	100.0
Total	100.0	100.0
Issued, subscribed and paid up		
10,000,000 (previous year 10,000,000) equity shares of Rs. 10 each	100.0	100.0
Total	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 March 31, 2020	10,000,000	100.0
Movement during the year	-	-
Balance at March 31, 2021	10,000,000	100.0
Movement during the year	-	-
Balance at March 31, 2022	10,000,000	100.0

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

Particulars	As at March 31, 2022		As at March 31, 2021		% change during the year
	Nos.	% holding in the class	Nos.	% holding in the class	
Eicher Motors Limited (including its nominees)	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%	-

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

(iii) Details of shares held by promoters

As at March 31, 2022

Particulars	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Eicher Motors Limited (including its nominees)	5,440,000	-	5,440,000	54.40%	-
Aktiebolaget Volvo (PUBL), Volvo, Sweden	3,469,700	-	3,469,700	34.70%	-
Volvo Truck Corporation, Sweden (100% subsidiary of Aktiebolaget Volvo (PUBL), Volvo, Sweden)	1,090,300	-	1,090,300	10.90%	-

As at March 31, 2021

Particulars	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Eicher Motors Limited (including its nominees)	5,440,000	-	5,440,000	54.40%	-
Aktiebolaget Volvo (PUBL), Volvo, Sweden	3,469,700	-	3,469,700	34.70%	-
Volvo Truck Corporation, Sweden (100% subsidiary of Aktiebolaget Volvo (PUBL), Volvo, Sweden)	1,090,300	-	1,090,300	10.90%	-

19 Lease Liabilities

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current	588.3	575.0
Current	185.6	123.6
Total	773.9	698.6

20 Other financial liabilities

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current		
Capital creditors	-	10.4
Security deposits	80.4	72.3
Total	80.4	82.7
Current		
Capital creditors	494.3	986.0
Book overdraft	557.1	1,071.6
Interest accrued but not due	5.1	22.0
Employees dues	916.7	808.3
Total	1,973.2	2,887.9

21 Provisions

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Employees benefits (i)		
Compensated absences	616.7	613.5
Other employee benefits	287.4	260.7
Other provisions : Warranties (ii)	369.1	127.6
Total	1,273.2	1,001.8
Current		
Employees benefits (i)		
Compensated absences	28.1	29.7
Other employee benefits	60.5	71.1
Other provisions : Warranties (ii)	914.3	926.1
Total	1,002.9	1,026.9

(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, 2022	For the year ended March 31, 2021
Opening balance	1,053.7	893.2
Additional provisions recognised	1,772.4	1,306.8
Amount utilised during the year	(1,580.0)	(1,167.1)
Unwinding of discount	37.3	20.8
Closing balance	1,283.4	1,053.7

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 estimate 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.

22 Deferred tax liabilities (net)

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	4,305.1	4,872.7
Others	51.4	40.5
	4,356.5	4,913.2
Less: Deferred tax assets on		
MAT credit entitlement	3,036.1	3,521.4
Business losses and unabsorbed depreciation carried forward	-	6.8
Accrued expenses deductible on payment	42.8	48.7
Provision for leave encashment/compensated absences	201.7	224.8
Impairment for doubtful debts and advances	111.4	117.5
Others	180.0	554.0
	3,572.0	4,473.2
Deferred tax liabilities (net)	784.4	440.0

Movement in Deferred tax liabilities

For the year ended March 31, 2022

Rs. in million

Particulars		Opening balance	Recognised in profit and loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities on					
Property, plant and equipment and intangible assets		4,872.7	(567.6)	-	4,305.1
Others		40.5	14.2	(3.3)	51.4
	(A)	4,913.2	(553.4)	(3.3)	4,356.5
Less: Deferred tax assets on					
MAT credit entitlement		3,521.4	(485.3)	-	3,036.1
Business losses and unabsorbed depreciation carried forward		6.8	(6.8)	-	-
Accrued expenses deductible on payment		48.7	(5.9)	-	42.8
Provision for leave encashment/compensated absences		224.8	(23.1)	-	201.7
Remeasurement of defined benefit obligation		-	(8.8)	8.8	-
Impairment for doubtful debts and advances		117.5	(6.1)	-	111.4
Others		554.0	(374.0)	-	180.0
	(B)	4,473.2	(909.9)	8.8	3,572.0
Deferred tax (assets) / liabilities (net)	**(A-B)**	440.0	356.5	(12.1)	784.4

For the year ended March 31, 2021 — Rs. in million

Particulars		Opening balance	Recognised in profit and loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities on					
Property, plant and equipment and intangible assets		4,916.7	(44.0)	-	4,872.7
Others		37.6	6.1	(3.1)	40.5
	(A)	4,954.3	(38.0)	(3.1)	4,913.2
Less: Deferred tax assets on					
MAT credit entitlement		3,536.8	(15.4)	-	3,521.4
Business losses and unabsorbed depreciation carried forward		14.2	(7.4)	-	6.8
Accrued expenses deductible on payment		41.3	7.4	-	48.7
Provision for leave encashment/compensated absences		189.1	35.7	-	224.8
Remeasurement of defined benefit obligation		-	32.9	(32.9)	-
Impairment for doubtful debts and advances		726.9	(609.4)	-	117.5
Others		335.6	218.4	-	554.0
	(B)	4,843.9	(337.8)	(32.9)	4,473.2
Deferred tax (assets) / liabilities (net)	**(A-B)**	110.4	299.8	29.8	440.0

23 Other liabilities

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current		
Advances from customers	**73.1**	**68.1**
Total	**73.1**	**68.1**
Current		
Advances from customers	**2,613.2**	**2,265.0**
Statutory dues	**1,554.1**	**469.6**
Other Payable	**36.7**	**-**
Total	**4,204.0**	**2,734.6**

24 Borrowings

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Secured- at amortised cost		
Current maturities of long term borrowings (i)	**346.2**	**298.1**
Total	**346.2**	**298.1**
Non-Current		
Secured- at amortised cost		
Loan repayable on demand from banks		
Long term borrowings (i)	**778.8**	**3,625.0**
Total	**778.8**	**3,625.0**

(i) 1,125 MINR @ 5% p.a. is due for repayment from June, 2022 to June, 2025. The loan is secured by way of first charge on movable fixed assets, second charge on current asset and fixed deposits.

