INDEPENDENT AUDITOR'S REPORT
To the Members of VE Commercial Vehicles Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of VE Commercial Vehicles Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 a summary of significant accounting policies.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 3, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("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 purpose 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, 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 Ind AS 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 written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 38 to the standalone Ind AS financial statements;

ii. The Company did not any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 50 to the standalone Ind AS financial statements;

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

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

per Sanjay Vij
Partner
Membership Number: 095169
Place of Signature: Gurugram
Date: May 8, 2018

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

b. All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years 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 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, 2018 (Rs. In million)	Remarks
Freehold land and building located at Ahmedabad, Bhiwandi and Gurgaon, admeasuring 1,743.08 square meters, 21,695 square meters and 28,112 square meters, respectively	62.8	Pending registration in the name of the Company

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2018 and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account 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 facie, 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, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) 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	1.3	-	1991-92 to 1997-98
Central Excise Act	CESTAT	143.6	83.6	2000-01 to 2015-16
Sales Tax Act	Appellate Authority upto commissioner's level	1,753.5	176.4	1995-96, 2004-05 to 2014-15,2016,17
Sales Tax Act	Appellate Tribunal	99.8	24.1	1991-92 to 1994-95, 1998-99 to 2000-01, 2002-03, 2011-2012, 2013-14,
Sales Tax Act	High Court	60.1	3.0	1995-96, 2000-01, 2005-06, 2008-09 and 2009-10
Finance Act, 1994	Addition on account of TPO under section 92CA(3)	0.9	-	2009-11
Finance Act, 1994	CESTAT	485.3	16.7	2003-07 to 2007-08, 2009-10, 2011-12
Income Tax Act, 1961	Appellate Authority upto commissioner's level	0.5	-	2011-12
*Amount as per demand orders including interest and penalty wherever indicated in the order.				

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

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans, hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) 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.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(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) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) 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.

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

per Sanjay Vj
Partner
Membership Number: 095169
Place: Gurugram
Date: May 3, 2018

ANNEXURE 2 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 over financial reporting of VE Commercial Vehicles Limited ("the Company") as of March 31, 2018 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. 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Sanjay Vij
Partner
Membership Number: 095169
Place of Signature: Gurugram
Date: May 8, 2018

(1)

VE COMMERCIAL VEHICLES LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

Rs. in million

Particulars	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	**16,316.7**	15,542.3
(b) Capital work-in-progress	6	**964.5**	1,759.1
(c) Intangible assets	7	**5,208.3**	4,304.5
(d) Intangible assets under development	8	**2,387.2**	1,912.5
(e) Financial assets			
(i) Investments	9	**119.8**	89.8
(ii) Trade receivables	10	**19.7**	89.0
(iii) Loans	11	**21.7**	19.1
(iv) Other financial assets	12	**343.7**	337.8
(f) Other assets	13	**2,032.7**	1,658.2
Total non-current assets		**27,414.3**	25,712.3
Current assets			
(a) Inventories	14	**9,261.5**	6,463.9
(b) Financial assets			
(i) Trade receivables	10	**14,138.1**	10,435.9
(ii) Cash and cash equivalents	15	**3,427.1**	3,089.2
(iii) Bank balances other than (ii) above	16	**12,655.1**	7,473.2
(iv) Loans	11	**15.2**	56.9
(v) Other financial assets	12	**1,904.1**	1,244.7
(c) Other assets	13	**1,681.6**	2,812.4
Total current assets		**43,082.7**	31,576.2
Total assets		**70,497.0**	57,288.5
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	**100.0**	100.0
(b) Other equity	18	**32,375.8**	28,798.5
Total equity		**32,475.8**	28,898.5
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	19	**64.2**	97.5
(b) Provisions	20	**1,608.1**	1,246.2
(c) Deferred tax liabilities (net)	21	**456.4**	119.0
(d) Other liabilities	22	**334.7**	375.5
Total non-current liabilities		**2,463.4**	1,838.2
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	**2,565.0**	2,040.0
(ii) Trade payables	24	**26,624.2**	19,408.0
(iii) Other financial liabilities	19	**2,682.2**	2,212.2
(b) Provisions	20	**910.1**	858.5
(c) Income tax liabilities (net)	25	**190.3**	106.8
(d) Other liabilities	22	**2,586.0**	1,926.3
Total current liabilities		**35,557.8**	26,551.8
Total liabilities		**38,021.2**	28,390.0
Total equity and liabilities		**70,497.0**	57,288.5
See accompanying notes forming part of the financial statements	1 to 52		

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

For and on behalf of the Board of Directors

Per Sanjay Vij
Partner
Membership no.: 95169

Praveen Jain
Company Secretary
M No. 3524

Anders Hager
Chief financial Officer

Vinod Aggarwal
Managing Director and Chief Executive Officer
DIN: 00038906

Hakan Karlsson
Chairman
DIN: 05195444

Siddhartha Lal
Director
DIN: 00037645

Place : Gurugram
Date :

VE COMMERCIAL VEHICLES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Rs. in million

Particulars	Note	For the year ended March 31 2018	For the year ended March 31 2017
Income			
Revenue from operations	26	102,066.5	92,054.5
Other Income	27	826.3	570.9
Total Income		102,892.8	92,625.4
Expenses			
Cost of raw materials consumed	28	63,284.5	48,316.1
Purchases of stock-in-trade	29	13,092.8	15,027.3
Change in inventories of finished goods, work-in-progress and stock-in-trade	30	(1,211.4)	553.4
Excise duty on sale of goods		1,739.8	7,092.5
Employee benefits expenses	31	6,839.4	6,225.9
Finance costs	32	161.0	178.4
Depreciation and amortisation expenses	33	3,222.1	2,727.0
Other expenses	34	9,244.4	8,078.6
Total expenses		96,372.6	88,199.2
Profit before tax		6,520.2	4,426.2
Tax expense			
Current tax	35	1,513.1	963.8
Tax adjustment relating to earlier years		(73.6)	-
Deferred tax charge/(benefit)	35	345.2	(11.4)
Total tax expense		1,784.7	952.4
Profit for the year		4,735.5	3,473.8
Other comprehensive income			
Items that will not be reclassified to profit or loss:-			
Re-measurement gains/ (losses) on defined benefit plans		(22.6)	(53.1)
Income tax benefit	35	7.8	18.4
Net other comprehensive income not to be reclassified to profit or loss		(14.8)	(34.7)
Total Comprehensive income for the year, net of tax		4,720.7	3,439.1
Earnings per share (of Rs.10 each) in Rs.			
Basic/ diluted		473.55	347.38
See accompanying notes forming part of the financial statements	1 to 52		

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

For and on behalf of Board of Directors

Per Sanjay Vij
Partner
Membership no.: 95169

Praveen Jain
Company Secretary
M No. 3524

Anders Hager
Chief financial Officer

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Hakan Karlsson
Chairman
DIN: 05195444

Siddhartha Lal
Director
DIN: 00037645

Place : Gurugram
Date :

VE COMMERCIAL VEHICLES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity share capital

Rs. in million

	Number of Shares	Amount
Balance as at March 31, 2016	10,000,000	100.0
Changes in equity share capital during the year	-	-
Balance as at April 1, 2017	10,000,000	100.0
Changes in equity share capital during the year	-	-
Balance as at March 31, 2018	10,000,000	100.0

Rs. in million

Particulars	Reserves and surplus			Total
	Share premium	General reserve	Retained earnings	
Balance as at March 31, 2017	10,786.6	2,598.5	15,413.4	28,798.5
Profit for the year	-	-	4,735.5	4,735.5
Other comprehensive income	-	-	(14.8)	(14.8)
Dividends paid	-	-	(950.0)	(950.0)
Tax on dividend	-	-	(193.4)	(193.4)
Balance as at March 31, 2018	**10,786.6**	**2,598.5**	**18,990.7**	**32,375.8**

Rs. in million

Particulars	Reserves and surplus			Total
	Share premium	General reserve	Retained earnings	
Balance as at March 31, 2016	10,786.6	2,598.5	11,974.3	25,359.4
Profit for the year	-	-	3,473.8	3,473.8
Other comprehensive income	-	-	(34.7)	(34.7)
Dividends paid	-	-	-	-
Tax on dividend	-	-	-	-
Balance as at March 31, 2017	**10,786.6**	**2,598.5**	**15,413.4**	**28,798.5**

See accompanying notes forming part of the financial statements 1 to 52

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

For and on behalf of the Board of Directors

Per Sanjay Vij
Partner
Membership no.: 95169

Praveen Jain
Company Secretary
M No. 3524

Anders Hager
Chief financial Officer

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Hakan Karlsson
Chairman
DIN: 05195444

Siddhartha Lal
Director
DIN: 00037645

Place : Gurugram
Date :

(4)

VE COMMERCIAL VEHICLES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. in million

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax	4,735.5	3,473.8
Adjustments for:		
Current tax	1,513.1	963.8
Tax adjustment relating to earlier years	(73.6)	-
Deferred tax charge/ (benefits)	345.2	(11.4)
Depreciation and amortisation expenses	3,222.1	2,727.0
Profit on sale of property, plant and equipment	-	(4.0)
Property, plant and equipment and intangible assets discarded	66.4	12.6
Loss on sale of property, plant and equipment	26.0	39.8
Re-measurement gains/ (losses) on defined benefit plans	(22.6)	(53.1)
Interest income	(691.7)	(444.0)
Excess provision on investment in subsidiary company written back	-	(43.1)
Finance costs	161.0	178.4
Operating profit before changes in working capital	9,281.4	6,839.9
Changes in working capital:		
Non-current		
Trade receivables	69.3	207.00
Loans	(2.6)	(3.1)
Other financial assets	(9.3)	(29.4)
Other assets	(192.3)	(485.9)
Current		
Inventories	(2,797.6)	368.7
Trade receivables	(3,702.2)	(2,444.2)
Loans	41.7	(30.9)
Other financial assets	(506.4)	(762.3)
Other assets	1,130.8	782.4
Adjustments for increase / (decrease) in liabilities:		
Non-current		
Other financial liabilities	(0.3)	2.4
Provisions	361.9	301.8
Other liabilities	(40.8)	352.0
Current		
Trade payables	7,216.2	1,627.6
Provisions	51.6	298.5
Other financial liabilities	553.5	838.7
Other liabilities	659.7	371.7
Cash generated from operating activities	12,114.6	8,234.7
Income taxes paid	(1,356.1)	(939.8)
Net cash flow from operating activities (A)	10,758.5	7,295.0
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	(5,039.9)	(4,061.7)
Sale of fixed assets	68.5	60.9
Investment in fixed deposits	(5,178.5)	(7,077.6)
Investment in equity shares of subsidiary companies	(30.0)	(150.0)
Interest received	538.7	372.4
Net cash flow from investing activities (B)	(9,641.2)	(10,856.0)
C.CASH FLOW FROM FINANCING ACTIVITIES		
Increase in short term borrowings (net)	525.0	1,669.9
Interest paid	(161.0)	(178.4)
Dividend paid	(950.0)	-
Tax on dividend	(193.4)	-
Net cash flow from financing activities (C)	(779.4)	1,491.5
Net Increase in cash and cash equivalents (A)+(B)+(C)	337.9	(2,069.5)
Cash and cash equivalents at the beginning of the year	3,089.2	5,158.7
Cash and cash equivalents at the end of the year	3,427.1	3,089.2

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Components of cash and cash equivalents		
Cash on hand	1.1	1.1
Cheques/ drafts on hand	346.7	187.1
Balances with banks:		
In current accounts	429.3	168.8
In deposit accounts	2,650.0	2,732.2
Total cash and cash equivalents (refer note no. 15)	3,427.1	3,089.2

See accompanying notes forming part of the financial statements 1 to 52

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

For and on behalf of Board of Directors

Per Sanjay Vij
Partner
Membership no.: 95169

Praveen Jain
Company Secretary
M No. 3524

Anders Hager
Chief financial Officer

Vinod Aggarwal
Managing Director :
Chief Executive Officer
DIN: 00038906

Hakan Karlsson
Chairman
DIN: 05195444

Siddhartha Lal
Director
DIN: 00037645

Place : Gurugram
Date:

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, 2018 were approved by the Board of Directors and authorize for issue on May 8, 2018.

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

Sale of goods

Revenue from the sale of goods is recognised when titles have passed and all the following conditions are satisfied:

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

Rendering of services

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

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 Leasing

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

The Company as a lessor

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

The Company as a Lessee

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

3.3 Foreign currencies

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

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

Foreign currency derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.4 Borrowing costs

Borrowing costs directly attributable to the' acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.5 Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income.

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 ten years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 5 years or less depending on the estimated useful life of asset.

3.10 Impairment of tangible 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).

<u>Warranties</u>

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 <u>Classification of financial assets</u>

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.

3.17 Recent accounting pronouncements

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

Upon adoption the Company does not expect a material change in the manner in which revenue arrangements are recognized from the current practice. Based on the management's assessment, the quantitative impact of Ind AS 115 on the financial statements is not material to the Company.

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:-

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 judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. 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, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of tangible and intangible assets

Management reviews the useful lives of its tangible and intangible assets at each reporting. As at March 31, 2018 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.

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5. Property, plant and equipment

Rs. in million

	Freehold Land*	Buildings*	Plant and equipment	Furniture and Fixtures	Office equipment	Vehicles	Total
Cost							
At 31st March 2016	339.4	3,488.9	16,956.5	921.3	1,054.2	945.7	23,706.0
Additions	-	451	1,086.2	113.9	101.6	407.4	2,160.4
Disposals	-	-	40.6	14.6	19.7	162.8	237.7
At 31 March 2017	**339.4**	**3,940.2**	**18,002.1**	**1,020.6**	**1,136.1**	**1,190.3**	**25,628.7**
Additions	**6.1**	**727.5**	**2,386.4**	**63.5**	**95.5**	**161.0**	**3,440.0**
Disposals	**-**	**9.2**	**159.3**	**27.2**	**23.9**	**171.2**	**390.8**
At 31 March 2018	**345.5**	**4,658.5**	**20,229.2**	**1,056.9**	**1,207.7**	**1,180.1**	**28,677.9**
Accumulated depreciation							
At 31st March 2016	-	575.7	6076.1	209.7	772.4	389.0	8022.9
Charge for the year@	-	129.7	1670.8	71.7	137.5	182.2	2191.9
Less: Adjustments	-	-	27.0	6.9	15.2	79.3	128.4
At 31 March 2017	-	**705.4**	**7,719.9**	**274.5**	**894.7**	**491.9**	**10086.4**
Charge for the year@	-	**157.8**	**1,952.0**	**74.3**	**130.3**	**192.6**	**2507.0**
Less: Adjustments	-	**3.7**	**104.1**	**18.8**	**23.1**	**82.4**	**232.1**
At 31 March 2018	-	**859.5**	**9,567.7**	**330.0**	**1,001.9**	**602.1**	**12,361.2**
Carrying amount							
At 31 March 2017	339.4	3,234.8	10,282.2	746.1	241.4	698.4	15,542.3
At 31 March 2018	**345.5**	**3,799.0**	**10,661.5**	**726.9**	**205.8**	**578.0**	**16,316.7**

* Title deeds for lands and other properties at Ahmedabad, Bhiwandi and Gurugram are pending for mutation in favour of the Company.

