

INDEPENDENT AUDITOR'S REPORT

To the Members of VE Commercial Vehicles Limited

Report on the Audit of the Standalone Financial Statements**Opinion**

We have audited the accompanying standalone financial statements of VE Commercial Vehicles Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

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

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

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

Responsibilities of Management for the standalone financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position,



financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 40 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 19 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Sanjay Vij
Partner

Membership Number: 095169

UDIN: 23095169BGXZYL5446

Place of Signature: Gurugram

Date: May 09, 2023



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

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

- (i) a (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, plant and equipment.
(B) The Company has maintained proper records showing full particulars of intangibles assets.
- b. All Property, Plant and Equipment were physically verified by the management in the year in accordance with a planned programme of verifying them once in three years, except for assets lying with third parties which have been confirmed by them during the year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. According to the information and explanations given by the management, the title deeds of all immovable properties included in property, plant and equipment are held in the name of the Company except the following: -

Particulars of the Land and Building	Carrying value as at March 31, 2023 (Rs. in Million)	Remarks
Freehold Land and building located at Ahmedabad and Bhiwandi admeasuring 1743.08 square meters and 21,695 square meters respectively	37.8	Pending registration in the name of the Company

- d. The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- e. According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a). The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2023. There are no discrepancies of 10% or more in aggregate for each class of inventory.
- (b). As disclosed in note 51 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies, firms, Limited Liability Partnerships or any other parties as follows:

	Guarantees	Security	Loans to employees	Advances in nature of loans
Aggregate amount granted/ provided during the year		-		-
- Subsidiaries	131.54 Mn	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	-	-
Balance outstanding as at balance sheet date in respect of above cases		-		-



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- Subsidiaries	131.54 Mn		-	
- Joint Ventures	-		-	
- Associates	-		-	
- Others	-		61.80 Mn	

- (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.
- (c) The Company has granted loan(s) and / or advance in the nature of loans during the year to companies, firms, Limited Liability Partnerships or any other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. Further, in our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and guarantees, and securities given have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of certain products, and are of the opinion that prima facia, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, customs duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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

Name of the statute	Forum where dispute is pending	Amount (Rs. in million)*	Amount paid under protest (Rs. in million)	Period to which the amount relates
Central Excise Act	Appellate Authority upto Commissioner's level	1.2	-	1991-92 to 1997-98
Central Excise Act	CESTAT	130.8	83	2000-01 to 2015-16
Sales Tax Act	Appellate Authority upto Commissioner's level	1623.6	141.4	1995-96, 2004-05 to 2017-18
Sales Tax Act	Appellate Tribunal	99.9	24.1	1991-92 to 1994-95, 1998-99 to 2000-01, 2002-03, 2009-10, 2011-12, 2013-14 and 2014-15
Sales Tax Act	High Court	60.1	3.0	1995-96, 2000-01, 2005-06 & 2008-09 & 2009-10
Finance Act, 1994 (Service Tax)	CESTAT	15.2	-	2003-07 to 2007-08, 2009-10, 2011-12, 2012-13, 2014-15 to 2015-16
Finance Act, 1994 (Service Tax)	Appellate Tribunal	0.5	-	2016-17, 2017,18

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

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.



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- (xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), clause 3(xii)(b) and clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to the information and explanation given by the management, The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not incurred cash losses in the current financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 48 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



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(xx) (a) In respect of other than ongoing projects, the Company has transferred unspent amount to a fund specified in Schedule VII of the Companies Act, 2013 (the Act) within a period of six months of the expiry of the financial year, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 36 to the financial statements.

(b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 36 to the financial statements.

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



per Sanjay Vij
Partner
Membership Number: 095169
UDIN: 23095169BGXZYL5446
Place: Gurugram
Date: May 09, 2023



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE 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")

We have audited the internal financial controls with reference to standalone financial statements of VE Commercial Vehicles ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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



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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E