25 Trade payables

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Total outstanding dues of micro enterprises and small enterprises	**1,317.4**	**1,219.8**
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	**12,167.1**	**9,339.0**
Other trade payables	**28,761.3**	**25,150.3**
Total	**42,245.8**	**35,709.1**

Trade payables ageing schedule

As on March 31,2022

Particulars	Outstanding for following period from due date of payment					
	Not due*	Less than 1 yr.	1 -2 yrs.	2 -3 yrs.	More than 3 yrs.	Total
MSME**	1,305.7	11.2	0.2	0.4	-	1,317.4
Others*	40,653.0	206.7	46.7	18.1	3.8	40,928.4
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**41,958.7**	**217.9**	**46.9**	**18.5**	**3.8**	**42,245.8**

* Not due includes unbilled dues of Rs. 12,938.9 million
** Dues are primarily in relation to vendor's GST compliances.

As on March 31,2021

Particulars	Outstanding for following period from due date of payment					
	Not due	Less than 1 yr.	1 -2 yrs.	2 -3 yrs.	More than 3 yrs.	Total
MSME	1,203.7	15.3	0.7	0.1	0.1	**1,219.8**
Others	33,804.2	627.6	42.7	8.6	6.2	**34,489.3**
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**35,007.9**	**643.0**	**43.3**	**8.7**	**6.2**	**35,709.1**

* Not due includes unbilled dues of Rs. 9,546.9 million

26 Liabilities for current tax (net)

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for tax (net of advance tax)	**358.9**	**379.4**
Total	**358.9**	**379.4**

18 Other equity

Rs in million

	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	Share premium account	**10,786.6**	**10,786.6**
(b)	General reserve	**2,598.5**	**2,598.5**
(c)	Retained earnings	**22,498.9**	**21,909.6**
(d)	Foreign currency translation reserve	**7.1**	**13.2**
	Total	**35,891.1**	**35,307.9**

Rs in million

	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	**Share premium account**		
	Opening balance	**10,786.6**	**10,786.6**
	Add/ (less): movement during the year	**-**	**-**
	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	As at March 31, 2022	As at March 31, 2021
(b)	**General reserve**		
	Opening balance	**2,598.5**	**2,598.5**
	Add: Transferred from Statement of profit and loss	**-**	**-**
	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	As at March 31, 2022	As at March 31, 2021
(c)	**Retained earnings**		
	Opening balance	**21,909.6**	**21,276.0**
	Add: Profit for the year	**1,105.7**	**572.3**
	Add: Other comprehensive income:		
	from remeasurement of defined benefit obligation net of income tax	**(16.4)**	**61.3**
	Less: Final dividend (amount per share Rs. 50 (previous year Rs. Nil))	**(450.0)**	**-**
	Less: Tax on dividend	**(50.0)**	**-**
	Closing balance	**22,498.9**	**21,909.6**

In respect of the year ended March 31, 2022, the directors proposed that a dividend of Rs. 75 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. 750 Million.

	Particulars	As at March 31, 2022	As at March 31, 2021
(d)	**Foreign currency translation reserve**		
	Opening balance	**13.2**	**19.1**
	Add :- exchange differences in translating the financial statements of foreign operations	**(6.1)**	**(5.9)**
	Closing balance	**7.1**	**13.2**

27 Revenue from operations

Rs. in million

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations			
Sale of products			
Manufactured goods		106,102.8	69,641.8
Stock-in-trade		16,898.5	13,786.9
Sale of services		521.1	399.0
	Sub-total (A)	123,522.4	83,827.7
Other operating revenue			
Export benefits		546.6	289.7
Scrap sales		506.1	278.1
Income from maintenance contracts		1,270.2	1,000.6
Impairment for doubtful debts written back		11.3	13.3
Industrial promotion subsidy*		696.9	728.0
Income from other operating revenues		691.0	626.3
	Sub-total (B)	3,722.1	2,936.0
Revenue from operations (net)	Total (A+B)	127,244.5	86,763.7

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Details of products sold		
Manufactured goods		
Commercial vehicles	80,970.1	52,695.0
Engines and related components	9,405.1	5,890.9
Spare parts and other components	15,727.6	11,055.9
Total	106,102.8	69,641.8
Stock-in-trade		
Commercial vehicles	11,244.6	8,903.7
Spare parts and other components	5,653.9	4,883.2
Total	16,898.5	13,786.9
Details of services rendered		
Engineering services	23.7	9.3
Other allied services	497.4	389.7
Total	521.1	399.0

28 Other income

Rs. in million

	Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
a)	**Interest income on financial assets carried at amortised cost**			
	- Deposit with bank		458.9	413.1
	- Others		39.6	26.6
		(A)	498.5	439.7
b)	**Other non-operating income**			
	Service charges recovered		17.4	16.8
		(B)	17.4	16.8
c)	**Other gains and losses**			
	Exchange gain (net)		57.5	-
			57.5	-
		Total (A+B)	573.4	456.5

29 Cost of raw materials and components consumed

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	4,539.0	3,168.0
Add: purchases of inventory during the year	91,031.9	58,422.5
	95,570.9	61,590.5
Less: inventory at the end of the year	4410.2	4,539.0
Less: material cost of vehicles capitalised	89.2	106.3
	91,071.5	56,945.2
Less: sale of raw materials and components to suppliers on cost to cost basis	4,317.0	1,635.5
Net consumption	86,754.5	55,309.7

30 Details of purchase of stock-in-trade

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Commercial vehicles	10,053.1	8,669.9
Spare parts and other components	3,853.0	3,626.8
Total	13,906.1	12,296.7

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

Rs. in million

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year			
Finished goods		6,853.5	5,902.7
Work-in-progress		826.0	761.5
Stock-in-trade		1,861.7	1,982.7
	(A)	9,541.2	8,646.9
Inventories at the beginning of the year			
Finished goods		5,902.7	3,882.6
Work-in-progress		761.5	635.2
Stock-in-trade		1,982.7	1,439.5
	(B)	8,646.9	5,957.3
	Net change (B-A)	(894.3)	(2,689.6)

32 Employee benefits expenses

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages, bonus etc.	8,169.6	6,945.4
Contribution to provident and other funds	301.7	273.1
Gratuity expenses	102.3	99.3
Staff welfare expenses	630.0	461.4
Total	9,203.6	7,779.2

33 Depreciation and amortisation expenses

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of tangible assets	3,569.8	3,106.5
Amortisation of intangible assets	1,817.6	1,731.9
Depreciation of Right-of-use assets	224.3	261.8
Total	5,611.7	5,100.2