@ Rs. Nil amount (previous year :- Rs. 1.2 million) transferred to capital work in progress.

6. Capital work-in-progress

Rs. in million

	As at March 31, 2018	As at March 31, 2017
Capital work-in-progress	964.5	1,759.1
	964.5	1,759.1

including other direct expenditure amounting to Rs 15.1 million (March 31, 2017 Rs. 5.5 million) (refer below)

Other direct expenditure

Rs. in million

	As at March 31, 2018	As at March 31, 2017
Payments to and provisions for employees		
Salaries, wages, bonus etc.	-	2.9
Contribution to provident and other funds	-	0.1
Legal and professional charges	-	0.2
Rent expenses	14.7	0.4
Development expenses	-	(0.9)
	14.7	2.7
Add: Balance brought forward from previous year	5.5	8.6
	20.2	11.3
Less: Capitalised during the year	5.1	5.8
	15.1	5.5

7. Intangible assets

Rs. in million

	Product design, prototype etc.	Software	Total
Cost			
At 31 March 2016	3,589.0	929.4	4,518.4
Additions	1,709.2	148.0	1,857.2
Disposals	3.5	11.8	15.3
At March 31, 2017	**5,294.7**	**1,065.6**	**6,360.3**
Additions	**1,424.0**	197.1	**1,621.1**
Disposals	-	9.2	**9.2**
At 31 March 2018	**6,718.7**	**1,253.5**	**7,972.2**
Accumulated amortisation			
At 31 March 2016	941.9	593.0	1534.9
Charge for the year	354.2	182.0	536.2
Disposals	3.5	11.8	15.3
At 31 March 2017	**1292.6**	**763.2**	**2055.8**
Charge for the year	**565.5**	**149.6**	**715.1**
Disposals	**0.0**	**7.0**	**7.0**
At 31 March 2018	**1,858.1**	**905.8**	**2,763.9**
Carrying amount			
At 31 March 2017	4,002.1	302.4	4,304.5
At 31 March 2018	**4,860.6**	**347.7**	**5,208.3**

8. Intangible assets under development

Rs. in million

	As at March 31, 2018	As at March 31, 2017
Intangible assets under development	2,387.2	1,912.5
	2,387.2	1,912.5

9. Investments

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Investment in equity instruments	119.8	89.8
	119.8	89.8
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 V E C V Lanka (Private) Limited, Sri Lanka	54.3	54.3
180 (previous year 100) equity shares of VECV South Africa (Pty) Limited (no face value)	65.0	35.0
	119.3	89.3
Joint venture company*		
25,000 (previous year 25,000) equity shares of Rs. 10 each fully paid up of Eicher Company Foundation (Licence under Section 8(1) of the Companies Act, 2013)$	-	-
Unquoted investment (at FVTPL) in :		
Others		
50,000 (previous year 50,000) equity shares of Rs. 10 each fully paid up of Pithampur Auto Cluster Ltd.	0.5	0.5
	119.8	89.8

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

	As at March 31, 2018	As at March 31, 2017
Aggregate book value of quoted investments	-	-
Aggregate carrying value of unquoted investments (net of impairment, if any)	119.3	89.3

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

	As at March 31, 2018	As at March 31, 2017
Financial assets carried at fair value through profit or loss (FVTPL)		
Investment in Pithampur Auto Cluster Ltd.	0.5	0.5

These investments excludes investment in subsidiaries and joint ventures carried at cost amounting to Rs. 119.3 million (March 31, 2017 Rs. 89.3 million)

10. Trade receivables

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Unsecured - considered good	19.7	89.0
Total	19.7	89.0
Current		
Secured, considered good	30.68	31.5
Unsecured - considered good	14,107.3	10,404.4
- considered doubtful	165.9	131.4
	14,304.0	10,567.3
Less: impairment for doubtful trade receivables	165.9	131.4
Total	14,138.1	10,435.9

Age of receivables :

Particulars	As at March 31, 2018	As at March 31, 2017
Within the credit period	10,342.1	8,731.0
1 - 30 days past due	2,250.3	1,019.6
31- 180 days past due	1,393.3	672.5
More than 180 days past due	338.0	233.2
	14,323.7	10,656.3

11. Loans

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Non - current		
Unsecured, considered good		
Loans to employees	21.7	19.1
Total	21.7	19.1
Current		
Unsecured, considered good		
Loans to employees	15.2	56.9
Total	15.2	56.9

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

12. Other financial assets

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Non - current		
Unsecured, considered good		
Fixed deposits*	200.1	203.5
Security deposit	143.6	134.3
Total	343.7	337.8

* Represents fixed deposits pledged with banks against bank guarantees

Current		
Unsecured, considered good unless otherwise stated		
Security deposit		
Considered good	37.6	30.6
Considered doubtful	7.5	7.5
	45.1	38.1
Less: impairment for doubtful security deposits	7.5	7.5
	37.6	30.6
Interest accrued on deposits	296.8	143.8
Industrial promotion subsidy receivable	1298.2	815.2
Other receivables		
Considered good	271.5	255.1
Considered doubtful	3.9	3.9
	275.4	259.0
Less: impairment for doubtful other receivables	3.9	3.9
	271.5	255.1
Total	1904.1	1244.7

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

13 Other assets

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Non - current		
Unsecured, considered good unless otherwise stated		
Capital advances	501.5	319.3
Balance with government authorities		
Considered good	353.8	337.3
Considered doubtful	5.0	82.1
	358.8	419.4
Less: impairment for doubtful advances	5.0	82.1
	353.8	337.3
Prepayment land leases	1136.8	963.2
Prepayment security deposits and other loans	40.6	38.4
Total	2032.7	1658.2
Current		
Unsecured, considered good unless otherwise stated		
Advance to supplier	708.8	725.9
Prepaid expense	58.7	54.0
Balance with government authorities		
Considered good	879.2	2,003.8
Considered doubtful	2.0	2.0
	881.2	2,005.8
Less: impairment for doubtful advances	2.0	2.0
	879.2	2,003.8
Advances to employees	8.8	4.3
Prepayment land leases	16.1	15.0
Prepayment security deposits and other loans	10.0	9.5
Total	1,681.6	2,812.4

14 Inventory

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Raw materials and components	3,005.7	1,456.3
(includes goods in transit of Rs. 480.8 millions (March 31, 2017 Rs 176.5 millions)		
Work in progress	493.1	429.7
Finished goods	3,739.2	2,981.0
(includes goods in transit of Rs. 86.0 millions (March 31, 2017 Rs 105.3 millions)		
Stock in trade	1,612.5	1,222.7
(includes goods in transit of Rs. 17.8 millions (March 31, 2017 Rs 37.5 millions)		
Stores and spares	283.3	260.8
Loose tools	127.7	113.4
Total	9,261.5	6,463.9

The cost of Inventory recognised as an expenses during the year was Rs 74,834.9 million (previous year Rs. 70,090.3 million)

The cost of Inventories recognised as an expenses includes Rs. 114.4 million (previous year Rs. 220.6 million) in respect of write down of inventory to net realisable value, and has been reduced by Rs. 8.0 million (previous year Rs. 51.2 millions) in respect of reversal of such write downs.

Inventory of Rs. 286.6 million (March 31, 2017 Rs. 403.1 million) are expected to be recovered after more than 12 months.

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, 2018	As at March 31, 2017
Cash on hand	1.1	1.1
Cheques, drafts on hand	346.7	187.1
Balances with banks		
In current accounts	429.3	168.8
In deposit accounts	2,650.0	2,732.2
Total	3,427.1	3,089.2

16 Other bank balance

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks		
In deposit accounts	12,655.1	7,473.2
	12,655.1	7,473.2

17 **Equity share capital**

Rs. in millions

Particulars	As at March 31, 2018	As at March 31, 2017
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 April 1, 2016	10,000,000	100.0
Movement during the year	-	-
Balance at March 31, 2017	**10,000,000**	**100.0**
Movement during the year	-	-
Balance at March 31, 2018	**10,000,000**	**100.0**

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	% holding in the class	Nos.	% holding in the class
Eicher Motors Limited	5,440,000	54.40%	5,440,000	54.40%
Aktiebolaget Volvo (PUBL), Volvo, Sweden	3,469,700	34.70%	3,469,700	34.70%
Volvo Truck Corporation, Sweden (100% subsidiary of Aktiebolaget Volvo (PUBL), Volvo, Sweden)	1,090,300	10.90%	1,090,300	10.90%

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

18 Other equity

(Rs in million)

	Particulars	As at March 31, 2018	As at March 31, 2017
(a)	Share premium account	**10,786.6**	10,786.6
(b)	General reserve	**2,598.5**	2,598.5
(c)	Retained earnings	**18,990.7**	15,413.4
		32,375.8	28,798.5

(Rs in million)

	Particulars	As at March 31, 2018	For the year ended March 31, 2017
(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	**15,413.4**	11,974.3
	Add: Profit for the year	**4,735.5**	3,473.8
	Add: Other comprehensive income:		
	from remeasurement of defined benefit obligation net of income tax	**(14.8)**	(34.7)
	Less: Final dividend (amount per share Rs. 95 (previous year Rs. Nil))	**950.0**	-
	Less: Tax on dividend	**193.4**	-
	Closing balance	**18,990.7**	15,413.4

In respect of the year ended March 31, 2018, the directors proposed that a dividend of Rs. .... 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. ...... Millions.

19 Other financial liabilities

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Non- Current		
Capital creditors	**-**	33.0
Security deposits	**64.2**	64.5
Total	**64.2**	97.5
Current		
Capital creditors	**384.8**	468.3
Book overdraft	**1498.8**	928.8
Employees dues	**798.6**	815.1
Total	**2682.2**	2,212.2

20 Provisions

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Employees benefits (i)		
Compensated absences	438.3	377.9
Other employee benefits	338.1	273.9
Other provisions : Warranties (ii)	831.7	594.4
Total	1608.1	1,246.2
Current		
Employees benefits (i)		
Compensated absences	22.9	20.5
Other employee benefits	4.3	5.9
Other provisions : Warranties (ii)	882.9	832.1
Total	910.1	858.5

(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, 2018	For the year ended March 31, 2017
Opening balance	1,426.5	1,030.4
Additional provisions recognised	919.6	976.2
Amount utilised during the year	(681.8)	(623.7)
Unwinding of discount	50.3	43.6
Closing balance	1,714.6	1,426.5

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.

21 Deferred tax liabilities (net)

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	4,001.2	3,516.0
Others	62.0	48.3
	4,063.2	3,564.3
Less: Deferred tax assets on		
MAT credit entitlement	3,160.9	3,098.1
Accrued expenses deductible on payment	53.5	59.2
Provision for leave encashment/compensated absences	136.2	114.5
Provision for doubtful debts and advances	62.1	50.1
Others	194.1	123.4
	3,606.8	3,445.3
Deferred tax liabilities (net)	456.4	119.0

VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Movement in Deferred tax liabilities

For the year ended March 31, 2018

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	3,516.0	485.2	-	4,001.2
Others	48.3	13.7	-	62.0
	3,564.3	498.9	-	4,063.2
Less: Deferred tax assets on				
MAT credit entitlement	3,098.1	62.8	-	3,160.9
Accrued expenses deductible on payment	59.2	(5.7)	-	53.5
Provision for leave encashment/compensated absences	114.5	21.7	-	136.2
Remeasurement of defined benefit obligation	-	(7.8)	7.8	-
Provision for doubtful debts and advances	50.1	12.0	-	62.1
Others	123.4	70.7	-	194.1
	3,445.3	153.7	7.8	3,606.8
Deferred tax (assets)/ liabilities (net)	119.0	345.2	(7.8)	456.4

For the year ended March 31, 2017

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	3,459.3	56.7	-	3,516.0
Others	31.7	16.6	-	48.3
	3,491.0	73.3	-	3,564.3
Less: Deferred tax assets on				
MAT credit entitlement	2,988.9	109.2	-	3,098.1
Business losses and unabsorbed depreciation carried forward	67.1	(67.1)	-	-
Accrued expenses deductible on payment	84.6	(25.6)	-	59.2
Provision for leave encashment/compensated absences	93.3	21.2		114.5
Remeasurement of defined benefit obligation	-	(18.4)	18.4	-
Provision for doubtful debts and advances	53.2	(2.9)	-	50.1
Others	55.1	68.3	-	123.4
	3,342.2	84.7	18.4	3,445.3
Deferred tax (assets)/ liabilities (net)	148.8	(11.4)	(18.4)	119.0

22. Other liabilities

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Non- Current		
Advances from customers	**14.2**	123.2
Deferred revenue	**320.6**	252.3
Total	**334.7**	375.5
Current		
Advances from customers	**1958.4**	1,245.3
Statutory dues	**592.9**	646.7
Deferred revenue	**34.7**	34.3
Total	**2586.0**	1926.3

23. Borrowings

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Secured- at amortised cost		
Loan repayable on demand from banks		
Short term loan (i)	**310.0**	460.0
Unsecured- at amortised cost		
Loan repayable on demand from banks		
Short term loan (ii)	**2,255.0**	1,580.0
Total	**2,565.0**	2,040.0

(i) Rs. 310.0 million (March 31, 2017 :- Rs. 460.0 million) secured by way of first pari passu hypothecation charge on all existing and future receivables and current assets of the Company.

(ii) Unsecured loan carries interest @ 7.25 %- 7.63 % per annum as at March 31, 2018.