per **Sanjay Vij**

Partner

Membership Number: 095169

UDIN: 23095169BGXZYL5446

Place of Signature: Gurugram

Date: May 09, 2023



VE COMMERCIAL VEHICLES LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note	Rs. in million	
		As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	21,213.1	21,349.0
(b) Capital work-in-progress	6	1,220.6	1,156.3
(c) Other Intangible assets	7	7,511.6	6,918.5
(d) Right-of-use assets	7A	2,617.0	1,861.8
(e) Intangible assets under development	8	1,614.2	1,693.4
(f) Investments in subsidiaries & joint ventures	9	169.8	169.3
(g) Financial assets			
(i) Investments	10	1.4	1.4
(ii) Loans	12	28.0	26.4
(iii) Other financial assets	13	6,388.3	2,574.1
(h) Other assets	14	867.7	773.6
Total non-current assets		41,631.7	36,523.8
Current assets			
(a) Inventories	15	16,872.0	14,380.1
(b) Financial assets			
(i) Investments	10	495.2	-
(ii) Trade receivables	11	23,509.6	20,486.1
(iii) Loans	12	33.8	39.5
(iv) Cash and cash equivalents	16	1,786.5	4,158.9
(v) Bank balances other than (iv) above	17	24,170.3	9,630.4
(vi) Other financial assets	13	3,670.1	2,801.5
(c) Other assets	14	2,202.5	1,877.4
Total current assets		72,740.0	53,373.9
Total assets		114,371.7	89,897.7
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	100.0	100.0
(b) Other equity	19	40,889.5	35,938.4
Total equity		40,989.5	36,038.4
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	-	778.8
(ii) Lease liabilities	20	1,176.1	588.3
(iii) Other financial liabilities	21	84.6	80.4
(b) Provisions	22	1,708.2	1,273.2
(c) Deferred tax liabilities (net)	23	2,322.9	791.2
(d) Other liabilities	24	95.7	73.1
Total non-current liabilities		5,387.5	3,585.0
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	3,100.0	346.2
(ii) Lease liabilities	20	390.6	185.6
(iii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	26	421.1	1,317.4
- Total outstanding dues of creditors other than micro enterprises and small enterprises	26	53,582.4	40,893.0
(iii) Other financial liabilities	21	2,598.5	1,968.8
(b) Provisions	22	1,309.4	1,002.9
(c) Liabilities for current tax (net)	27	318.8	358.1
(d) Other liabilities	24	6,273.9	4,202.3
Total current liabilities		67,994.7	50,274.3
Total liabilities		73,382.2	53,859.3
Total equity and liabilities		114,371.7	89,897.7

See accompanying notes forming part of the financial statements

1 to 54

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

Per Sanjay Vij
Partner
Membership no.: 095169



Praveen Jain
Praveen Jain
Company Secretary
M No. 3524

Ken Trolle

Ken Trolle
Chief financial Officer

For and on behalf of the Board of Directors

Vinod Aggarwal
Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Joachim Henry Rosenberg
Joachim Henry
Rosenberg
Director
DIN: 06391543

Siddhartha Lal
Siddhartha Lal
Director and
Chairman
DIN: 00037645

VE COMMERCIAL VEHICLES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31,2023

Particulars	Note	Rs. in million	
		For the period ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	28	189,681.8	127,127.4
Other income	29	1,216.5	561.1
Total Income		190,898.3	127,688.5
Expenses			
Cost of raw materials and components consumed	30	129,578.8	86,754.5
Purchases of traded goods	31	20,701.7	13,823.0
Change in inventories of finished goods, work-in-progress and stock-in-trade	32	(1,624.0)	(814.7)
Employee benefits expenses	33	11,316.1	9,166.5
Depreciation and amortisation expenses	34	5,726.7	5,611.4
Finance costs	35	323.6	359.8
Other expenses	36	16,007.9	11,074.7
Total expenses		182,030.8	125,975.2
Profit before tax		8,867.5	1,713.3
Tax expense			
Current tax	37	1,542.7	291.2
Deferred tax charge/(benefit)	37	1,563.9	349.9
Total tax expense		3,106.6	641.1
Profit for the year		5,760.9	1,072.2
Other comprehensive income			
Items that will not be reclassified to profit or loss:-			
Re-measurement losses on defined benefit plans		(91.9)	(25.2)
Income tax benefit	37	32.1	8.8
Net other comprehensive income not to be reclassified to profit or loss		(59.8)	(16.4)
Total Comprehensive income for the year, net of tax		5,701.1	1,055.8
Earnings per share (of Rs. 10 each) in Rs.			
Basic/ diluted	43	576.09	107.22

See accompanying notes forming part of the financial statements

1 to 54

In terms of our report attached
For S.R.Batliloi & Co. LLP
Chartered Accountants
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Membership no.: 095169




Praveen Jain
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M No. 3524


Ken Trolle
Chief financial Officer

For and on behalf of Board of Directors


Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906


**Joachim Henry
Rosenberg**
Director
DIN: 06391543


Siddhartha Lal
Director and
Chairman
DIN: 00037645

Place : Gurugram
Date : May 9, 2023



VE COMMERCIAL VEHICLES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity share capital

	Rs. in million	
	Number of Shares	Amount
Balance as at March 31, 2021	10,000,000	100.0
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	10,000,000	100.0
Changes in equity share capital during the year	-	-
Balance as at March 31, 2023	10,000,000	100.0