34 Finance costs

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense		
on borrowings	254.7	289.8
on income tax	-	5.3
Interest on lease liabilities	67.9	71.4
Unwinding of discount on provisions	37.3	20.8
Total	359.9	387.3

35 Other expenses

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Stores and machinery spares consumed (including loose tools)	**431.1**	**313.2**
Loss on sale of property, plant and equipment	**0.8**	**5.9**
Property, plant and equipment and intangible assets discarded	**7.7**	**13.0**
Power and fuel	**860.6**	**713.3**
Insurance	**213.7**	**170.1**
Repairs and maintenance		
Buildings	**198.8**	**152.4**
Plant and equipment	**406.0**	**296.1**
Others	**343.4**	**280.2**
Rates and taxes	**114.7**	**70.0**
Advertisement	**41.0**	**52.9**
Freight and handling charges	**2,758.2**	**1,813.4**
Incentives	**43.9**	**74.4**
Warranty	**1,772.4**	**1,306.8**
Other selling and distribution expenses	**1,260.2**	**780.5**
Rent	**202.8**	**122.1**
Legal and professional charges #	**139.8**	**137.0**
Travelling and conveyance expenses	**243.6**	**110.7**
Development and testing expenses	**358.9**	**368.2**
Exchange loss	**-**	**51.5**
Corporate social responsibility expenditure ##	**54.9**	**91.8**
Brand fees	**137.3**	**108.8**
Impairment for doubtful debts and advances	**71.2**	**83.0**
Miscellaneous expenses	**1,457.3**	**1,047.9**
Total	**11,118.3**	**8,163.2**

 # Including payment to auditors as below:-

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) As Statutory Audit		
-Audit fee	**5.7**	**5.7**
-Audit fees for foreign reporting	**1.5**	**1.5**
-Limited Review of unaudited financial results	**1.9**	**1.9**
b) In other capacity:		
- other certification	**0.4**	**0.4**
c) Out of pocket expenses	**0.0**	**-**

Details of CSR expenditure:

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross amount required to be spent by the Group during the year	54.9	91.8
b) Amount approved by the Board to be spent during the year	54.9	91.8

c) Amount spent during the year ending on March 31, 2022:	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	40.8	-	40.8

d) Amount spent during the year ending on March 31, 2021:	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	53.7	-	53.7

e) Details related to spent / unspent obligations:

Rs. in million

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust*	29.1	39.0
iii) Unspent amount in relation to:		
- Ongoing project**	16.2	39.1
- Other than ongoing project	-	-
iv) Contribution to Others	11.7	14.8
	57.0	**92.8**

*represents contribution to Eicher Group foundation (Licence under Section 8(1) of the Companies Act, 2013) which is joint venture Company
**includes interest earned of Rs. 2.1 million in FY 21-22 (previous year Rs. 1 million)

Details of ongoing project and other than ongoing project for FY 21-22

In case of S. 135(6) (Ongoing Project)						
Opening Balance		**Amount required to be spent during the year**	**Amount spent during the year**		**Closing balance**	
With company	**In Separate CSR Unspent A/c***		**From Company's bank a/c**	**From Separate CSR**	**With company**	**In Separate CSR**
-	39.1	57.0	40.8	22.4	16.2	16.7

* The amount was transferred to unspent account in September 2021 post clarification by MCA vide circular no.14/2021 dated 25th August 2021.

In case of S. 135(5) (Other than ongoing project)				
Opening balance	**Amount deposited in Specified Fund of Sch. VII within 6 months**	**Amount required to be spent during the year**	**Amount spent during the year**	**Closing balance**
-	-			-

Details of ongoing project and other than ongoing project for FY 20-21

In case of S. 135(6) (Ongoing Project)						
Opening Balance		**Amount required to be spent during the year**	**Amount spent during the year**		**Closing balance**	
With company	**In Separate CSR Unspent A/c**		**From Company's bank a/c**	**From Separate CSR**	**With company**	**In Separate CSR**
-	-	92.8	53.7	-	39.1	-

In case of S. 135(5) (Other than ongoing project)				
Opening balance	**Amount deposited in Specified Fund of Sch. VII within 6**	**Amount required to be spent during the year**	**Amount spent during the year**	**Closing balance**
-	-			-

CSR activities undertaken directly or through EGF majorly includes sustainable initiative for transforming rural communities, driver care program, road safety education, driver and mechanic Training, school supports, support under Covid-19,etc.

Company's projects are long term and money is spent depending upon the requirement of the projects. During the financial year 2021-22, Rs. 40.8 million was spent as per the requirements of CSR projects and the unspent amount of Rs. 16.2 million is transferred to unspent CSR account pursuant to the CSR Rules.

36 Income tax expense

Rs. in million

Particulars		**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Current tax		**302.5**	**-**
Tax adjustment related to earlier years		**28.1**	**12.1**
Deferred tax charge		**321.8**	**289.1**
Total Income tax recognised in the current year	**Total**	**652.4**	**301.2**

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

Rs. in million

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31 2021**
Profit before tax	**1,758.1**	**873.5**
Income Tax expenses calculated at 34.944%	**614.4**	**305.2**
Effect of expenses that are not deductible in determining taxable profit	**5.0**	**16.0**
Others	**33.0**	**(20.1)**
Income tax expense recognised in statement of profit and loss	**652.4**	**301.2**

Income tax expense recognised in other comprehensive income

Rs. in million

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31 2021**
Deferred tax benefit		
Arising on income and expenses recognised in other comprehensive income:		
- Remeasurement of defined benefit obligation	**(8.8)**	**32.9**
- Exchange differences in translating the financial statements of foreign operations	**(3.3)**	**(3.1)**
Total Income tax expense recognised in other comprehensive income	**(12.1)**	**29.8**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	**(8.8)**	**32.9**
Items that may be reclassified to profit or loss	**(3.3)**	**(3.1)**
	(12.1)	**29.8**

37 Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1,962 million (As at March 31, 2021 Rs. 1,284.3 million).
The Group 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 Group does not have any long term commitments or material non-cancellable contractual commitments/contracts, which might have material impact on the financial statements.

38. Research and development expenses:
Capital expenditure incurred during the year for research and development purposes aggregate Rs. 1,387 million (previous year Rs. 1,131.9 million).