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Acceptances	8,792.0	6,529.4
Other trade payables	17,832.2	12,878.6
Total	26,624.2	19,408.0

Note:- Refer note 39 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006

25. Provision for tax (net of advance tax)

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for tax (net of advance tax)	190.3	106.8
Total	190.3	106.8

26. Revenue from operations

Rs. in million

Particulars		For the year ended March 31 2018	For the year ended March 31 2017
Revenue from operations			
Sale of products			
Manufactured goods		84,171.1	72,017.4
Stock-in-trade		14,653.3	17,194.1
Sale of services		370.1	316.2
	Sub-total (A)	99,194.5	89,527.7
Other operating revenue			
Export benefits		726.4	549.4
Scrap sales		293.2	231.4
Income from maintenance contracts		201.5	289.5
Provisions/liability no longer required written back		-	159.0
Provisions for doubtful debts written back		0.8	13.1
Industrial promotion subsidy (refer note no. 49)		1,091.8	811.8
Income from other operating revenues		558.3	472.6
	Sub-total (B)	2,872.0	2,526.8
Revenue from operations (net)	Total (A+B)	102,066.5	92,054.5

Rs. in million

Particulars		For the year ended March 31 2018	For the year ended March 31 2017
Details of products sold			
Manufactured goods			
Commercial vehicles		67,413.0	58,494.3
Engines and related components		7,600.0	5,289.9
Spare parts and other components		9,158.1	8,233.2
	Total	84,171.1	72,017.3
Stock-in-trade			
Commercial vehicles		8,891.0	12,006.0
Spare parts and other components		5,762.3	5,188.1
	Total	14,653.3	17,194.1
Details of services rendered			
Engineering services		30.6	30.0
Other allied services		339.5	286.2
	Total	370.1	316.2

27. Other income

Rs. in million

	Particulars		For the year ended March 31 2018	For the year ended March 31 2017
a)	**Interest income on financial assets carried at amortised cost**			
	- Deposit with bank		640.0	370.0
	- Others		51.7	74.0
			691.7	444.0
b)	**Other non-operating income**			
	Service charges recovered		25.3	27.5
	Other miscellaneous income		109.3	52.3
			134.6	79.8
c)	**Other gains and losses**			
	Profit on sale of property, plant and equipment		-	4.0
	Excess provision on investment in subsidiary company written back		-	43.1
			-	47.1
		Total	826.3	570.9

28. Cost of raw materials and components consumed

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Inventory at the beginning of the year	1,456.3	1,272.7
Add: purchases	66,946.6	49,538.2
	68,402.9	50,810.9
Less: inventory at the end of the year	3,005.7	1,456.3
Less: material cost of vehicles capitalised	39.7	129.2
	65,357.5	49,225.4
Less: sale of raw materials and components to suppliers on cost to cost basis	2,073.0	909.3
Net consumption	63,284.5	48,316.1

29. Details of purchase of stock-in-trade

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Commercial vehicles	8,437.3	10,865.6
Spare parts and other components	4,655.5	4,161.7
Total	13,092.8	15,027.3

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

Rs. in million

Particulars		For the year ended March 31 2018	For the year ended March 31 2017
Inventories at the end of the year			
Finished goods		3,739.2	2,981.0
Work-in-progress		493.1	429.7
Stock-in-trade		1,612.5	1,222.7
	A	5,844.8	4,633.4
Inventories at the beginning of the year			
Finished goods		2,981.0	3,476.2
Work-in-progress		429.7	421.4
Stock-in-trade		1,222.7	1,289.2
	B	4,633.4	5,186.8
Net change (B-A)		(1,211.4)	553.4

31. Employee benefits expenses

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Salaries, wages, bonus etc.	6,094.2	5,548.5
Contribution to provident and other funds	202.7	193.2
Staff welfare expenses	542.5	484.2
Total	6,839.4	6,225.9

32. Finance costs

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Interest expense		
on borrowings	108.7	128.4
on income tax	2.0	6.4
Unwinding of discount on provisions	50.3	43.6
Total	161.0	178.4

33. Depreciation and amortisation expenses

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Depreciation of tangible assets *	2,507.0	2190.7
Amortisation of intangible assets	715.1	536.2
Total	3,222.1	2727.0

* Excludes Rs. Nil amount (previous year Rs. 1.2 million) transferred to capital work-in-progress.

34. Other expenses

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Stores and machinery spares consumed (including loose tools)	515.6	434.0
Increase/(decrease) in excise duty on finished goods	265.8	(66.5)
Loss on sale of property, plant and equipment	26.0	39.8
Property, plant and equipment and intangible assets discarded	66.4	12.6
Power and fuel	728.4	581.7
Insurance	138.0	141.4
Repairs and maintenance		
Buildings	168.5	159.2
Plant and equipment	361.5	307.9
Others	323.9	271.1
Rates and taxes	67.4	129.4
Advertisement	150.1	191.0
Freight and handling charges	1,831.4	1489.0
Incentives	107.0	292.7
Warranty	919.6	976.2
Other selling and distribution expenses	808.6	569.5
Rent	325.8	327.7
Legal and professional charges #	180.3	136.3
Travelling and conveyance expenses	496.8	491.2
Development and testing expenses	482.1	330.5
Exchange loss	66.2	39.00
Corporate social responsibility expenditure (refer note no. 48)	77.4	72.0
Brand fees	392.5	316.6
Provision for doubtful debts and advances	46.6	8.2
Miscellaneous expenses	698.5	828.1
Total	9,244.4	8,078.6

 # Including payment to auditors as below:-

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
a) As Statutory Audit		
-Audit fee	3.5	5.8
-Audit fees for foreign reporting	1.5	0.7
-Audit fees of accounts for fiscal year	-	-
-Limited Review of unaudited financial results	1.5	4.2
b) In other capacity:		
- For transfer pricing report and other certification	0.6	2.7
c) Out of pocket expenses	0.4	0.2

35. Income tax expense

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Current tax	1,513.1	963.8
Tax adjustment related to previous year	(73.6)	-
Deferred tax charge/(benefit)	345.2	(11.4)
Total Income tax recognised in the current year	1,784.7	952.4

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 2018	For the year ended March 31 2017
Profit before tax	6,520.2	4,426.2
Income Tax expenses calculated at 34.608%	2,256.5	1,531.8
Effect of expenses that are not deductible in determining taxable profit	18.8	15.1
Effect of Additional deduction on research and product development cost	(351.9)	(559.1)
Effect of Additional deduction for investment allowance under Section 32 AC of the Income tax Act, 1961	-	(48.9)
Others	(138.8)	13.5
	1,784.7	952.4
Income tax expense recognised in statement of profit and loss	1,784.7	952.4

Income tax expense recognised in other comprehensive Income

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Deferred tax charge/ (benefit)		
Arising on income and expenses recognised in other comprehensive income:		
- Remeasurement of defined benefit obligation	(7.8)	(18.4)
Total Income tax expense recognised in other comprehensive income	(7.8)	(18.4)
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(7.8)	(18.4)
	(7.8)	(18.4)

36 Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1,935.4 million (As at March 31 2017, Rs. 1,404.4 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.

37. Research and development expenses:
Revenue expenditure on research and development incurred and expensed off during the year through the appropriate heads of account aggregate Rs. 1,687.5 million (Rs. 1,322.9 million). The capital expenditure incurred during the year for research and development purposes aggregate Rs. 2,225.8 million (Rs. 1,363.1 million).

Rs. in million

Capital expenditure	For the year ended March 31, 2018	For the year ended March 31, 2017
Building - factory	8.9	49.9
Plant and office equipment	59.2	67.2
Furniture and fittings	27.0	24.3
Vehicles	63.5	46.6
Intangible assets	1,406.5	1,800.0
Capital work in progress including intangible assets under development and capital advances	660.8	(624.9)
Total	**2,225.8**	1,363.1

Rs. in million

Revenue expenditure	For the year ended March 31, 2018	For the year ended March 31, 2017
Employee cost	405.5	389.2
Development expenses	290.7	139.4
Depreciation and amortisation	788.3	608.8
Other expenses	203.1	185.5
Total	**1,687.5**	1,322.9

38. Contingent liabilities not provided for:

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
a) In respect of following:		
- Sales tax matters	1,890.4	1,905.3
- Excise duty matters	75.6	102.5
- Service tax matters	485.3	610.3
- Income tax matters	0.5	0.5
b) Claims against the Company not acknowledged as debts	32.2	35.2
c) Bills discounted	-	200.6
d) Guarantees given		
to a bank credit facility granted to 100% subsidiary companies	369.0	331.8
- Dues outstanding (net off provision made by the Company)	-	-

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.

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

Rs. in million

	Particulars	As at March 31, 2018	As at March 31, 2017
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year.	795.5	573.8
(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.	-	-

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40. 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, 2018	For the year ended March 31, 2017
a)	Provident fund *	**194.1**	185.4
b)	Superannuation fund	**15.9**	16.3
c)	Employee State Insurance Corporation	**16.7**	11.8

* includes Rs 7.3 million (previous year Rs. 8.4 million) capitalised during the year in intangible assets under development and includes Rs. Nil (previous year Rs. 0.1 million) capitalised during the year under pre-operative expenditure pending allocation.

Out of the total contribution made for employees' provident fund, Rs. 68.86 million (previous year Rs. 63.5 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, 2018 is Rs.1896.3 million as against the total plan assets of Rs. 1906.7 million. The funds of the trust have been invested under various securities as prescribed under the rules of the trust.

B. Defined benefit plans:

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a 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 Life Insurance Corporation of India by whom the plan assets are maintained.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk , longevity risk and salary risk

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently for the plan, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The estimates of future salary increases, considered in the actuarial valuation, 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, 2018 by Mr. K.K. Dhami (FIAI M.No. 00051) , Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

Principal assumptions:	**Gratuity**	
	As at March 31, 2018	As at March 31, 2017
Discount rate	**7.90%**	7.50%
Future salary increase	**7.50%**	7.00%
Retirement age	**58/60 years**	58/60 years
Withdrawal rate	**1-3%**	1-3%
In service mortality	**IALM (2006-08)**	IALM (2006-08)

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

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Service cost		
Current service cost	**62.9**	57.8
Past service cost and (gain)/Loss from settlements	**-**	-
Net interest expense	**8.7**	4.9
Component of defined benefit cost recognised in profit or loss	**71.6**	62.7
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	**-**	-
Actuarial (gains)/ losses arising from changes in demographic assumptions	**-**	-
Actuarial (gains)/ losses arising from changes in financial assumptions	**6.7**	-
Actuarial (gains)/ losses arising from experience adjustments	**15.9**	53.1
Component of defined benefit cost recognised in Other comprehensive Income	**22.6**	53.1

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, 2018	As at March 31, 2017
Present Value of funded defined benefit obligation	**732.7**	666.6
Fair value of plan assets	**732.7**	666.6
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, 2018	For the year ended March 31, 2017
Present value of obligation as at the beginning	**666.6**	555.1
Current service cost	**62.9**	57.8
Interest cost	**50.0**	41.6
Benefits paid	**(72.7)**	(50.8)
Net actuarial (gain) / loss recognised	**25.9**	62.9
Present value of obligation as at the end	**732.7**	666.6

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

Particulars	**Gratuity**	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Present Value of fund as at the beginning	**666.6**	555.1
Interest income	**41.3**	36.7
Contribution	**94.2**	115.8
Net actuarial gain / (loss) recognised	**3.3**	9.8
Benefits paid	**(72.7)**	(50.8)
Present value of fund as at the end @	**732.7**	666.6

@ 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, 2018	As at March 31, 2017
Corporate Bonds categorised by issuers' credit rating		
AAA	**102.3**	122.3
AA	**16.2**	22.7
A	**7.4**	-
Corporate debt bonds (traditional plan)	**234.2**	222.4
Fixed deposits with banks	**-**	-
Government securities / Treasury Bills	**341.5**	243.2
Money Market	**22.3**	24.1
Others	**8.8**	31.9

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. 32.1 million (increase by Rs. 34.7 million) (as at March 31, 2017: Decrease by Rs 28.4 million (increase by Rs 30.7 million)).
- If the expected salary growth increases (decreases) by 0.5 basis points, the defined benefit obligation would increase by Rs. 34.7 million (decrease by Rs. 32.4 million) (as at March 31, 2017: increase by Rs 30.7 million (decrease by Rs 28.7 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, 2018	As at March 31, 2017
Average duration of the defined benefit obligation (in years)	**9 Years**	9 Years

The estimated contribution during next year is Rs. 77.8 million (previous year Rs. 72.9 million) to the defined benefit plan.

41. Earnings per share

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Profit after taxation, per statement of profit and loss (Rs. in million)	**4,735.5**	3,473.8
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)]	**473.55**	347.38

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, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company does not have long-term debt and uses the operational cash flows and equity to meet its capital requirements.

The Company is not subject to any externally imposed capital requirements

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

The following table summarizes the capital of the Company:

Rs. in million

	As at March 31, 2018	As at March 31, 2017
Share capital	100.0	100.0
Other equity	32,375.8	28,798.5
	32,475.8	28,898.5

42.2 Categories of financial instruments

Carrying value of the financial instruments are as follows:-

Rs. in million

	As at March 31, 2018	As at March 31, 2017
Financial assets carried at fair value through profit and loss (FVTPL)		
Investment in equity instruments	0.5	0.5
Financial assets at amortised cost		
Non-current		
Trade receivables	19.7	89.0
Loans	21.7	19.1
Other financial assets	343.7	337.8
Current		
Trade receivables	14,138.1	10,435.9
Cash and cash equivalents	8,260.8	10,562.4
Loans	15.2	56.9
Other financial assets	1,904.1	1,244.7
Financial liabilities at amortised cost		
Non-current		
Other financial liabilities	64.2	97.5
Current		
Borrowings	2,565.0	2,040.0
Trade payables	26,624.2	19,408.0
Other financial liabilities	2,682.2	2,212.2

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, 2018	March 31, 2017
	Level 3	Level 3
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity instruments	0.5	0.5

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

The management considers that the carrying amounts of financial assets and financial 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.

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, 2018		As at March 31, 2017	
Foreign currency exposure	**Trade Receivables**	**Trade Payables**	Trade Receivables	Trade Payables
USD	32.5	4.7	17.1	1.5
EURO	0.7	2.9	0.7	1.0
SEK	0.0	6.7	-	5.4
JPY	-	147.3	2.9	59.8
Others	-	28.0	-	14.6

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

(Rs. in million)

Currency	As at March 31, 2018		As at March 31, 2017	
	5% increase	**5% decrease**	5% increase	5% decrease
Receivable				
USD	(105.6)	105.6	(55.3)	55.3
EURO	(2.7)	2.7	(2.5)	2.5
JPY	-	-	(0.1)	0.1
Payable				
USD	15.1	(15.1)	4.9	(4.9)
EURO	11.8	(11.8)	3.5	(3.5)
SEK	2.6	(2.6)	2.0	(2.0)
JPY	4.5	(4.5)	1.7	(1.7)
Others	4.0	(4.0)	1.7	(1.7)
Impact on profit or loss as at the end of the reporting period	(70.2)	70.2	(44.1)	44.1
Impact on total equity as at the end of the reporting period	(45.9)	45.9	(28.8)	28.8

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

Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company.
Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in fixed deposits, trade receivables, and other loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.
The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in the note no. 10 above.