Financial year 2022-23

Particulars	Reserves and surplus			Total
	Share premium	General reserve	Retained earnings	
Balance as at March 31, 2022	10,786.6	2,598.5	22,553.3	35,938.4
Profit for the year	-	-	5,760.9	5,760.9
Other comprehensive income	-	-	(59.8)	(59.8)
Dividends paid	-	-	(675.0)	(675.0)
Tax on dividend	-	-	(75.0)	(75.0)
Balance as at March 31, 2023	10,786.6	2,598.5	27,504.4	40,889.5

Financial year 2021-22

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

See accompanying notes forming part of the financial statements

I to 54

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


Praveen Jain
Company Secretary
M No. 3524


Ken Trolle
Chief financial Officer


Per Sanjay Vij
Partner
Membership no.: 95169



For and on behalf of the Board of Directors


Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906


Joachim Henry Rosenberg
Director
DIN: 06391543


Siddhartha Lal
Director and
Chairman
DIN: 00037645



Place : Gurugram
Date : May 9, 2023



VE COMMERCIAL VEHICLES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	8,867.5	1,713.3
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	5,726.7	5,611.4
Property, plant and equipment discarded	16.2	7.7
Loss on sale of property, plant and equipment (net)	-	0.8
Interest income	(1,099.8)	(497.7)
Impairment on doubtful debts and advances	33.6	71.2
Finance costs	323.6	359.8
Operating profit before changes in working capital	13,867.8	7,266.5
Working capital adjustments:		
Adjustments for (increase) / decrease assets:		
Non-current		
Loans	(1.6)	(6.5)
Other financial assets	(3,847.8)	(634.0)
Other assets	13.8	(14.3)
Current		
Inventories	(2,491.9)	(789.5)
Trade receivables	(3,023.5)	(5,162.3)
Loans	5.7	(3.9)
Other financial assets	(583.5)	(403.9)
Other assets	(325.1)	(346.5)
Adjustments for increase / (decrease) in liabilities:		
Non-current		
Other financial liabilities	4.2	(2.3)
Provisions	280.5	208.9
Other liabilities	22.6	5.0
Current		
Trade payables	11,793.1	6,527.1
Provisions	306.5	(24.0)
Other financial liabilities	113.4	(422.2)
Other liabilities	2,071.6	1,471.7
Cash generated from operating activities	18,205.8	7,669.8
Income taxes paid	(1,582.1)	(313.3)
Net cash flows from operating activities (A)	16,623.7	7,356.5
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital advances)	(5,435.2)	(4,974.6)
Proceeds from sale of property, plant and equipment	56.6	81.0
Investment/(Redemption) in fixed deposits	(14,539.9)	1,375.5
Investment in Government Securities	(495.2)	-
Investment in equity shares of subsidiary companies	(0.5)	-
Interest received (finance income)	810.5	475.2
Net cash flow used in investing activities (B)	(19,603.7)	(3,042.9)
C.CASH FLOW FROM FINANCING ACTIVITIES		
Increase in borrowings	3,100.0	-
Repayment of Long term borrowings	(1,125.0)	(2,798.1)
Interest paid	(121.1)	(250.6)
Payment of finance lease liabilities	(496.3)	(269.9)
Dividends paid to equity holders	(675.0)	(450.0)
TDS on dividend paid	(75.0)	(50.0)
Net cash flow (used)/generated in financing activities (C)	607.6	(3,818.6)
Cash and cash equivalents at the end of the year	1,786.5	4,158.9



VE COMMERCIAL VEHICLES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Components of cash and cash equivalents

Cash on hand	5.6	4.0
Cheques/ drafts on hand	52.6	27.5
Balances with banks:		
In current accounts	930.4	1,079.9
In deposit accounts	797.9	3,047.5
Total cash and cash equivalents (refer note no. 16)	1,786.5	4,158.9

See accompanying notes forming part of the financial statements

1 to 54

In terms of our report attached

For S.R.Batliloi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

Per Sanjay Vij

Partner

Membership no.: 095169





Praveen Jain
 Company Secretary
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Ken Trolle
 Chief financial Officer

For and on behalf of Board of Directors




Vinod Aggarwal
 Managing Director and
 Chief Executive Officer
 DIN: 00038906



Joachim Henry Rosenberg
 Director
 DIN: 06391543



Siddhartha Lal
 Director and
 Chairman
 DIN: 00037645

Place : Gurugram
 Date : May 9, 2023



VE Commercial Vehicles Limited
Notes forming part of the financial statements

1. General Information

VE Commercial Vehicles Limited (“the Company”) is a public Company domiciled & incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the manufacturing and selling of motorised Commercial Vehicles, spare parts and related services. The Company is a leading commercial vehicles manufacturer and has a dominant presence in the domestic market.