39. Contingent liabilities not provided for:

Rs. in million

Particulars	As at March 31, 2022	As at March 31, 2021
a) In respect of following:		
- Sales tax matters	**1,769.1**	**1,751.8**
- Excise duty matters	**62.8**	**62.8**
- Service tax matters	**15.7**	**15.2**
- Income tax matters	**179.5**	**54.3**
b) Claims against the Group not acknowledged as debts	**39.0**	**37.2**

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 Group.

40. Disclosures under Accounting Standard (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, 2022	For the year ended March 31, 2021
a)	Provident fund *	**279.6**	**251.8**
b)	Superannuation fund	**19.4**	**18.4**
c)	Employee State Insurance Corporation	**11.1**	**10.4**

*Includes Rs.9.1 million (previous year Rs. 7.6 million) capitalised during the year in intangible assets under development and includes Rs Nil (previous year Rs. 1.7 million) capitalised during the year under pre-operative expenditure pending allocation.

Out of the total contribution made for employees' provident fund, Rs. 93.5 million (previous year Rs. 84.3 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, 2022 is Rs 4,084.8 million as against the total plan assets of Rs. 4,097.4 million. The funds of the trust have been invested under various securities as prescribed under the rules of the trust. Total plan liabilities are still not final as government notification on rate of interest has still not been released.

B. Defined benefit plans:
In accordance with the Payment of Gratuity Act, 1972, the Group 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 Group contributes the ascertained liability to Insurance Companies by whom the plan assets are maintained.

These plans typically expose the Group to actuarial risks such as: investment risk, inherent 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 in India, it has a relatively balanced mix of investments in government securities, and other debt
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, 2022 by Mr.Charan Gupta, 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, 2022	**As at March 31, 2021**
Discount rate	**7.25%**	**6.85%**
Future salary increase	**7.00%**	**6.50%**
Retirement age	**58/60 years**	**58/60/62 years**
Withdrawal rate	**1-3%**	**1-3%**
In service mortality	**IALM (2012-14)**	**IALM (2012-14)**

*Based on India's standard mortality table with modification to reflect expected changes in mortality (please describe).

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, 2022**	**For the year ended March 31, 2021**
Service cost		
Current service cost	**92.4**	**89.8**
Net Interest expenses	**10.4**	**9.7**
Component of defined benefit cost recognised in profit or loss	**102.8**	**99.5**
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses arising from changes in financial assumptions	**11.8**	**-**
Actuarial (gains)/ losses arising from experience adjustments	**13.4**	**(94.3)**
Component of defined benefit cost recognised in Other comprehensive Income	**25.2**	**(94.3)**

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

	Gratuity	
	As at March 31, 2022	**As at March 31, 2021**
Present Value of funded defined benefit obligation	**1,200.9**	**1,089.5**
Fair value of plan assets	**1,200.9**	**1,089.5**
Net liability arising from defined benefit obligation	**-**	**-**

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

Rs. in million

Particulars	**Gratuity**	
	For the year ended March 31, 2022	**For the year ended March 31, 2021**
Present value of obligation as at the beginning	**1,089.5**	**932.1**
Volvo Bus India acquisition adjustment	**-**	**146.5**
Current service cost	**92.4**	**89.8**
Interest cost	**74.6**	**63.9**
Benefits paid	**(84.4)**	**(60.1)**
Net actuarial (gain) / loss recognised	**28.8**	**(82.6)**
Present value of obligation as at the end	**1,200.9**	**1,089.5**

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

Rs. in million

Particulars	**Gratuity**	
	For the year ended March 31, 2022	**For the year ended March 31, 2021**
Present Value of fund as at the beginning	**1,089.5**	**932.1**
Interest income	**64.2**	**54.2**
Contribution	**127.9**	**151.7**
Net actuarial (gain) / loss recognised	**(3.6)**	**(11.7)**
Benefits paid	**(84.4)**	**(60.1)**
Present value of fund as at the end @	**1,200.9**	**1,089.5**

@ Funds are managed by VECV Employees Group Gratuity Scheme (Trust).

The Fair value of the plan assets at the end of reporting year for each category are as follows.

Rs. in million

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Corporate Bonds categorised by issuers' credit rating		
AAA	**64.9**	**56.7**
AA	**7.6**	**5.8**
A	**2.1**	**5.8**
Corporate debt bonds (traditional plan)	**488.3**	**528.3**
Government securities / Treasury Bills	**560.6**	**421.8**
Money Market	**36.3**	**43.5**
Others	**41.1**	**27.7**

Significant actuarial assumptions for the determination of the defined obligation are discount rare, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting year, 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. 56.6 million (increase by Rs. 61.2 million) (as at March 31, 2021: Decrease by Rs 52.2 million (increase by Rs 56.7 million)).

- If the expected salary growth increases (decreases) by 0.5 basis points, the defined benefit obligation would increase by Rs. 61.1 million (decrease by Rs. 56.9 million) (as at March 31, 2021: increase by Rs 56.6 million (decrease by Rs 52.7 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.

Senstivity 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, 2022**	**As at March 31, 2021**
Average duration of the defined benefit obligation (in years)	**9.8 Years**	**9.0 Years**

The estimated contribution during next year is Rs. 111.5 million (previous year Rs. 109.6 million) to the defined benefit plan.

41. Earnings per share

Rs. in million

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
a) Profit after taxation, per statement of profit and loss (Rs. in million)	**1,105.7**	**572.3**
b) Weighted average number of equity shares (Nos.)	**10,000,000**	**10,000,000**
c) Earnings per share (in rupees): (face value-Rs. 10 per share)		
- Basic and Diluted [(a)/(b)]	**110.57**	**57.23**

42. Financial instruments

42.1 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 has long-term debt and uses 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

	As at March 31, 2022	As at March 31, 2021
Share capital	**100.0**	**100.0**
Other equity	**35,891.1**	**35,307.9**
	35,991.1	**35,407.9**

42.2 Categories of financial instruments

Carrying value of the financial instruments are as follows:-

Rs. in million

	As at March 31, 2022	As at March 31, 2021
Financial assets carried at fair value through profit and loss (FVTPL)		
Investment in equity instruments	**1.4**	**1.4**
Financial assets at amortized cost		
Non-current		
Loans	**26.4**	**19.9**
Other financial assets	**2,574.6**	**2,012.0**
Current		
Trade receivables	**20,379.4**	**15,266.9**
Cash and cash equivalents	**4,225.9**	**3,727.0**
Loans	**39.5**	**35.6**
Other financial assets	**2,804.5**	**2,379.5**
Financial liabilities at amortized cost		
Non-current		
Other financial liabilities	**80.4**	**82.7**
Current		
Borrowings	**346.2**	**298.1**
Trade payables	**42,245.8**	**35,709.1**
Other financial liabilities	**1,973.2**	**2,887.9**

42.3 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

	Fair value as at	
	March 31, 2022	March 31, 2021
	Level 3	Level 3
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity instruments	**1.4**	**1.4**

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 liabilities recognised in the financial statements approximate third 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.