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

Movement in the expected credit loss allowance of financial assets

Rs. in million

	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at beginning of the year	**142.8**	151.7
Add: Provided during the year	**46.6**	8.2
Less: reversals of provision	**(0.8)**	(13.1)
Less: amounts written off	**(11.3)**	(4.0)
Balance at end of the year	**177.3**	142.8

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, 2018			
	Less than 1 year	**1 Year-5 year**	**More than 5 years**	**Total**
Non-current				
(i) Other financial liabilities	-	-	64.2	64.2
Current				
(i) Borrowings	2,565.0	-	-	2,565.0
(ii) Trade payables	26,624.2	-	-	26,624.2
(iii) Other financial liabilities	2,682.2	-	-	2,682.2

Rs. in million

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

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 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, 2018	85,520.2	16,546.3	102,066.5
For the year ended March 31, 2017	78,860.7	13,193.8	92,054.5

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.

44. Related party disclosures under Ind AS 24

a. Related party disclosures

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

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

(ii) Investor in respect of which the Company is a joint venture	
Eicher Motors Limited	(EML)
Aktiebolaget Volvo (PUBL), Volvo, Sweden	(AB Volvo)
(iii) Joint venture company	
Eicher Group Foundation	(EGF)

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

(v) Entity under the joint control of co-venturer (EML)	
Eicher Polaris Private Limited	(EPPL)
(vi) Entity under the control of key management personnel and their relatives	
Eicher Goodearth Private Limited	(EGPL)
(vii) Other related parties	
Eicher Executive Provident Fund	Post employment benefit plan
Eicher Tractors Executive Staff Superannuation Fund	Post employment benefit plan
VECV Employees Group Gratuity Scheme	Post employment benefit plan
(viii) Key management personnel	
Vinod Aggarwal	Managing director (w.e.f. October 26, 2016), Chief Executive Officer
Siddhartha Lal	Director, Chairman (upto May 2, 2017)
Hakan Karlsson	Chairman (w.e.f. May 3, 2017)
Jacques Michel	Director (w.e.f. October 26, 2016)
Philippe Divry	Director
Raul Rai	Director
Prateek Jalan	Independent Director
Lila Poonawalla	Independent Director
Anders Hager	Chief Financial Officer (w.e.f. December 1, 2017)
Praveen Kumar Jain	Company Secretary

Transactions with the above parties

Rs. in million

Name of related party	Nature of transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Subsidiaries companies			
Eicher Engineering Solutions Inc	Sale of finished goods/services	-	-
	Purchase of goods / services	-	1.1
	Expenses recovered	-	-
	Expenses reimbursed	-	5.6
	Investment in equity share capital	-	114.6
V E C V Lanka (Private) Limited	Sale of goods / services	554.2	505.8
	Others	14.6	11.4
	Expenses reimbursed	1.6	-
VECV South Africa (Pty) Limited	Sale of finished goods/services	75.7	10.8
	Others	11.3	9.6
	Investment in equity share capital	30.0	35.0
(ii) Investor in respect of which the Company is a joint venture			
Eicher Motors Limited	Sale of finished goods/services	1,988.9	1,457.4
	Corporate service charges recovered	28.5	26.0
	Dividend paid	516.8	-
	Tooling advance received	2.8	-
	Expenses recovered	3.1	4.3
	Others	8.2	-
Aktiebolaget Volvo (PUBL), Volvo, Sweden	Dividend paid	433.2	-
(iii) Joint venture company			
Eicher Group Foundation	Contribution for corporate social responsibility	69.8	59.7
(iv) Entity under the control of co-venturer (AB Volvo)			
Volvo do Brasil Veiculos Ltda	Sale of finished goods / services	17.7	7.3
Renault Trucks SAS	Sale of finished goods / services	3,368.8	3,101.7
	Expenses recovered	3.4	0.8
	Expenses reimbursed	-	19.6
	Purchase of goods / services	93.8	21.3
	Purchase of capital goods/services	267.6	63.7
	Others	125.3	-
UD Trucks Corporation	Sale of finished goods / services	23.8	236.8
	Expenses reimbursed	18.5	8.7
	Purchase of goods / services	7.3	10.9
	Purchase of capital goods/services	0.6	4.4
Volvo Group India Private Ltd	Sale of finished goods/ services	379.4	210.8
	Expenses recovered	644.3	766.7
	Expenses reimbursed	23.2	62.9
	Purchase of goods	14,790.4	14,242.3
	Purchase of capital goods/services	34.9	71.4
	Others	-	0.3
Volvo Powertrain Corporation	Sale of finished goods/ services	16.1	-
	Variance paid	-	53.5
	Expenses recovered	-	5.6
	Others	12.8	7.2
AB Volvo Penta	Sale of finished goods/ services	1.2	1.2
Volvo Information Technology AB	Purchase of goods / services	24.9	19.3
	Purchase of capital goods/services		-
Volvo Logistics AB	Expenses recovered	-	3.4
	Purchase of goods / services	1.1	
	Others	-	0.1
Volvo Parts AB	Sale of finished goods / services	0.3	0.3
Volvo Construction Equipment AB	Sale of finished goods / services	1.4	0.1
Thai Swedish Assembly	Sale of finished goods / services	0.9	0.4
	Expenses recovered	-	-
Volvo Truck Corporation	Sale of finished goods / services	2,660.2	1,405.3
	Expenses recovered	176.5	334.7
	Expenses reimbursed	-	0.7
	Purchase of goods / services	62.1	43.9
	Purchase of capital goods/services	68.3	46.1
	Others	45.7	17.1

Rs. in million

Name of related party	Nature of transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
UD Trucks Southern Africa (Pty.) Limited	Sale of finished goods/ services	-	-
Volvo Group Middle East FZE	Sale of finished goods/ services	-	0.4
	Expenses recovered	-	0.1
Renault Trucks Gare V1	Sale of finished goods/ services	1.0	0.7
Volvo Bus Corporation	Sale of finished goods/ services	153.2	-
	Expenses recovered	85.3	204.7
Volvo East Asia (PTE) ltd	Sale of finished goods/ services	3.1	0.1
Volvo Parts Corporation	Purchase of goods / services	16.4	12.6
Renault Trucks	Purchase of goods / services	124.6	-
PT Volvo Indonesia	Purchase of goods / services	9.3	-
(v) Entity under the joint control of co-venturer (EML)			
Eicher Polaris Private Limited	Sale of finished goods/ services	4.5	13.6
	Corporate service charges recovered	1.2	1.5
	Tooling advance received	0.1	0.4
	Others	0.4	0.7
(vi) Entity under the control of key management personnel			
Eicher Goodearth Private Limited	Expenses recovered	-	-
	Expenses reimbursed	8.9	19.5
	Lease rent	122.2	99.0
	Brand fee	392.5	316.6
(vii) Other related parties			
Eicher Executive Provident Fund	Contribution made	68.9	63.5
Eicher Tractors Executive Staff Superannuation Fund	Contribution made	15.8	15.8
VECV Employees Group Gratuity Scheme	Contribution made to fund	94.2	115.8
	Benefits paid through fund	72.7	50.8
(viii) Key management personnel			
Vinod Aggarwal	Short- term benefits	57.0	38.9
	Post- employment benefits	1.9	2.3
	Other long- term benefits	0.0	0.4
		59.0	41.6
Gilles Boutte	Short-term benefits	14.5	27.4
Anders Hager	Short-term benefits	8.8	-
Praveen Kumar Jain	Short- term benefits	5.0	3.7
	Post- employment benefits	0.1	0.1
	Other long- term benefits	0.1	0.0
		5.2	3.8
Prateek Jalan	Sitting fees	1.4	0.9
Lila Poonawalla	Sitting fees	1.4	0.7

Balance outstanding at the year end

Rs. in million

Name of related party	Nature	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Subsidiaries companies			
Eicher Engineering Solution Inc	- Receivables	-	-
	- Payables	-	1.9
	- Guarantees given	-	-
VECV South Africa (Pty.) Limited	- Receivables	83.1	10.4
	- Guarantees given	56.2	-
	- Investment	65.0	35.0
VECV Lanka (Private) Limited	- Receivables	143.0	152.9
	- Guarantees given	312.8	247.6
	- Investment	54.3	54.3
(ii) Investor in respect of which the Company is a joint venture			
Eicher Motors Limited	- Receivables	456.1	326.8
	- Payables	0.4	
Aktiebolaget Volvo (PUBL), Volvo, Sweden	- Payables	-	-
(iii) Entity under the control of joint venturer (AB Volvo)			
Volvo do Brasil Veiculos Ltda	- Receivables	8.3	3.6
Renault Trucks SAS	- Receivables	70.5	593.2
	-Other financial assets	-	-
	- Payables	315.1	16.2
UD Trucks Corporation	- Receivables	4.2	6.7
	- Payables	6.4	6.4
Volvo Group India Private Ltd	- Receivables	27.9	56.3
	-Other financial assets	-	55.5
	- Payables	105.3	1,798.5

Rs. in million

Name of related party	Nature	For the year ended March 31, 2018	For the year ended March 31, 2017
Volvo Powertrain Corporation	- Receivables	1.9	5.6
	-Other financial assets	-	-
	- Payables	1.8	115.1
AB Volvo Penta	- Receivables	0.1	-
Volvo Information Technology AB	- Payables	1.4	14.4
Volvo Logistics AB	- Payables	1.3	0.0
Volvo Parts AB	- Receivables	0.1	0.2
Volvo Construction Equipment AB	- Receivables	-	-
	- Payables	-	-
Thai Swedish Assembly	- Receivables	0.4	0.2
Volvo Trucks Corporation	- Receivables	508.4	258.6
	-Other financial assets	-	-
	- Payables	37.0	27.3
UD Trucks Southern Africa (Pty) Ltd.	- Payables		-
Volvo Group Middle East FZE	- Receivables	-	0.4
Renault Trucks Gare V1	- Receivables	0.3	0.7
Volvo Bus Corporation	- Receivables	61.7	36.8
Volvo Bus India Private Limited	- Receivables	-	-
	-Other financial assets	-	-
Volvo Merchandise AB	- Receivables	-	-
Volvo Parts Corporation	- Payables	-	11.0
Renault Trucks	- Receivables	31.8	-
(v) Entity under the joint control of joint venturer (EML)			
Eicher Polaris Private Limited	- Receivables	1.9	2.1
	-Advances from Customers	-	0.1
(vi) Entity under the control of key management personnel			
Eicher Goodearth Private Limited	- Payables	26.9	306.6
	- Security Deposit Receivable	35.1	35.1

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

45. Disclosure in respect of leases

(A) Operating lease

The Company has taken certain premises under various operating lease agreements. The total lease rental recognize as expense aggregate to Rs. 325.8 million (previous period Rs. 327.7 million).

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

(Rs. in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one year	42.7	69.6
Later than one year and not later than five years	46.4	44.6
Later than five years	0.9	3.5

(B) Finance lease

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

(Rs. in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Future minimum lease payments		
- not later than one year	78.5	233.3
- later than one year and not later than five years	19.7	98.2
Less: future finance charges	9.2	35.5
Present value of minimum lease payments receivable		
- not later than one year	71.3	207.0
- later than one year and not later than five years	16.3	89.0
- later than five years	-	-
Unguaranteed residual value	-	-
Accumulated provision for uncollectible minimum lease payments receivable	-	-
Contingent rents recognised in Statement of Profit or loss during the year	-	-

46. The details of disputed excise duty, sales tax, service tax and income tax dues as on March 31, 2018 which have not been deposited or deposited under protest are as follows:

Nature of the Statute	Forum where pending	Amount* (Rs. in million)	Amount paid under protest (Rs. in million)	Period to which amount relate
Central Excise Act	Appellate Authority upto Commissioner's level	1.3	-	1992-93 to 1997-98
	CESTAT	143.6	83.6	1998-99, 2006-07, 2007-08, 2010-2011, 2012-2013, 2012-15 , 2007-10
Sales Tax Act	Appellate Authority upto Commissioner's level	1,753.5	176.4	1995-96, 2005-06, 2006-07, 2007-10, 2014-15, 2013-14.
	Appellate Tribunal	99.9	24.1	1991-92 to 1994-95, 1998-99, 1999-00, 2000-01, 2002-03 and 2009-10, 2013-14 and 2011-12
	High Court	60.1	3.0	1995-96, 2005-06, 2000-01 & 2008-09 & 2009-10.
Finance Act, 1994	CESTAT	485.3	16.7	2007-08, 2003-07, 2009-10, 2010-11, 2011-13, 2014-15 & 2015-16.
Income Tax Act, 1961	Appellate Authority upto Commissioner's level	0.5	-	

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

47. Remittance in foreign currency towards dividends:

The particulars of dividends declared during the year and paid to non-resident shareholders are as under:		As at March 31, 2018	As at March 31, 2017
(i) Number of non-resident shareholders			
(a) For 2016-17	Nos.	2	-
(b) For 2017-18	Nos.	2	-
(ii) Number of shares held by them			
(a) For 2016-17	Nos.	4,560,000	-
(b) For 2017-18	Nos.	4,560,000	-
(iii) Gross amount of dividend			
(a) For 2016-17	Rs. in millions	433.2	-
(b) For 2017-18	Rs. in millions	-	-

48. Expenditure on Corporate Social Responsibility (CSR)

(Rs. in millions)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Gross amount required to be spent	77.4	71.9
(b) Amount spent:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	73.5	71.0
	73.5	71.0
(c) Administrative expense	3.9	1.0

49. As per Madhya Pradesh (M.P.) Investment Promotion Scheme 2014, the Company is eligible for State Government incentives in the form of reimbursement of 75% of Value added tax (VAT) paid after adjusting input tax rebate on VAT/ CST.
Post GST implementation effective July 1, 2017, the VAT / CST Acts have been repealed but as the aforesaid Scheme has not been withdrawn by the MP Government, the benefits therein continue. Further, the State Government has assured the Company that a notification on revised criteria for the calculation of incentive under GST regime shall be announced soon and the incentive under GST regime should be more or less at par with incentives under VAT regime. The management has also obtained a legal opinion confirming that as on date the State Government policy on incentives has not been withdrawn and hence the Company continues to be eligible for these incentives. Accordingly, the Company has accrued the incentives amounting to Rs.774 million in these financial statements post GST implementation.

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

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

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52. 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

For and on behalf of the Board of Directors

Per Sanjay Vij
Partner
Membership no.: 95169

Praveen Jain
Company Secretary
M No. 3524

Anders Hager
Chief financial Officer

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Hakan Karlsson
Chairman

DIN: 05195444

Siddhartha Lal
Director

DIN: 00037645

Place : Gurugram
Date :

INDEPENDENT AUDITOR'S REPORT
To the Members of VE Commercial Vehicles Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of VE Commercial Vehicles Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("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 accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) 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 of its associates and for preventing and detecting frauds and other irregularities; the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

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 Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of subsidiaries incorporated outside India viz., V E C V Lanka Private Limited (V E C V Lanka), and VECV South Africa (PTY) Limited (VECV South Africa) whose Ind AS financial statements include total assets of Rs.359.8 million and net assets of Rs.281.8 million as at March 31, 2018, and total revenues of Rs.797.1 million and net cash (inflows) of Rs.40.8 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 Ind AS 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 reports 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 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 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 Company and audited by us.

(b) The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 3, 2017.

Report on Other Legal and Regulatory Requirements

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 reports 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 purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid 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, 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 Ind AS financial statements;

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 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, 2018 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 disqualifications of directors in terms of section 164 (2) of the Act is not applicable for subsidiary companies.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting, refer to our separate report in "Annexure 1" to this report which is based on the auditor's report of the holding company. Since the subsidiaries are not incorporated in India, the reporting requirements on adequacy and operating effectiveness of internal financial controls over financial reporting under section 143 (3) (i) of the Act is not applicable for these subsidiaries.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 38 to the consolidated Ind AS 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, 2018. Refer Note 47 to the consolidated Ind AS financial statements;

   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, 2018.

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

per Sanjay Vij
Partner
Membership Number: 095169
Place of Signature: Gurugram
Date: May 8, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF VE COMMERCIAL VEHICLES LIMITED

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

In conjunction with our audit of the consolidated financial statements of VE Commercial Vehicles Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of VE Commercial Vehicles Limited (hereinafter referred to as the "Holding Company") as of that date. Since the subsidiaries are not incorporated in India, the reporting requirements on adequacy and operating effectiveness of internal financial controls 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 Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Sanjay Vij
Partner
Membership Number: 095169
Place of Signature: Gurugram
Date: May 8, 2018

(1)

CONSOLIDATED VE COMMERCIAL VEHICLES LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

Rs. in million

Particulars	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	**16,322.1**	15,549.9
(b) Capital work-in-progress	6	**964.5**	1,759.1
(c) Intangible assets	7	**5,208.3**	4,304.5
(d) Intangible assets under development	8	**2,387.2**	1,912.5
(e) Financial assets			
(i) Investments	9	**0.5**	0.5
(ii) Trade receivables	10	**19.7**	89.0
(iii) Loans	11	**21.7**	19.1
(iv) Other financial assets	12	**344.3**	339.2
(f) Other assets	13	**2,032.6**	1,658.2
Total non-current assets		**27,300.9**	25,632.0
Current assets			
(a) Inventories	14	**9,489.9**	6,627.7
(b) Financial assets			
(i) Trade receivables	10	**13,924.7**	10,296.1
(ii) Cash and cash equivalents	15	**3,452.2**	3,107.8
(iii) Bank balances other than (ii) above	16	**12,655.1**	7,473.2
(iv) Loans	11	**15.2**	56.9
(v) Other financial assets	12	**1,905.6**	1,244.8
(c) Other assets	13	**1,690.6**	2,819.2
Total current assets		**43,133.3**	31,625.7
Total assets		**70,434.2**	57,257.7
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	**100.0**	100.0
(b) Other equity	18	**32,331.8**	28,776.2
Total equity		**32,431.8**	28,876.2
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	19	**64.2**	97.5
(b) Provisions	20	**1,608.1**	1,246.2
(c) Deferred tax liabilities (net)	21	**425.2**	102.7
(d) Other liabilities	22	**334.7**	375.4
Total non-current liabilities		**2,432.2**	1,821.8
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	**2,587.4**	2,040.0
(ii) Trade payables	24	**26,635.8**	19,415.4
(iii) Other financial liabilities	19	**2,650.8**	2,212.2
(b) Provisions	20	**910.1**	858.5
(c) Income tax liabilities (net)	25	**190.7**	105.1
(d) Other liabilities	22	**2,595.4**	1,928.5
Total current liabilities		**35,570.2**	26,559.7
Total liabilities		**38,002.4**	28,381.5
Total equity and liabilities		**70,434.2**	57,257.7
See accompanying notes forming part of the financial statements	1 to 49		

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

For and on behalf of the Board of Directors

Per Sanjay Vij
Partner
Membership no.: 95169

Praveen Jain
Company Secretary
M No. 3524

Anders Hager
Chief financial Officer

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Hakan Karlsson
Chairman
DIN: 05195444

Siddhartha Lal
Director
DIN: 00037645

Place : Gurugram
Date :

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CONSOLIDATED VE COMMERCIAL VEHICLES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Rs. in million

Particulars	Note	For the year ended March 31 2018	For the year ended March 31 2017
Income			
Revenue from operations	26	**102,233.4**	92,620.8
Other Income	27	**826.6**	572.1
Total Income		**103,060.0**	93,192.9
Expenses			
Cost of raw materials consumed	28	**63,282.7**	48,505.0
Purchases of stock-in-trade	29	**13,241.6**	15,027.3
Change in inventories of finished goods, work-in-progress and stock-in-trade	30	**(1,274.0)**	504.2
Excise duty on sale of goods		**1,739.8**	7,092.5
Employee benefits expenses	31	**6,885.2**	6,512.5
Finance costs	32	**162.5**	185.9
Depreciation and amortisation expenses	33	**3,225.2**	2,731.4
Other expenses	34	**9,303.2**	8,195.0
Total expenses		**96,566.2**	88,753.8
Profit before tax		**6,493.8**	4,439.1
Tax expense			
Current tax	35	**1,518.8**	971.2
Tax adjustment relating to earlier years		**(72.8)**	-
Deferred tax charge/(benefit)	35	**331.6**	(15.0)
Total tax expense		**1,777.6**	956.2
Profit for the year		**4,716.2**	3,482.9
Other comprehensive income			
Items that will not be reclassified to profit or loss:-			
Re-measurement gains/ (losses) on defined benefit plans		**(22.6)**	(53.1)
Income tax benefit	35	**7.8**	18.4
Net other comprehensive income not to be reclassified to profit or loss		**(14.8)**	(34.7)
Items that may be reclassified to profit or loss:-			
Exchange differences in translating the financial statements of foreign operations		**(3.9)**	(26.4)
Income tax effect	35	**1.3**	9.1
		(2.6)	(17.3)
Net other comprehensive income not to be reclassified to profit or loss		**(17.4)**	(52.0)
Total Comprehensive income for the year, net of tax		**4,698.8**	3,430.9
Earnings per share (of Rs.10 each) in Rs.			
Basic/ diluted		**471.62**	348.29
See accompanying notes forming part of the financial statements	1 to 49		

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

For and on behalf of Board of Directors

Per Sanjay Vij
Partner
Membership no.: 95169

Praveen Jain
Company Secretary
M No. 3524

Anders Hager
Chief financial Officer

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Hakan Karlsson
Chairman
DIN: 05195444

Siddhartha Lal
Director
DIN: 00037645

Place : Gurugram
Date :

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CONSOLIDATED VE COMMERCIAL VEHICLES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. in million

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax	4,716.2	3,482.9
Adjustments for:		
Current tax	1,518.8	971.2
Minimum alternate tax (MAT) credit entitlement	(72.8)	(109.2)
Deferred tax charge/(benefit)	331.6	94.2
Depreciation and amortisation expenses	3,225.2	2,697.0
Profit on sale of property, plant and equipment	-	(4.0)
Property, plant and equipment and intangible assets discarded	66.4	12.6
Loss on sale of property, plant and equipment	26.0	39.8
Exchange fluctuation of subsidiary company transferred to exchange loss pursuant to divestment	-	20.0
Exchange differences in translating the financial statements of foreign operations	(3.9)	(26.4)
Re-measurement gains/ (losses) on defined benefit plans	(22.6)	(53.1)
Profit on divestment of subsidiary company	-	(43.1)
Interest income	(691.9)	(445.2)
Finance costs	162.5	185.9
Operating profit before changes in working capital	**9,255.5**	**6,822.6**
Changes in working capital:		
Adjustments for (increase) / decrease assets:		
Non-current		
Trade receivables	69.3	207.00
Loans	(2.6)	(3.1)
Other financial assets	(8.5)	(29.6)
Other assets	(192.2)	(485.9)
Current		
Inventories	(2,862.1)	319.5
Trade receivables	(3,628.5)	(2,313.4)
Loans	41.7	(30.8)
Other financial assets	(507.8)	54.7
Other assets	1,128.6	(26.0)
Adjustments for increase / (decrease) in liabilities:		
Non-current		
Other financial liabilities	(0.3)	(167.7)
Provisions	361.9	301.8
Other liabilities	(40.7)	99.7
Current		
Trade payables	7,220.4	1,604.0
Provisions	51.6	298.5
Other financial liabilities	522.2	1,001.3
Other liabilities	667.0	338.8
Cash generated from operating activities	**12,075.5**	7,991.4
Income taxes paid	**(1,360.4)**	(946.5)
Net cash flow from operating activities (A)	**10,715.1**	7,044.9
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	(5,040.3)	(3,749.2)
Sale of fixed assets	67.6	66.8
Investment in fixed deposits	(5,178.5)	(7,077.6)
Interest received	538.9	373.6
Net cash flow from investing activities (B)	**(9,612.3)**	(10,386.4)
C.CASH FLOW FROM FINANCING ACTIVITIES		
Increase in short term borrowings (net)	547.4	1,407.0
Interest paid	(162.5)	(185.9)
Dividend paid	(950.0)	-
Tax on dividend	(193.4)	-
Net cash flow from financing activities (C)	**(758.5)**	1,221.1
Net Increase in cash and cash equivalents (A)+(B)+(C)	**344.3**	(2,120.4)
Cash and cash equivalents at the beginning of the year	**3,107.8**	5,228.2
Cash and cash equivalents at the end of the year	3,452.1	3,107.8

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Components of cash and cash equivalents		
Cash on hand	1.1	1.1
Cheques/ drafts on hand	346.7	193.7
Balances with banks:		
In current accounts	454.4	180.8
In deposit accounts	2,650.0	2,732.2
Total cash and cash equivalents (refer note no. 15)	**3,452.1**	3,107.8

See accompanying notes forming part of the financial statements 1 to 49

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

Per Sanjay Vij
Partner
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Managing Director ,
Chief Executive Officer
DIN: 00038906

Hakan Karlsson
Chairman
DIN: 05195444

Siddhartha Lal
Director
DIN: 00037645

Place : Gurugram
Date:

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CONSOLIDATED VE COMMERCIAL VEHICLES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity share capital

	Rs. in million	
	Number of Shares	Amount
Balance as at March 31, 2016	10,000,000	100.0
Changes in equity share capital during the year	-	-
Balance as at March 31, 2017	10,000,000	100.0
Changes in equity share capital during the year	-	-
Balance as at March 31, 2018	10,000,000	100.0

Rs. in million

Particulars	Reserves and Surplus				Total
	Share Premium	General reserve	Retained Earning	Foreign currency translation reserve	
Balance as at April 1, 2017	**10,786.6**	**2,598.5**	**15,384.2**	**6.9**	**28,776.2**
Profit for the year	-	-	4,716.2	-	4,716.2
Other comprehensive income	-	-	(14.8)	-	(14.8)
Exchange differences in translating the financial statements of foreign operations			-	(2.6)	(2.6)
Dividends paid	-	-	(950.0)	-	(950.0)
Tax on dividend	-	-	(193.4)	-	(193.4)
Balance as at March 31, 2018	**10,786.6**	**2,598.5**	**18,942.2**	**4.5**	**32,331.8**

Rs. in million

Particulars	Reserves and Surplus				Total
	Share Premium	General reserve	Retained Earning	Foreign currency translation reserve	
Balance as at April 1, 2016	**10,786.6**	**2,598.5**	**11,936.0**	**4.2**	**25,325.3**
Profit for the year	-	-	3,482.9		3,482.9
Other comprehensive income	-	-	(34.7)	-	(34.7)
Exchange differences in translating the financial statements of foreign operations	-	-	-	(17.3)	(17.3)
Exchange fluctuation of subsidiary company transferred to exchange loss pursuant to divestment	-	-	-	20.0	20.0
Balance as at March 31, 2017	**10,786.6**	**2,598.5**	**15,384.2**	**6.9**	**28,776.2**

See accompanying notes forming part of the consolidated financial statements 1 to 49

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

Per Sanjay Vij
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Hakan Karlsson
Chairman
DIN: 05195444

Siddhartha Lal
Director
DIN: 00037645

Place : Gurugram
Date :

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VE Commercial Vehicles Limited
Notes forming part of the Consolidated financial statements

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, 2018 were approved by the Board of Directors and authorize for issue on May 8, 2018.

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, 2018.

(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.

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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, 2018	Voting power held as at March 31, 2017
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%
Eicher Engineering Solutions, Inc. (EES, Inc.) (Divested on March 18, 2017)	U.S.A.	-	-
Eicher Engineering Solutions (Beijing) Co., Ltd. (100% subsidiary company of EES, Inc.) (Divested on March 18, 2017)	China	-	-
Eicher Engineering Solutions (Shanghai) Co., Ltd. (100% subsidiary company of EES, Inc.) (Divested on March 18, 2017)	China	-	-

3.2 Revenue Recognition

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

Sale of goods

Revenue from the sale of goods is recognised when titles have passed and all the following conditions are satisfied:

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

Rendering of services

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

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on, 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 Leasing

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

The Group as a lessor

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

The Group as a Lessee

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

3.4 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

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income.

3.7 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 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.