42.4 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

	As at March 31, 2022		As at March 31, 2021	
Foreign currency exposure	**Trade Receivables**	**Trade Payables**	**Trade Receivables**	**Trade Payables**
USD	36.1	1.3	28.7	3.2
EURO	1.2	3.4	0.8	3.7
SEK	-	4.7	-	3.0
JPY	0.2	72.6	-	91.9
Others	38.8	52.1	27.3	42.9

Breakup and aging of Foreign Currency Exposure Risk in INR million as on March 31,2022 :

Particulars	**Unhedged**		**Hedged through forward or derivative**	**Natural Hedge**	
	</=1 year	**>1 year**	**Total**	**</=1 year**	**> 1 year**
FCY Receivables					
(i) Exports	2,670.4	4.3	-	342.6	7.0
Total (A)	**2,670.4**	**4.3**	**-**	**342.6**	**7.0**
FCY Payables					
(ii) Imports	324.4	7.8	-	414.2	**3.0**
Total (B)	**324.4**	**7.8**	**-**	**414.2**	**3.0**

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, 2022		As at March 31, 2021	
	5% increase	**5% decrease**	**5% increase**	**5% decrease**
Receivable				
USD	**(136.1)**	**136.1**	**(105.1)**	**105.1**
EURO	**(5.0)**	**5.0**	**(3.5)**	**3.5**
Others	**(10.1)**	**10.1**	**(6.7)**	**6.7**
Payable				
USD	**5.0**	**(5.0)**	**11.6**	**(11.6)**
EURO	**14.2**	**(14.2)**	**15.8**	**(15.8)**
SEK	**1.9**	**(1.9)**	**1.2**	**(1.2)**
JPY	**6.6**	**(6.6)**	**3.1**	**(3.1)**
Others	**7.6**	**(7.6)**	**5.8**	**(5.8)**
Impact on profit or loss as at the end of the reporting period	**(115.9)**	**115.9**	**(77.7)**	**77.7**
Impact on total equity as at the end of the reporting period	**(75.4)**	**75.4**	**(50.6)**	**50.6**

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 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, 2022	For the year ended March 31, 2021
Balance at beginning of the year	334.2	261.2
Add: Provision on acquisition of Volvo Bus business (Refer note no.44)	-	18.4
Add: Provided during the year	71.2	83.0
Less: reversals of provision	(11.3)	(13.3)
Less: amounts written off	(77.4)	(15.2)
Balance at end of the year	316.7	334.2

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, 2022			
	Less than 1 year	1 Year-5 year	More than 5 years	Total
Non-current				
(i) Borrowings		778.8		778.8
(ii) Other financial liabilities	-	-	80.4	80.4
Current				
(i) Borrowings	346.2	-	-	346.2
(ii) Other financial liabilities	1,973.2	-	-	1,973.2

Rs. in million

Particulars	As at March 31, 2021			
	Less than 1 year	1 Year-5 year	More than 5 years	Total
Non-current				
(i) Borrowings		3,625.0		3625.0
(ii) Other financial liabilities	-	10.4	72.3	82.7
Current				
(i) Borrowings	298.1	-	-	298.1
(ii) Other financial liabilities	2,887.9	-	-	2,887.9

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

43. Segment Reporting Disclosure

The Group 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 Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore, there is no reportable segment for the Group 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, 2022	**104,121.9**	**23,122.6**	**127,244.5**
For the year ended March 31, 2021	**73,404.1**	**13,359.6**	**86,763.7**

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 India.

d) The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. 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.

44 Business combinations

Acquisition of Bus business of Volvo Group India Private Limited (VGIPL) during the year ended 31 March 2021.

On October 31, 2020, the Company acquired, as a going concern on slump sale basis, the bus business of VGIPL for manufacture, assembly, distribution, and sale of the Volvo buses in India, and other rights forming part of the said business, for a consideration of INR 1,005 million, which is subject to adjustments as provided under the Business Transfer related Agreements.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the bus business as at the date of acquisition were:

	MINR
Particulars	**Fair value recognised on acquisition**
Property, Plant and Equipment	532.0
Inventories	740.9
Trade Receivable	150.3
Other current assets	10.8
Less : Trade payables, provisions and other current liabilities	(389.0)
Total identifiable net assets at fair value	**1,045.0**
Total purchase consideration as on the closing date	**1,045.0**

From the date of acquisition till March 31, 2021, the bus business has contributed revenue of INR 161.6 million and loss of INR 261.2 million. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been INR 239.5 million and the loss would have been INR 620.3 million in the previous year.

45. Related party disclosures under Ind AS 24

a. Related party disclosures

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

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

(ii) Joint venture company

Eicher Group Foundation	(EGF)

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

Volvo do Brasil Veiculos Ltda
Renault Trucks SAS
Volvo Group India Private Ltd
Volvo Lastvagnar AB
Volvo Powertrain Corporation
Volvo Bussar AB
AB Volvo Penta
AB Volvo Penta Germany
Volvo Information Technology AB
Volvo Parts AB
Volvo Construction Equipment AB
Thai Swedish Assembly
Volvo Truck Corporation
Volvo Bus Corporation
Volvo Parts Corporation
UD Trucks Southern Africa (Pty) Ltd.
Volvo Group Middle East FZE
PT Volvo Indonesia
Renault Trucks Gare V1
Renault Trucks Gare 89
Renault Trucks
TMBP Ltd, Thailand
Volvo Group Southern Africa (Pty) Ltd
Volvo Group Singapore (Pte) Ltd
Volvo Financial Services India Pvt Ltd
Volvo Technology AB
Volvo Logistics Corporation
Volvo Group Connected Solutions AB
UD Trucks Singapore (PTE.) Ltd.
UD Trucks India Private Limited
Volvo CE India Private Limited
Mack Trucks Inc.
Bajaj Allianz General Insurance Company Ltd.