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 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. and in respect of fixed assets of EES Inc. and its subsidiaries on which depreciation is charged as per estimated useful life specified as under:

Type of assets	Estimated useful life
Computer software	3 years
Office equipment	5 years
Furniture and fixtures	7 years
Plant and equipment	7 years

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:

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• the technical feasibility of completing the intangible asset So that it will be available for use or sale

• the intention to complete the intangible asset and use or sell it;

• the ability to use or sell the intangible asset;

• how the intangible asset will generate probable future economic benefits;

• the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

• the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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

Useful lives of intangible assets

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

3.11 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.

3.18 Recent accounting pronouncements

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting

Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

Upon adoption the Group does not expect a material change in the manner in which revenue arrangements are recognized from the current practice. Based on the management's assessment, the quantitative impact of Ind AS 115 on the financial statements is not material to the Group.

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 judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. 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, 2018 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.

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5. Property, plant and equipment

Rs. in million

	Freehold Land*	Buildings*	Plant and equipment	Furniture and Fixtures	Office equipment	Vehicles	Total
Cost							
At 31st March 2016	339.4	3,489.2	17,000.4	930.8	1,042.6	945.7	23,748.0
Additions	-	451.3	1,086.2	114.6	102.7	414.2	2,169.1
Disposals	-	-	40.6	14.6	55.1	162.8	273.1
At 31 March 2017	**339.4**	**3,940.5**	**18,046.0**	**1,030.8**	**1,090.2**	**1,197.1**	**25,644.0**
Additions $	6.1	727.5	2,386.3	63.6	95.5	161.0	3,440.0
Disposals	-	9.2	159.3	27.2	23.9	171.2	390.8
At 31 March 2018	**345.5**	**4,658.8**	**20,273.0**	**1,067.2**	**1,161.8**	**1,186.9**	**28,693.2**
Accumulated depreciation							
At 31st March 2016	-	575.8	6119.7	216.5	755.3	388.3	8055.6
Charge for the year@	-	129.7	1670.7	71.9	140.1	184.0	2196.3
Disposals	-	0.0	26.6	6.9	45.1	79.3	157.9
At 31 March 2017	-	**705.5**	**7,763.8**	**281.5**	**850.3**	**493.0**	**10094.1**
Charge for the year@	-	157.8	1,952.0	74.5	130.5	195.2	2510.0
Less: Adjustments #	-	3.7	104.2	18.9	23.1	83.1	233.0
At 31 March 2018	-	**859.6**	**9,611.6**	**337.1**	**957.7**	**605.1**	**12,371.1**
Carrying amount							
At 31 March 2017	339.4	3,235.0	10,282.2	749.3	239.9	704.1	15,549.9
At 31 March 2018	**345.5**	**3,799.2**	**10,661.4**	**730.1**	**204.1**	**581.8**	**16,322.1**

* Title deeds for lands and other properties at Ahmedabad, bhiwandi and Gurugram are pending for mutation in favour of the Company.
@Nil amount (previous year :- Rs. 1.2 million) transferred to capital work in progress.
$ includes Rs Nil (previous year Rs. 0.1 million) on account of foreign exchange fluctuation.
# Net off by Rs. Nil (previous year Rs. 22,140) on account of foreign exchange fluctuation.

6. Capital work-in-progress

Rs. in million

	As at March 31, 2018	As at March 31, 2017
Capital work-in-progress	964.5	1,759.1
	964.5	1,759.1

including other direct expenditure amounting to Rs 15.1 million (March 31, 2017 Rs. 5.5 million) (refer below)

Other direct expenditure

Rs. in million

	As at March 31, 2018	As at March 31, 2017
Payments to and provisions for employees		
Salaries, wages, bonus etc.	-	2.9
Contribution to provident and other funds	-	0.1
Legal and professional charges	-	0.2
Rent expenses	14.7	0.4
Development expenses	-	(0.9)
	14.7	2.7
Add: Balance brought forward from previous year	5.5	8.6
	20.2	11.3
Less: Capitalized during the year	5.1	5.8
	15.1	5.5

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7. Intangible assets

Rs. in million

	Product design, prototype etc.	Software	Goodwill	Total
Cost				
At 31 March 2016	3,588.6	942.5	110.6	4,641.7
Additions	1,709.2	148.0	-	1,857.2
Disposals	3.5	11.8	-	15.3
At March 31, 2017	5,294.3	1,078.7	110.6	6,483.6
Additions	1,424.0	197.3	-	1,621.3
Disposals	-	9.2	-	9.2
At 31 March 2018	6,718.3	1,266.8	110.6	8,095.7
Accumulated amortisation				
At 31 March 2016	941.4	606.2	110.6	1658.2
Charge for the year	398.0	138.2	-	536.2
Disposals	3.5	11.8	-	15.3
At March 31, 2017	1335.9	732.6	110.6	2179.1
Charge for the year	565.5	149.7	-	715.2
Disposals	-	6.9	-	6.9
At 31 March 2018	1,901.4	875.4	110.6	2,887.4
Carrying amount				
At 31 March 2017	3,958.4	346.1	-	4,304.5
At 31 March 2018	4,816.9	391.4	-	5,208.3

8. Intangible assets under development

Rs. in million

	As at March 31, 2018	As at March 31, 2017
Intangible assets under development	2,387.2	1,912.5
	2,387.2	1,912.5

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9. Investments

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Investment in equity instruments	0.5	0.5
	0.5	0.5
Non-current		
Unquoted investment (at cost) in equity shares of:		
Joint venture company*		
25,000 (March 31, 2017 25,000) equity shares of Rs. 10 each fully paid up of Eicher Company Foundation (License under Section 8(1) of the Companies Act, 2013).	-	-
Unquoted investment (at FVTPL) in :		
Others		
50,000 (March 31, 2017 50,000) equity shares of Rs. 10 each fully paid up of Pithampur Auto Cluster Ltd.	0.5	0.5
	0.5	0.5

*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, 2018	As at March 31, 2017
Aggregate book value of quoted investments	-	-
Aggregate carrying value of unquoted investments (net of impairment, if any)	0.5	0.5

Category wise other investments- as per IND AS 109 Classification

	As at March 31, 2018	As at March 31, 2017
Financial assets carried at fair value through profit or loss (FVTPL)		
Investment in Pithampur Auto Cluster Ltd.	0.5	0.5

10. Trade receivables

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Unsecured - considered good	19.7	89.0
Total	19.7	89.0
Current		
Secured, considered good	30.7	31.5
Unsecured - considered good	13,894.0	10,264.6
- considered doubtful	165.9	131.4
	14,090.6	10,427.5
Less: impairment for doubtful trade receivables	165.9	131.4
Total	13,924.7	10,296.1

Age of receivables :

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Within the credit period	10,128.8	8,591.2
1 - 30 days past due	2,250.3	1,019.6
31- 180 days past due	1,393.3	672.5
More than 180 days past due	338.0	233.2
	14,110.3	10,516.5

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11. Loans

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Non - current		
Unsecured, considered good		
Loans to employees	**21.7**	19.1
Total	**21.7**	19.1
Current		
Unsecured, considered good		
Loans to employees	**15.2**	56.9
Total	**15.2**	56.9

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

12. Other financial assets

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Non - current		
Unsecured, considered good		
Fixed deposits*	**200.1**	203.5
Security deposit	**144.2**	135.7
Total	**344.3**	339.2

* Represents fixed deposits pledged with banks against bank guarantees.

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Unsecured, considered good unless otherwise stated		
Security deposit		
Considered good	**39.0**	30.6
Considered doubtful	**7.5**	7.5
	46.5	38.1
Less: impairment for doubtful security deposits	**7.5**	7.5
	39.0	30.6
Interest accrued on deposits	**296.8**	143.8
Industrial promotion subsidy receivable	**1298.2**	815.2
Other receivables		
Considered good	**271.6**	255.2
Considered doubtful	**3.9**	3.9
	275.5	259.1
Less: impairment for doubtful other receivables	**3.9**	3.9
	271.6	255.2
Total	**1905.6**	1244.8

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

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13. Other assets

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Non - current		
Unsecured, considered good unless otherwise stated		
Capital advances	**501.5**	319.3
Balance with government authorities		
Considered good	**353.7**	337.3
Considered doubtful	**5.1**	82.1
	358.8	419.4
Less: impairment for doubtful advances	**5.1**	82.1
	353.7	337.3
Prepayment land leases	**1136.8**	963.2
Prepayment security deposits and other loans	**40.6**	38.4
Total	**2032.6**	1658.2
Current		
Unsecured, considered good unless otherwise stated		
Advance to supplier	**711.6**	726.5
Prepaid expense	**59.3**	54.5
Balance with government authorities		
Considered good	**884.8**	2,009.3
Considered doubtful	**2.0**	2.0
	886.8	2,011.3
Less: impairment for doubtful advances	**2.0**	2.0
	884.8	2,009.3
Advances to employees	**8.8**	4.4
Prepayment land leases	**16.1**	15.0
Prepayment security deposits and other loans	**10.0**	9.5
Total	**1,690.6**	2,819.2

14. Inventory

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Raw materials and components (includes goods in transit of Rs. 480.8 millions (March 31, 2017 Rs 176.5 millions)	**3,007.7**	1,456.3
Work in progress	**493.1**	429.7
Finished goods (includes goods in transit of Rs. 176.61 millions (March 31, 2017 Rs. 109.0 millions)	**3,884.3**	3,143.9
Stock in trade	**1,693.8**	1,223.6
(includes goods in transit of Rs.17.8 millions (March 31, 2017 Rs 37.5 millions)		
Stores and spares	**283.3**	260.8
Loose tools	**127.7**	113.4
Total	**9,489.9**	6,627.7

The cost of Inventory recognized as an expenses during the year was Rs. 74,919.0 million (previous year Rs. 70,229.9 million)

The cost of Inventories recognized as an expenses includes Rs. 114.4 million (previous year Rs. 220.6 million) in respect of write down of inventory to net realizable value, and has been reduced by Rs. 8.0 million (previous year Rs. 51.2 millions) in respect of reversal of such write downs.

Inventory of Rs. 286.6 million (March 31, 2017 Rs. 403.1 million) are expected to be recovered after more than 12 months.

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, 2018	As at March 31, 2017
Cash on hand	**1.1**	1.1
Cheques, drafts on hand	**346.7**	193.7
Balances with banks		
In current accounts	**454.4**	180.8
In deposit accounts	**2,650.0**	2,732.2
Cash and cash equivalents as per Balance sheet	**3,452.2**	3,107.8

16 Other bank balance

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks		
In deposit accounts	**12,655.1**	7,473.2
	12,655.1	7,473.2

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17. Equity share capital

Rs. in millions

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised		
10,000,000 (March 31, 2017 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 (March 31, 2017 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, 2016	10,000,000	100.0
Movement during the year	-	-
Balance at March 31, 2017	**10,000,000**	**100.0**
Movement during the year	-	-
Balance at March 31, 2018	**10,000,000**	**100.0**

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	% holding in the class	Nos.	% holding in the class
Eicher Motors Limited	5,440,000	54.40%	5,440,000	54.40%
Aktiebolaget Volvo (PUBL), Volvo, Sweden	3,469,700	34.70%	3,469,700	34.70%
Volvo Truck Corporation, Sweden (100% subsidiary of Aktiebolaget Volvo (PUBL), Volvo, Sweden)	1,090,300	10.90%	1,090,300	10.90%

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

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18 Other equity

(Rs in million)

	Particulars	As at March 31, 2018	As at March 31, 2017
(a)	Share premium account	10,786.6	10,786.6
(b)	General reserve	2,598.5	2,598.5
(c)	Retained earnings	18,942.2	15,384.2
(d)	Foreign currency translation reserve	4.5	6.9
		32,331.8	28,776.2

(Rs in million)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(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	15,384.2	11,936.0
	Add: Profit for the year	4,716.2	3,482.9
	Add: Other comprehensive income:		
	from remeasurement of defined benefit obligation net of income tax	(14.8)	(34.7)
	Less: Final dividend (amount per share Rs. 95.0 (previous year Rs. Nil))	950.0	-
	Less: Tax on dividend	193.4	-
	Closing balance	18,942.2	15,384.2

In respect of the year ended March 31, 2018, the directors proposed that a dividend of Rs. ... 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. .... Millions.

Foreign currency translation reserve		
Opening balance	6.9	4.2
Add :- exchange differences in translating the financial statements of foreign operations	(2.6)	(17.3)
Less:- exchange fluctuation of subsidiary company transferred to exchange loss pursuant to divestment	-	20.0
Closing balance	4.5	6.9

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19. Other financial liabilities

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Non- Current		
Capital creditors	-	33.0
Security deposits	64.2	64.5
Total	64.2	97.5
Current		
Capital creditors	384.8	468.3
Book overdraft	1465.0	928.8
Employees dues	801.0	815.1
Total	2650.8	2,212.2

20. Provisions

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Employees benefits (i)		
Compensated absences	438.3	377.9
Other employee benefits	338.1	273.9
Other provisions : Warranties (ii)	831.7	594.4
Total	1608.1	1,246.2
Current		
Employees benefits (i)		
Compensated absences	22.9	20.5
Other employee benefits	4.3	5.9
Other provisions : Warranties (ii)	882.8	832.1
Total	910.1	858.5

(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, 2018	For the year ended March 31, 2017
Opening balance	1,426.5	1,030.4
Additional provisions recognised	920.3	976.2
Amount utilised during the year	(682.6)	(623.7)
Unwinding of discount	50.3	43.6
Closing balance	1,714.5	1,426.5

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

21. Deferred tax liabilities (net)

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	3,987.9	3,516.2
Others	53.7	41.4
	4,041.6	3,557.6
Less: Deferred tax assets on		
MAT credit entitlement	3,160.9	3,098.1
Business losses and unabsorbed depreciation carried forward	9.6	9.6
Accrued expenses deductible on payment	53.5	59.2
Provision for leave encashment/compensated absences	136.2	114.5
Provision for doubtful debts and advances	62.1	50.1
Others	194.1	123.4
	3,616.4	3,454.9
Deferred tax liabilities (net)	425.2	102.7

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Movement in Deferred tax liabilities

For the year ended March 31, 2018 — 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	3,516.2	471.7		3,987.9
Others	41.4	11.0	1.3	53.7
	3,557.6	482.7	1.3	4,041.6
Less: Deferred tax assets on				
MAT credit entitlement	3,098.1	62.8	-	3,160.9
Business losses and unabsorbed depreciation carried forward	9.6	-	-	9.6
Accrued expenses deductible on payment	59.2	(5.7)	-	53.5
Provision for leave encashment/compensated absences	114.5	21.7	-	136.2
Remeasurement of defined benefit obligation	-	(7.8)	7.8	-
Provision for doubtful debts and advances	50.1	12.0	-	62.1
Others	123.4	70.7	-	194.1
	3,454.9	153.7	7.8	3,616.4
Deferred tax (assets)/ liabilities (net)	102.7	329.0	(6.5)	425.2

For the year months ended March 31, 2017 — 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	3,459.4	56.8	-	3,516.2
Others	33.9	16.6	(9.1)	41.4
	-	-		
	3,493.3	73.4	(9.1)	3,557.6
Less: Deferred tax assets on				
MAT credit entitlement	2,988.9	109.2	-	3,098.1
Business losses and unabsorbed depreciation carried forward	73.0	(63.4)	-	9.6
Accrued expenses deductible on payment	84.6	(25.4)	-	59.2
Provision for leave encashment/compensated absences	93.3	21.2		114.5
Remeasurement of defined benefit obligation	-	(18.4)	18.4	-
Provision for doubtful debts and advances	53.2	(3.1)	-	50.1
Others	55.1	68.3		123.4
	3,348.1	88.4	18.4	3,454.9
Deferred tax (assets)/ liabilities (net)	145.2	(15.0)	(27.5)	102.7

22. Other liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Non- Current		
Advances from customers	14.2	123.2
Deferred revenue	320.5	252.2
Total	334.7	375.4
Current		
Advances from customers	1958.4	1,245.3
Statutory dues	602.3	648.8
Deferred revenue	34.7	34.4
Total	2595.4	1928.5

23. Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
Secured- at amortised cost		
Loan repayable on demand from banks		
Short term loan (i)	332.4	460.0
Unsecured- at amortised cost		
Loan repayable on demand from banks		
Short term loan (ii)	2,255.0	1,580.0
Total	2,587.4	2,040.0

(i) Rs. 310.0 million (March 31, 2017 :- Rs. 460.0 million) secured by way of first pari passu hypothecation charge on all existing and future receivables and current assets of the Company.
(ii) Unsecured loan carries interest @ 7.25 %- 7.63 % per annum as at March 31, 2018.

24. Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Acceptances	8,792.0	6,529.4
Other trade payables	17,843.8	12,886.0
Total	26,635.8	19,415.4

25. Provision for tax (net of advance tax)

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for tax (net of advance tax)	190.7	105.1
Total	190.7	105.1

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26. Revenue from operations

Rs. in million

Particulars		For the year ended March 31 2018	For the year ended March 31 2017
Revenue from operations			
Sale of products			
Manufactured goods		84,336.6	71,505.0
Stock-in-trade		14,652.7	17,913.3
Sale of services		370.0	672.3
	Sub-total (A)	99,359.3	90,090.6
Other operating revenue			
Export benefits		726.3	549.4
Scrap sales		293.2	231.4
Income from maintenance contracts		201.5	289.5
Provisions/liability no longer required written back		-	159.0
Provisions for doubtful debts written back		0.8	13.1
Industrial promotion subsidy		1,091.9	811.8
Income from other operating revenues		560.4	476.0
	Sub-total (B)	2,874.1	2,530.2
Revenue from operations (net)	Total (A+B)	102,233.4	92,620.8

Rs. in million

Particulars		For the year ended March 31 2018	For the year ended March 31 2017
Details of products sold			
Manufactured goods			
Commercial vehicles		67,584.4	57,985.5
Engines and related components		7,600.0	5,289.9
Spare parts and other components		9,152.2	8,229.6
	Total	84,336.6	71,505.0
Stock-in-trade			
Commercial vehicles		8,891.0	12,725.2
Spare parts and other components		5,761.7	5,188.1
	Total	14,652.7	17,913.3
Details of services rendered			
Engineering services		30.5	386.1
Other allied services		339.5	286.2
	Total	370.0	672.3

27. Other income

Rs. in million

Particulars		For the year ended March 31 2018	For the year ended March 31 2017
a) Interest income on financial assets carried at amortised cost			
- Deposit with bank		640.2	371.2
- Others		51.7	74.0
		691.9	445.2
b) Other non-operating income			
Service charges recovered		25.3	27.5
Other miscellaneous income		109.4	52.3
		134.7	79.8
c) Other gains and losses			
Profit on sale of property, plant and equipment		-	4.0
Profit on divestment of subsidiary company		-	43.1
		-	47.1
	Total	826.6	572.1

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28. Cost of raw materials and components consumed

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Inventory at the beginning of the year	1,456.3	1,272.7
Add: purchases	66,948.6	49,727.1
	68,404.9	50,999.8
Less: inventory at the end of the year	3,007.7	1,456.3
Less: material cost of vehicles capitalised	39.7	129.2
	65,357.5	49,414.3
Less: sale of raw materials and components to suppliers on cost to cost basis	2,074.8	909.3
Net consumption	63,282.7	48,505.0

29. Details of purchase of stock-in-trade

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Commercial vehicles	8,586.2	10,865.6
Spare parts and other components	4,655.4	4,161.7
Total	13,241.6	15,027.3

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

Rs. in million

Particulars		For the year ended March 31 2018	For the year ended March 31 2017
Inventories at the end of the year			
Finished goods		3,884.3	3,143.9
Work-in-progress		493.1	429.7
Stock-in-trade		1,693.8	1,223.6
	A	6,071.2	4,797.2
Inventories at the beginning of the year			
Finished goods		3,143.9	3,590.8
Work-in-progress		429.7	421.4
Stock-in-trade		1,223.6	1,289.2
	B	4,797.2	5,301.4
Net change (B-A)		(1,274.0)	504.2

31. Employee benefits expenses

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Salaries, wages, bonus etc.	6,136.1	5,833.8
Contribution to provident and other funds	202.8	193.4
Staff welfare expenses	546.3	485.3
Total	6,885.2	6,512.5

32. Finance costs

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Interest expense		
on borrowings	110.2	135.9
on income tax	2.0	6.4
Unwinding of discount on provisions	50.3	43.6
Total	162.5	185.9

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33. Depreciation and amortisation expenses

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Depreciation of tangible assets *	2,510.0	2195.2
Amortisation of intangible assets	715.2	536.2
Total	3,225.2	2731.4

* Excludes Rs. Nil amount (previous year Rs. 1.2 million) transferred to capital work-in-progress.

34. Other expenses

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Stores and machinery spares consumed (including loose tools)	515.6	434.0
Increase/(decrease) in excise duty on finished goods	265.8	(66.5)
Loss on sale of property, plant and equipment	26.0	39.8
Property, plant and equipment and intangible assets discarded	66.4	12.6
Power and fuel	728.4	583.1
Insurance	139.0	165.5
Repairs and maintenance		
Buildings	168.5	159.2
Plant and equipment	361.5	307.9
Others	324.9	278.2
Rates and taxes	71.5	133.2
Advertisement	152.9	191.0
Freight and handling charges	1,832.1	1489.0
Incentives	106.9	292.7
Warranty	920.3	977.1
Other selling and distribution expenses	825.8	582.4
Rent	342.8	347.9
Legal and professional charges #	182.4	142.8
Travelling and conveyance expenses	499.6	501.0
Development and testing expenses	482.1	330.5
Exchange loss	59.4	61.4
Corporate social responsibility expenditure	77.4	72.0
Brand fees	392.5	316.6
Provision for doubtful debts and advances	46.6	8.7
Miscellaneous expenses	714.8	834.9
Total	9,303.2	8,195.0

 # Including payment to auditors as below:-

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
a) As Statutory Audit		
-Audit fee	3.5	5.8
-Audit fees for foreign reporting	1.5	0.7
-Audit fees of accounts for fiscal year	-	-
-Limited Review of unaudited financial results	1.5	4.2
b) In other capacity:		
- For transfer pricing report and other certification	0.6	2.7
c) Out of pocket expenses	0.4	0.2

35. Income tax expense

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Current tax	1,518.8	971.2
Tax adjustment related to earlier years	(72.8)	-
Deferred tax charge/(benefit)	331.6	(15.0)
Total Income tax recognised in the current year	1,777.6	956.2

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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 2018	For the year ended March 31 2017
Profit before tax	6,493.8	4,439.1
Income Tax expenses calculated at 34.608%	2,247.4	1,536.3
Effect of expenses that are not deductible in determining taxable profit	18.8	15.1
Effect of Additional deduction on research and product development cost	(351.9)	(559.1)
Effect of Additional deduction for investment allowance under Section 32 AC of the Income tax Act, 1961	-	(48.9)
Others	(136.7)	12.8
	1,777.6	956.2
Income tax expense recognised in statement of profit and loss	1,777.6	956.2

Income tax expense recognised in other comprehensive Income

Rs. in million

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Deferred tax charge/ (benefit)		
Arising on income and expenses recognised in other comprehensive income:		
- Remeasurement of defined benefit obligation	(7.8)	(18.4)
- Exchange differences in translating the financial statements of foreign operations	(1.3)	(9.1)
Total Income tax expense recognised in other comprehensive income	(9.1)	(27.5)
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(7.8)	(18.4)
Items that may be reclassified to profit or loss	(1.3)	(9.1)
	(9.1)	(27.5)

36. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1935.4 million (As at March 31 2017, Rs. 1404.4 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.

37. **Research and development expenses:**
Revenue expenditure on research and development incurred and expensed off during the year through the appropriate heads of account aggregate Rs. 1687.5 million (Rs. 1,322.9 million). The capital expenditure incurred during the year for research and development purposes aggregate Rs. 2225.8 million (Rs. 1363.1 million).

38. **Contingent liabilities not provided for:**

Rs. in million

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
a) In respect of following:		
- Sales tax matters	**1,758.7**	1,905.3
- Excise duty matters	**75.6**	102.5
- Service tax matters	**458.3**	610.3
- Income tax matters	**0.5**	0.5
b) Claims against the Group not acknowledged as debts	**32.2**	35.2
c) Bills discounted	**-**	200.6

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

39. **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, 2018**	**For the year ended March 31, 2017**
a)	Provident fund *	**194.3**	185.4
b)	Superannuation fund	**15.9**	16.3
c)	Employee State Insurance Corporation	**16.7**	11.8

* includes Rs 7.3 million (previous year Rs. 8.4 million) capitalized during the year/ period in intangible assets under development and includes nil amount (previous year Rs. 0.1 million) capitalised during the year/period under pre-operative expenditure pending allocation.

Out of the total contribution made for employees' provident fund, Rs. 68.9 million (previous year Rs. 63.5 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, 2018 is Rs.1896.3 million as against the total plan assets of Rs. 1906.7 million. The funds of the trust have been invested under various securities as prescribed under the rules of the trust.

B. **Defined benefit plans:**
In accordance with the Payment of Gratuity Act, 1972, the 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 Life Insurance Corporation of India 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 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.
Logevity 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.

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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, 2018 by Mr. 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, 2018	As at March 31, 2017
Discount rate	**7.90%**	7.50%
Future salary increase	**7.50%**	7.00%
Retirement age	**58/60 years**	58/60 years
Withdrawal rate	**1-3%**	1-3%
In service mortality	**IALM (2006-08)**	IALM (2006-08)

*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, 2018	For the year ended March 31, 2017
Service cost		
Current service cost	62.9	57.8
Past service cost and (gain)/Loss from settlements	-	-
Net Interest expenses	8.7	4.9
Component of defined benefit cost recognised in profit or loss	71.6	62.7
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains)/ losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/ losses arising from changes in financial assumptions	6.7	-
Actuarial (gains)/ losses arising from experience adjustments	15.9	53.1
Component of defined benefit cost recognised in Other comprehensive Income	22.6	53.1

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, 2018	As at March 31, 2017
Present Value of funded defined benefit obligation	732.7	666.6
Fair value of plan assets	732.7	666.6
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, 2018	For the year ended March 31, 2017
Present value of obligation as at the beginning	666.6	555.1
Current service cost	62.9	57.8
Interest cost	50.0	41.6
Benefits paid	(72.7)	(50.8)
Net actuarial (gain) / loss recognised	25.9	62.9
Present value of obligation as at the end	732.7	666.6

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

Particulars	**Gratuity**	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Present Value of fund as at the beginning	666.6	555.1
Interest income	41.3	36.7
Contribution	94.2	115.8
Net actuarial gain / (loss) recognised	3.3	9.8
Benefits paid	(72.7)	(50.8)
Present value of fund as at the end @	732.7	666.6

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

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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, 2018	As at March 31, 2017
Corporate Bonds categorised by issuers' credit rating		
AAA	102.3	122.3
AA	16.2	22.7
A	7.4	-
Corporate debt bonds (traditional plan)	234.2	222.4
Fixed deposits with banks	-	-
Government securities / Treasury Bills	341.5	243.2
Money Market	22.3	24.1
Others	8.8	31.9

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. 32.1 million (increase by Rs. 34.7 million) (as at March 31, 2017: Decrease by Rs 28.4 million (increase by Rs 30.7 million)).
- If the expected salary growth increases (decreases) by 0.5 basis points, the defined benefit obligation would increase by Rs. 34.7 million (decrease by Rs. 32.4 million) (as at March 31, 2017: increase by Rs 30.7 million (decrease by Rs 28.7 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, 2018	As at March 31, 2017
Average duration of the defined benefit obligation (in years)	9 Years	9 Years

The estimated contribution during next year is Rs. 77.8 million (previous year Rs. 72.9 million) to the defined benefit plan.