(iv) Entity under the control of co-venturer (EML)

Eicher Polaris Private Limited	(EPPL)

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

Eicher Goodearth Private Limited	(EGPL)
Eicher Goodearth India Private Limited	(EGIPL)
Shardul Amarchand Mangaldas & Co., Advocates and Solicitors	
Neera Aggarwal	Spouse of Vinod Aggarwal

(vi) 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

(vii) Key management personnel

Executive director :	
Vinod Aggarwal	Managing director, Chief Executive Officer
Non-Executive directors :	
Independent Directors	
Lila Poonawalla	
Inder Mohan Singh	
Other Key management personnel :	
Anders Hager	Chief Financial Officer (till Nov 30, 2021)
Praveen Kumar Jain	Company Secretary
Ken Trolle	Chief Financial Officer (from May 1, 2022)

b. Transactions with the above parties

Name of related party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Investor in respect of which the Company is a joint venture			
Eicher Motors Limited	Sale of finished goods/services	**1,902.4**	**1,656.0**
	Others	**-**	**14.4**
	Dividend paid	**272.0**	**-**
	Expenses recovered	**20.5**	**22.5**
	Expenses reimbursed	**7.4**	**-**
Aktiebolaget Volvo (PUBL), Volvo, Sweden	Dividend paid	**173.5**	**-**
(ii) Joint venture company			
Eicher Group Foundation	Contribution for corporate social responsibility	**28.8**	**77.0**
(iii) Entity under the control of co-venturer (AB Volvo)			
Volvo do Brasil Veiculos Ltda	Sale of finished goods / services	**46.4**	**35.3**
Renault Trucks SAS	Sale of finished goods / services	**4,599.8**	**3,304.4**
	Purchase of goods / services	**29.2**	**102.7**
	Purchase of capital goods/services	**130.0**	**0.1**
	Others	**-**	**5.2**
UD Trucks Corporation Limited	Sale of finished goods / services	**-**	**2.3**
	Expenses reimbursed	**-**	**7.7**
Volvo Group India Private Ltd	Sale of finished goods/ services	**229.3**	**211.3**
	Expenses recovered	**297.6**	**197.2**
	Expenses reimbursed	**29.1**	**34.0**
	Purchase of goods/services	**16,200.3**	**14,403.2**
	Purchase of capital goods/services	**14.2**	**35.7**
	Incentives on parts sale	**32.0**	**14.0**
	Purchase consideration	**-**	**1,283.0**
	Others	**247.1**	
Volvo Powertrain Corporation	Sale of finished goods/ services	**6.7**	**8.2**
	Others	**1.8**	**2.3**
Volvo Bussar AB	Sale of finished goods/ services	**10.8**	**3.9**
	Purchase consideration - Adjustment	**-**	**240.1**
	Expenses recovered	**1.4**	**-**
AB Volvo Penta	Sale of finished goods/ services	**49.1**	**0.6**
AB Volvo Penta Germany	Sale of finished goods/ services	**257.3**	**-**
Volvo Information Technology AB	Purchase of goods / services	**16.9**	**13.8**
Volvo Technology AB	Sale of finished goods/ services	**0.1**	**-**
	Purchase of goods / services	**4.8**	**1.1**
	Others	**46.4**	**34.0**
Volvo Construction Equipment AB	Sale of finished goods / services	**-**	**0.2**
Thai Swedish Assembly	Sale of finished goods / services	**2.0**	**488.8**
	Purchase of goods / services	**-**	**0.9**
Volvo Truck Corporation	Sale of finished goods / services	**1.1**	**-**
	Expenses recovered	**109.0**	**122.3**
	Expenses reimbursed	**-**	**10.6**
	Purchase of capital goods/services	**147.7**	**133.7**
	Dividend	**54.5**	**-**
UD Trucks Southern Africa (Pty) Ltd.	Sale of finished goods/ services	**-**	**1.5**
Volvo Group Middle East FZE	Sale of finished goods/ services	**0.6**	**0.0**
Renault Trucks Gare V1	Sale of finished goods/ services	**2.9**	**2.9**
Renault Trucks Gare 89	Sale of finished goods/ services	**11.6**	**-**
Volvo Bus Corporation	Sale of finished goods / services	**1.9**	**-**
	Purchase of capital goods/services	**6.6**	**-**
	Expenses recovered	**22.8**	**29.6**
Volvo Parts Corporation	Sale of finished goods / services	**5.8**	**2.6**
	Purchase of goods / services	**4.7**	**4.1**
Renault Trucks	Sale of finished goods/ services	**185.3**	**121.3**

PT Volvo Indonesia	Expenses reimbursed	**5.0**	**3.1**
Volvo CE India Private Limited	Sale of finished goods/ services	**187.1**	**9.5**
TMBP Ltd, Thailand	Sale of finished goods/ services	**246.7**	**82.3**
	Purchase of goods / services	**14.3**	**31.2**
Volvo Group Southern Africa (Pty) Ltd	Sale of finished goods/ services	**-**	**10.4**
	Expenses reimbursed	**13.0**	**5.3**
Volvo Group Singapore (Pte) Ltd	Sale of finished goods/ services	**0.0**	**356.7**
	Purchase of goods / services	**-**	**29.2**
	Expenses reimbursed	**8.7**	**6.8**
	Expenses recovered	**-**	**58.4**
UD Trucks Singapore (PTE.) Ltd.	Sale of finished goods/ services	**-**	**357.0**
	Purchase of goods / services	**-**	**2.6**
Volvo Lastvagnar AB	Sale of finished goods/ services	**2,499.8**	**888.3**
Volvo Financial Services India Pvt Ltd	Purchase of goods / services	**7.8**	**9.5**
Volvo Logistics Corporation	Expenses Reimbursed	**0.1**	**0.3**
UD Trucks India Private Limited	Sale of finished goods/ services	**-**	**0.2**
Mack Trucks Inc.	Sale of finished goods/ services	**4.6**	**-**
Volvo Group Connected Solution AB	Purchase of goods/ services	**30.0**	**-**
Bajaj Allianz General Insurance Company Ltd.	Others	**83.3**	**-**
(iv) Entity under the joint control of co-venturer (EML)			
Eicher Polaris Private Limited	Purchase of goods / services	**-**	**3.2**
(v) Entity under the control of key management personnel and their relatives			
Eicher Goodearth Private Limited	Expenses reimbursed	**25.9**	**19.9**
	Lease rent	**132.8**	**129.2**
Eicher Goodearth India Private Limited	Brand fee	**137.3**	**108.8**
Shardul Amarchand Mangaldas & Co., Advocates and Solicitors	Purchase of goods/services	**0.2**	**0.6**
Neera Aggarwal	Rent paid	**0.3**	**0.3**