40. Earnings per share

Rs. in million

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Profit after taxation, per statement of profit and loss (Rs. in million)	4,716.2	3,852.9
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)]	471.62	385.29

41. Financial instruments

41.1 Capital Management

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

The Company is not subject to any externally imposed capital requirements

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

The following table summarizes the capital of the Company:

Rs. in million

	As at March 31, 2018	As at March 31, 2017
Share capital	**100.0**	100.0
Other equity	**32,331.8**	28,776.2
	32,431.8	28,876.2

41.2 Categories of financial instruments

Carrying value of the financial instruments are as follows:-

Rs. in million

	As at March 31, 2018	As at March 31, 2017
Financial assets carried at fair value through profit and loss (FVTPL)		
Investment in equity instruments	**0.5**	0.5
Financial assets at amortized cost		
Non-current		
Trade receivables	**19.7**	89.0
Loans	**21.7**	19.1
Other financial assets	**344.3**	339.2
Current		
Trade receivables	**13,924.7**	10,296.1
Cash and cash equivalents	**3,452.2**	3,107.8
Loans	**15.2**	56.9
Other financial assets	**1,905.6**	1,244.8
Financial liabilities at amortized cost		
Non-current		
Other financial liabilities	**64.2**	97.5
Current		
Borrowings	**2,587.4**	2,040.0
Trade payables	**26,635.8**	19,415.4
Other financial liabilities	**2,650.8**	2,212.2

41.3 Fair value measurements

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

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

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

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

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

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

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

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

Rs. in million

	Fair value as at	
	March 31, 2018	March 31, 2017
	Level 3	Level 3
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity instruments	**0.5**	0.5

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

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

Notes:

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

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

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

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

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41.4 Financial risk management objectives and Policies

The Company's treasury function is managed by its Corporate Office Finance Department (COFD) which monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk), credit risk and liquidity risk.
The COFD evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management. The activities of this department includes management of cash resources, implementing strategies for foreign currency exposures and ensuring market risk limit and policies.
The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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

Foreign currency risk management
The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.
The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(in million)

Foreign currency exposure	As at March 31, 2018		As at March 31, 2017	
	Trade Receivables	Trade Payables	Trade Receivables	Trade Payables
USD	32.5	6.0	14.5	1.5
EURO	0.7	2.9	0.7	1.0
SEK	0.0	6.7	-	5.4
JPY	-	147.3	2.9	59.8
Others	-	28.0	-	14.6

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

(Rs. in million)

Currency	As at March 31, 2018		As at March 31, 2017	
	5% increase	5% decrease	5% increase	5% decrease
Receivable				
USD	(105.6)	20.5	(55.3)	55.3
EURO	(2.7)	2.7	(2.5)	2.5
JPY	-	-	(0.1)	0.1
Payable				
USD	15.5	(15.5)	4.9	(4.9)
EURO	11.8	(14.5)	3.5	(3.5)
SEK	2.6	(2.6)	2.0	(2.0)
JPY	4.5	(4.5)	1.7	(1.7)
Others	4.0	(4.0)	1.7	(1.7)
Impact on profit or loss as at the end of the reporting period	(69.9)	(17.9)	(44.1)	44.1
Impact on total equity as at the end of the reporting period	(45.7)	(11.7)	(28.8)	28.8

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

Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company.
Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in fixed deposits, trade receivables, and other loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.
The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in the note no. 10 above.

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

Rs. in million

Movement in the expected credit loss allowance of financial assets	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at beginning of the year	142.8	151.7
Add: Provided during the year	46.6	8.2
Less: reversals of provision	(0.8)	(13.1)
Less: amounts written off	(11.3)	(4.0)
Balance at end of the year	177.3	142.8

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, 2018			
	Less than 1 year	1 Year-5 year	More than 5 years	Total
Non-current				
(i) Other financial liabilities	-	-	64.2	64.2
Current				
(i) Borrowings	2,587.4	-	-	2,587.4
(ii) Trade payables	26,635.8	-	-	26,635.8
(iii) Other financial liabilities	2,650.8	-	-	2,650.8

Rs. in million

Particulars	As at March 31, 2017			
	Less than 1 year	1 Year-5 year	More than 5 years	Total
Non-current				
(i) Other financial liabilities	-	33.0	64.5	97.5
Current				
(i) Borrowings	2,040.0	-	-	2,040.0
(ii) Trade payables	19,415.4	-	-	19,415.4
(iii) Other financial liabilities	2,212.2	-	-	2,212.2

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

42. Segment Reporting Disclosure

The 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, 2018	85,519.9	16,713.5	102,233.4
For the year ended March 31, 2017	78,864.2	13,756.5	92,620.8

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

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

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

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43. 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
UD Truck Corporation
Volvo Group India Private Ltd
Volvo Lastvagnar AB
Volvo Powertrain Corporation
Volvo Bussar AB
AB Volvo Penta
Volvo Information Technology AB
Volvo Logistics AB
Volvo Business Services AB
Volvo Parts AB
Volvo Construction Equipment AB
Thai Swedish Assembly
Volvo Truck Corporation
Volvo Merchandise AB
Volvo Bus Corporation
Volvo East Asia (Pte) Ltd
PT Volvo Asia
Ud Trucks Southern Africa (Pty) Ltd.
Volvo Group Middle East FZE
PT. VOLVO INDONESIA
Renault Trucks Gare VI

(iv) Entity under the joint 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)

(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

Vinod Aggarwal	Managing director (w.e.f. October 26, 2016), Chief Executive Officer
Siddhartha Lal	Director, Chairman (upto May 2, 2017)
Hakan Karlsson	Chairman (w.e.f. May 3, 2017)
Jacques Michel	Director (w.e.f. October 26, 2016)
Philippe Divry	Director
Raul Rai	Director
Prateek Jalan	Independent Director
Lila Poonawalla	Independent Director
Anders Hager	Chief Financial Officer (w.e.f. December 1, 2017)
Praveen Kumar Jain	Company Secretary

b. Transactions with the above parties

Rs. in million

Name of related party	Nature of transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Investor in respect of which the Company is a joint venture			
Eicher Motors Limited	Sale of finished goods/services	1,988.9	1,457.4
	Corporate service charges recovered	28.5	26.0
	Dividend paid	516.8	-
	Tooling advance received	2.8	-
	Expenses recovered	3.1	4.3
	Others	8.2	-
Aktiebolaget Volvo (PUBL), Volvo, Sweden	Dividend paid	433.2	-
(ii) Joint venture company			
Eicher Group Foundation	Contribution for corporate social responsibility	69.8	59.7
(iii) Entity under the control of co-venturer (AB Volvo)			
Volvo do Brasil Veiculos Ltda	Sale of finished goods / services	17.7	7.3
Renault Trucks SAS	Sale of finished goods / services	3,368.8	3,101.7
	Expenses recovered	3.4	0.8
	Expenses reimbursed	-	19.6
	Purchase of goods / services	93.8	21.3
	Purchase of capital goods/services	267.6	63.7
	Others	125.3	-
UD Truck Corp	Sale of finished goods / services	23.8	236.8
	Expenses reimbursed	10.5	8.7
	Purchase of goods / services	7.3	10.9
	Purchase of capital goods/services	0.6	4.4
Volvo Group India Private Ltd	Sale of finished goods/ services	379.4	210.8
	Expenses recovered	644.3	766.7
	Expenses reimbursed	23.2	62.9
	Purchase of goods/services	14,790.4	14,242.3
	Purchase of capital goods/services	34.9	71.4
	Others	-	0.3
Volvo Powertrain Corporation	Sale of finished goods/ services	16.1	-
	Variance paid	-	53.5
	Expenses recovered	-	5.6
	Others	12.8	7.2
AB Volvo Penta	Sale of finished goods/ services	1.2	1.2
Volvo Information Technology AB	Purchase of goods / services	24.9	19.3
	Purchase of capital goods/services	-	-
Volvo Logistics AB	Expenses recovered	-	3.4
	Purchase of goods / services	1.1	
	Others	-	0.1
Volvo Parts AB	Sale of finished goods / services	0.3	0.3
Volvo Construction Equipment AB	Sale of finished goods / services	1.4	0.1
Thai Swedish Assembly	Sale of finished goods / services	0.9	0.4
	Expenses recovered	-	-
Volvo Truck Corporation	Sale of finished goods / services	2,660.2	1,405.3
	Expenses recovered	176.5	334.7
	Expenses reimbursed	-	0.7
	Purchase of goods / services	62.1	43.9
	Purchase of capital goods/services	68.3	46.1
	Others	45.7	17.1
UD Trucks Southern Africa (Pty.) Limited	Sale of finished goods/ services	-	-
Volvo Group Middle East FZE	Sale of finished goods/ services	-	0.4
	Expenses recovered	-	0.1
Renault Trucks Garo VI	Sale of finished goods/ services	1.0	0.7
Volvo Bus Corporation	Sale of finished goods / services	153.2	-
	Expenses recovered	85.3	204.7
Volvo East Asia (PTE) ltd.	Sale of finished goods/ services	3.1	0.1
Volvo Parts Corporation	Purchase of goods / services	16.4	12.6
Renault Trucks	Purchase of goods / services	124.6	-
PT Volvo indonesia	Purchase of goods / services	9.3	-
(iv) Entity under the joint control of co-venturer (EML)			
Eicher Polaris Private Limited	Sale of finished goods/ services	4.5	13.6
	Corporate service charges recovered	1.2	1.5
	Tooling advance received	0.1	0.4
	Others	0.4	0.7
(v) Entity under the control of key management personnel			
Eicher Goodearth Private Limited	Expenses recovered	-	-
	Lease rent	8.9	19.5
	Brand fee	122.2	99.0
	Others	392.5	316.6

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Rs. in million

Name of related party	Nature of transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
(vi) Other related parties			
Eicher Executive Provident Fund	Contribution made	68.9	63.5
Eicher Tractors Executive Staff Superannuation Fund	Contribution made	15.8	15.8
VECV Employees Group Gratuity Scheme	Contribution made to fund	94.2	115.8
	Benefits paid through fund	72.7	50.8
(vii) Key management personnel			
Vinod Aggarwal	Short- term benefits	57.0	38.9
	Post- employment benefits	1.9	2.3
	Other long- term benefits	0.0	0.4
		59.0	41.6
Gilles Boutte	Short-term benefits	14.5	27.4
Anders Hager	Short-term benefits	8.8	-
Praveen Kumar Jain	Short- term benefits	5.0	3.7
	Post- employment benefits	0.1	0.1
	Other long- term benefits	0.1	0.01
		5.2	3.8
Prateek Jalan	Sitting fees	1.4	0.9
Lila Poonawalla	Sitting fees	1.4	0.7

Balance outstanding at the year end

Rs. in million

Name of related party	Nature	As at March 31, 2018	As at March 31, 2017
(i) Investor in respect of which the Company is a joint venture			
Eicher Motors Limited	- Receivables	456.1	326.8
	- Advance from customer	0.4	-
Aktiebolaget Volvo (PUBL), Volvo, Sweden	- Payables	-	-
(ii) Entity under the control of co-venturer (AB Volvo)			
Volvo do Brasil Veiculos Ltda	- Receivables	8.3	3.6
Renault Trucks SAS	- Receivables	70.5	593.2
	-Other financial assets	-	-
	- Payables	315.1	16.2
UD Truck Corp	- Receivables	4.2	6.7
	- Payables	6.4	6.4
Volvo Group India Private Ltd	- Receivables	27.9	56.3
	-Other financial assets	-	55.5
	- Payables	105.3	1,798.5
Volvo Powertrain Corporation	- Receivables	1.9	5.6
	-Other financial assets	-	-
	- Payables	1.8	115.1
AB Volvo Penta	- Receivables	0.1	-
Volvo Information Technology AB	- Payables	1.4	14.4
Volvo Logistics AB	- Payables	1.3	0.0
Volvo Parts AB	- Receivables	0.1	0.2
Volvo Construction Equipment AB	- Receivables	-	-
	- Payables	-	-
Thai Swedish Assembly	- Receivables	0.4	0.2
Volvo Trucks Corporation	- Receivables	508.4	258.6
	-Other financial assets	-	-
	- Payables	37.0	27.3
UD Trucks Southern Africa (Pty) Ltd.	- Payables	-	-
Volvo Group Middle East FZE	- Receivables	-	0.4
Renault Trucks Gare VI	- Receivables	0.3	0.7
Volvo Bus Corporation	- Receivables	61.7	36.8
Volvo Bus India Private Limited	- Receivables	-	-
	-Other financial assets	-	-
Volvo Merchandise AB	- Receivables	-	-
Volvo Parts Corporation	- Payables	-	11.0
Renault Trucks	- Receivables	31.8	-
(iii) Entity under the joint control of co-venturer (EML)			
Eicher Polaris Private Limited	- Receivables	1.9	2.1
	- Advances from Customers	-	0.1
(iv) Entity under the control of key management personnel			
Eicher Goodearth Private Limited	- Payables	26.9	306.6
	- Security Deposit Receivable	35.1	35.1

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

44. Disclosure in respect of leases

(A) Operating lease

The Company has taken certain premises under various operating lease agreements. The total lease rental recognize as expense aggregate to Rs. 325.8 million (previous year Rs. 347.9 million).

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

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one year	42.7	73.6
Later than one year and not later than five years	46.4	44.6
Later than five years	0.9	3.5

(B) Finance lease

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

Rs. in million

Particulars	As at March 31, 2018	As at March 31, 2017
Future minimum lease payments		
- not later than one year	78.5	233.3
- later than one year and not later than five years	19.7	98.2
Less: future finance charges	9.2	35.5
Present value of minimum lease payments receivable		
- not later than one year	71.3	207.0
- later than one year and not later than five years	16.3	89.0
- later than five years	-	-
Unguaranteed residual value	-	-
Accumulated provision for uncollectible minimum lease payments receivable	-	-
Contingent rent recognised in Statement of Profit or loss during the year	-	-

45. 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	99.76%	32,353.8	100.3%	4,730.0
Subsidiaries				
Foreign				
1. VECV South Africa (Pty) Limited	0.05%	17.0	-0.7%	(32.8)
2. V E C V Lanka (Private) Limited	0.19%	60.9	0.4%	19.1
	100.0%	32,431.8	100.0%	4,716.2

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	85.7%	(14.9)	100.3%	4,715.0
Subsidiaries				
Foreign				
1. VECV South Africa (Pty) Limited	14.3%	(2.5)	-0.8%	(35.3)
2. V E C V Lanka (Private) Limited	0.0%	-	0.4%	19.1
	100.0%	(17.4)	99.6%	4,698.8

46. As per Madhya Pradesh (M.P.) Investment Promotion Scheme 2014, the Company is eligible for State Government incentives in the form of reimbursement of 75% of Value added tax (VAT) paid after adjusting input tax rebate on VAT/ CST.

Post GST implementation effective July 1, 2017, the VAT / CST Acts have been repealed but as the aforesaid Scheme has not been withdrawn by the MP Government, the benefits therein continue. Further, the State Government has assured the Company that a notification on revised criteria for the calculation of incentive under GST regime shall be announced soon and the incentive under GST regime should be more or less at par with incentives under VAT regime. The management has also obtained a legal opinion confirming that as on date the State Government policy on incentives has not been withdrawn and hence the Company continues to be eligible for these incentives. Accordingly, the Company has accrued the incentives amounting to Rs.774 million in these financial statements post GST implementation.

47. The Company and it's subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

48. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and it's subsidiaries.

49. 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.: 95169

For and on behalf of the Board of Directors

Praveen Jain
Company Secretary
M No. 3524

Anders Hager
Chief financial Officer

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Hakan Karlsson
Chairman
DIN: 05195444

Siddhartha Lal
Director
DIN: 00037645

Place : Gurugram
Date :