Name of related party	**Nature of transaction**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
(vi) Other related parties			
Eicher Executive Provident Fund	Contribution made	**93.5**	**84.7**
Eicher Tractors Executive Staff Superannuation Fund	Contribution made	**19.6**	**18.5**
VECV Employees Group Gratuity Scheme	Contribution made to fund	**128.0**	**151.7**
	Benefits paid through fund	**60.1**	**60.1**
(vii) Key management personnel			
Vinod Aggarwal	Short- term benefits	**81.5**	**57.5**
	Post- employment benefits	**2.9**	**0.6**
	Other long- term benefits	**0.3**	**0.0**
		84.8	**58.0**
Anders Hager	Short-term benefits	**32.0**	**30.0**
Praveen Kumar Jain	Short- term benefits	**6.6**	**4.6**
	Post- employment benefits	**0.1**	**0.1**
	Other long- term benefits	**0.0**	**0.0**
		6.8	**4.7**
Lila Poonawalla	Sitting fees and commission	**1.7**	**1.6**
Inder Mohan Singh	Sitting fees and commission	**1.8**	**1.8**

Balance outstanding at the year end

Name of related party	Nature	As at March 31, 2022	As at March 31, 2021
(i) Investor in respect of which the Company is a joint venture			
Eicher Motors Limited	- Receivables	**419.4**	**305.0**
	- Payables		**(0.2)**
	- Acceptances*	**6,767.5**	**4,591.3**

* Represents balance outstanding of bill discounting for VECV vendors. The balance at any point of time during the year was within the overall sanction limit of Rs. 10,000 million.

Name of related party	Nature	As at March 31, 2022	As at March 31, 2021
(ii) Entity under the control of co-venturer (AB Volvo)			
Volvo do Brasil Veiculos Ltda	- Receivables	**1.3**	**19.7**
Renault Trucks SAS	- Receivables	**1,125.4**	**866.4**
	- Payables	**4.6**	**10.8**
UD Trucks Corporation Limited	- Receivables	**-**	**0.5**
	- Payables	**-**	**0.8**
Volvo Group India Private Ltd	- Receivables	**75.2**	**67.0**
	- Payables	**2,462.7**	**2,342.3**
Volvo Powertrain Corporation	- Receivables	**1.5**	**1.9**
	- Payables	**-**	**1.6**
Volvo Bussar AB	- Receivables	**1.9**	**134.6**
AB Volvo Penta	- Receivables	**16.1**	**0.6**
AB Volvo Penta Germany	- Receivables	**53.4**	**-**
Volvo Information Technology AB	- Payables	**0.2**	**0.2**
Volvo Technology AB	- Receivables	**0.1**	**-**
Volvo Parts corporation	- Receivables	**5.3**	**1.1**
	- Payables	**4.8**	**0.0**
Thai Swedish Assembly	- Receivables	**1.6**	**0.0**
Volvo Truck Corporation	- Receivables	**6.3**	**34.1**
	- Payables	**33.8**	**7.0**
UD Trucks Southern Africa (Pty) Ltd.	- Receivables	**-**	**1.1**
Volvo Group Middle East FZE	- Receivables	**0.04**	**-**
Renault Trucks Gare V1	- Receivables	**0.5**	**0.4**
Renault Trucks Gare 89	- Receivables	**10.9**	**-**
Volvo Bus Corporation	- Receivables	**0.0**	**7.9**
	- Payables	**1.3**	**0.2**
Renault Trucks	- Receivables	**50.6**	**21.6**
PT Volvo Indonesia	- Payables	**5.2**	**2.9**
Volvo CE India Private Limited	- Receivables	**34.2**	**8.5**
TMBP Ltd, Thailand	- Receivables	**97.6**	**36.5**
	- Payables	**-**	**10.4**
Volvo Group Southern Africa (Pty) Ltd	- Payables	**3.8**	**3.0**
Volvo Group Singapore (Pte) Ltd	- Payables	**5.0**	**8.1**
UD Trucks Singapore (PTE.) Ltd.	- Receivables	**-**	**185.2**
	- Payables	**-**	**1.7**
Volvo Lastvagnar AB	- Receivables	**459.2**	**159.8**
Volvo Financial Services India Pvt Ltd	- Payables	**0.0**	**0.1**
Volvo Logistics Corporation	- Payables	**0.3**	**0.3**
UD Trucks India Private Limited	- Receivables	**-**	**0.2**
Mack Trucks Inc.	- Receivables	**4.6**	**-**

Bajaj Allianz General Insurance Company Ltd.	- Receivables	**0.1**	**-**
	- Payables	**2.2**	**-**
(iii) Entity under the joint control of co-venturer (EML)			
Eicher Polaris Private Limited	- Receivables	**0.1**	**0.4**
	- Payables	**-**	**(2.9)**
(iv) Entity under the control of key management personnel and their relatives			
Eicher Group Foundation	- Receivables	**2.5**	**0.0**
Eicher Goodearth Private Limited	- Security Deposit Receivable	**2.5**	**39.1**
Eicher Goodearth India Private Limited	- Payables	**39.1**	**107.7**

Notes to the related party transactions

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

46. Disclosure in respect of revenue from Customer :

A. **Disaggregation of revenue from contracts with customers :**

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

For the year ended March 31, 2022

(Rs. in million)

Segments	Sale of products and related services	Others	Total
Revenue by Geography			
Domestic	101,670.0	1,197.1	102,867.1
Overseas	23,122.6	-	23,122.6
Total revenue from contract with customers	**124,792.6**	**1,197.1**	**125,989.7**
Revenue by major product lines			
Sale of products	123,522.4	506.1	124,028.5
Product related services	1,270.2	691.0	1,961.2
Total revenue from contract with customers	**124,792.6**	**1,197.1**	**125,989.7**
Timing of revenue recognition			
At a point in time	123,522.4	506.1	124,028.5
Over time	1,270.2	691.0	1,961.2
Total revenue from contract with customers	**124,792.6**	**1,197.1**	**125,989.7**
Revenue			
Extenral customer	124,792.6	1,197.1	125,989.7
Inter-segment revenue	-	-	-
Inter-segment adjustments/eliminations	-	-	-
Total revenue from contract with customers	**124,792.6**	**1,197.1**	**125,989.7**

For the year ended March 31, 2021

(Rs. in million)

Segments	Sale of products and related services	Others	Total
Revenue by Geography			
Domestic	71,468.7	904.4	72,373.1
Overseas	13,359.6	-	13,359.6
Total revenue from contract with customers	**84,828.3**	**904.4**	**85,732.7**
Revenue by major product lines			
Sale of products	83,827.7	278.1	84,105.8
Product related services	1,000.6	626.3	1,626.9
Total revenue from contract with customers	**84,828.3**	**904.4**	**85,732.7**
Timing of revenue recognition			
At a point in time	83,827.7	278.1	84,105.8
Over time	1,000.6	626.3	1,626.9
Total revenue from contract with customers	**84,828.3**	**904.4**	**85,732.7**
Revenue			
External customer	84,828.3	904.4	85,732.7
Inter-segment revenue	-	-	-
Inter-segment adjustments/eliminations	-	-	-
Total revenue from contract with customers	**84,828.3**	**904.4**	**85,732.7**

B. The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

(Rs. in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Within one year	**2,450.1**	**2,570.6**
More than one year	-	-

47. Ratio analysis

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Remarks
Current ratio	Current Assets	Current Liabilities	1.06	1.10	3.62%	-
Debt- Equity Ratio	Total Debt including lease liability	Shareholder's Equity	0.05	0.13	59.55%	On account of higher cash profit earned during the year, the company has made pre-payment of Rs. 2,500 million due to which there is significant decrease in the ratio
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	2.27	2.69	15.62%	-
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	3%	2%	-69.63%	Majorly on account of higher sale of vehicles in current year from 41,258 Vehicles in previous year to 57,024 vehicles in current year due to which there is favourable movement in the ratio
Inventory Turnover ratio	Cost of goods sold	Average Inventory	7.07	5.58	-26.84%	Majorly on account of higher sale of vehicles in current year from 41,258 Vehicles in previous year to 57,024 vehicles in current year due to which there is favourable movement in the ratio
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	7.17	7.45	3.75%	-
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	2.23	1.79	-24.24%	-
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	32.51	31.52	-3.14%	-
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.01	0.01	-31.11%	Increase in volume has led to favourable movement in the ratio.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax liability	7.4%	4.0%	-85.95%	Increase in volume has led to favourable movement in the ratio.

48. The maturity analysis of lease liabilities are disclosed below:

(Rs. in million)

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Lease liabilities	53.9	157.4	398.3	1,319.5	1,929.0
Total	**53.9**	**157.4**	**398.3**	**1,319.5**	**1,929.0**

49. Additional information as required by Paragraph 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the	Share of net assets		Share of profit or loss	
	As % of consolidated net assets	Rs. In million	As % of consolidated profit or loss	Rs. In million
Parent				
VE Commercial Vehicles Limited	99.6%	35,851.8	95.7%	1,058.7
Subsidiaries				
Foreign				
1. VECV South Africa (Pty) Limited	0.4%	137.0	3.9%	42.9
2. V E C V Lanka (Private) Limited	0.0%	2.3	0.4%	4.1
	100.0%	35,991.1	100.0%	1,105.7

Name of the entity in the	Share of other comprehensive income		Share of total comprehensive income	
	As % of consolidated other comprehensive income	Rs. In million	As % of consolidated toal comprehensive income	Rs. In million
Parent				
VE Commercial Vehicles Limited	72.9%	(16.4)	96.2%	1,042.3
Subsidiaries				
Foreign				
1. VECV South Africa (Pty) Limited	21.3%	(4.8)	3.5%	38.1
2. V E C V Lanka (Private) Limited	5.8%	(1.3)	0.3%	2.8
	100.0%	(22.5)	100.0%	1,083.2

50. Other Statutory Information

(a) The Company has sanctioned working capital limits amounting to Rs.7,950 million from multiple banks as at March 31, 2022. The security offered is "First Pari-Passu charge by way of hypothecation of the company's entire stock of raw material, semifinished and finished goods, stores spare other moveable including book debts". In addition, the company has sanctioned unsecured working capital limits of Rs. 8,500 million as at that date. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(b) The Company has applied the borrowed fund for the specific purpose for which it was obtained as at the balance sheet date.

(c) The Company has not defaulted in on loans payable and have not be declared as wilful defaulter.

(d) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(e) The Company have not revalued its Property, Plant & Equipments, Intangibel Assets and Right to Use Assets during the year.

(f) The Company do not have any transactions with companies struck off.

(g) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(h) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(i) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(j) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(k) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(l) The Company has not granted any loans and advances to promoters, directors, KMPs amd other related partes (as defined under Companies Act 2012) during the year.

(m) The Company have complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

51. The subsidiary company V E C V Lanka (Pvt.) Ltd. has made a profit of Rs.4 million during the current year (previous year loss of Rs. 13 million) and accumulated loss of Rs.52 million (previous year accumulated loss of Rs. 55 million) as at the reporting date. Further the government of Sri Lanka has decided to stop import of Completely Build Unit (CBU) and instead allow import of Semi Knocked-down (SKD) assemblies to promote the local industry and employment. The subsidiary Company currently imports CBU. These conditions indicate the existence of material uncertainty which may cast significant doubt's on the company's ability to continue as a going concern.

In view of the above development, the subsidiary company is in the process of evaluating various options of SKD import and assembly. The proposal once firmed up shall be placed before subsidiary company's board and the board of holding company for approval. Further, that subsidiary company, intends to continue business in Sri Lanka in form and manner approved by the Board of two companies. The board of directors of holding and subsidiary company have made an assessment and are confident of the company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations.

52. The Company and it's subsidiaries 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 and it's subsidiaries.

54. Previous year's figures have been recast/regrouped wherever necessary to conform to the current year presentation.

In terms of our report attached.
For S.R.Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

Per Sanjay Vij
Partner
Membership no.: 095169

Praveen Jain
Company Secretary
M No. 3524

Ken Trolle
Chief financial Officer

For and on behalf of the Board of Directors

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Jan Gurander
Director
DIN: 08599678

Siddhartha Lal
Chairman
DIN: 00037645

Place : Gurugram
Date : May 10, 2022