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorize for issue on May 09, 2023.

2. Basis of preparation and presentation

2.1 Statement of Compliance

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

2.2 Accounting convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Operating Cycle

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

3. Significant Accounting Policies

3.1 Revenue Recognition

Revenue from contract with customers

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

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

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

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



VE Commercial Vehicles Limited
Notes forming part of the financial statements

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.2 Leases

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

Company as a lessee

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

(i) Right-of-use assets

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

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

ii) Lease liabilities

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

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

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

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



VE Commercial Vehicles Limited
Notes forming part of the financial statements

Company as a lessor

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

3.3 Foreign currencies

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

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

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

3.4 Borrowing costs

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

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

3.5 Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

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

3.6 Employee benefits

Retirement benefit

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

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.



VE Commercial Vehicles Limited
Notes forming part of the financial statements

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.



VE Commercial Vehicles Limited
Notes forming part of the financial statements

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.



VE Commercial Vehicles Limited
Notes forming part of the financial statements

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

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

Useful lives of intangible assets

Intangible assets comprising of product design, prototypes, etc., either acquired or internally developed are amortised over a period of 6-10 years depending upon the estimated minimum useful life of the related products. Cost of software is amortised over a period of 5 years or less depending upon the estimated useful life of asset.

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

3.10 Impairment of tangible and intangible assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.11 Inventories

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

3.12 Provisions

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



VE Commercial Vehicles Limited
Notes forming part of the financial statements

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

Warranties

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

3.13 Financial instruments

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

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

3.14 Financial assets

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

3.14.1 Classification of financial assets

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

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

All other financial assets are subsequently measured at fair value.

3.14.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest



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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.



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Financial liabilities

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

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

Derecognition of financial liabilities

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

3.16 Cash flow statement

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

4.0 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

4.1 Recoverability of intangible assets and intangible assets under development

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

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



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

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

4.3 Defined benefit plans

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

4.4 Provision and contingent liability

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

4.5 Useful lives of tangible and intangible assets

Management reviews the useful lives of its tangible and intangible assets at each reporting. As at March 31, 2023 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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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Property, plant and equipment

	Rs. in million						
	Freehold Land*	Buildings	Plant and equipment	Furniture and Fixtures	Office equipment	Vehicles	Total
Cost							
At March 31, 2021	532.9	7,155.9	30,632.5	1,189.6	1,554.4	1,227.8	42,293.1
Additions	0.4	248.5	1,913.4	73.2	149.4	245.3	2,630.2
Disposals	-	2.9	85.8	24.8	7.8	185.2	306.5
At March 31, 2022	533.3	7,401.5	32,460.1	1,238.0	1,696.0	1,287.9	44,616.8
Additions	-	586.4	2,507.8	87.3	178.7	277.0	3,637.2
Disposals	-	14.3	317.8	35.2	50.8	160.8	578.9
At March 31, 2023	533.3	7,973.6	34,650.1	1,290.1	1,823.9	1,404.1	47,675.1
Accumulated depreciation							
At March 31, 2021	-	1,462.8	15,979.9	501.7	1,301.6	668.7	19,914.7
Charge for the year	-	279.8	2,878.3	83.8	128.0	200.2	3,570.1
Less: Adjustments	-	0.5	74.3	17.2	7.2	117.8	217.0
At March 31, 2022	-	1,742.1	18,783.9	568.3	1,422.4	751.1	23,267.8
Charge for the year	-	300.0	2,960.6	98.3	131.2	210.4	3,700.5
Less: Adjustments	-	9.2	299.0	27.4	49.9	120.8	506.3
At March 31, 2023	-	2,032.9	21,445.5	639.2	1,503.7	840.7	26,462.0
Carrying amount							
At March 31, 2022	533.3	5,659.4	13,676.2	669.7	273.6	536.8	21,349.0
At March 31, 2023	533.3	5,940.7	13,204.6	650.9	320.2	563.4	21,213.1

* Title deeds for lands and other properties at Ahmedabad, Bhiwandi are pending for mutation in favor of the Company having carrying value of Rs 37.8 million (Rs 38.2 million in March 2022). The title deeds for Ahmedabad are held in the name of Eicher Motors Limited since August 22, 2008 and for Bhiwandi is held in the name of Volvo Group India Private Limited since February 02, 2009. The company is in the process of getting these properties registered in its name.

6. Capital work-in-progress

	Rs. in million	
	As at	As at
Capital work-in-progress	March 31, 2023	March 31, 2022
	1,220.6	1,156.3
	1,220.6	1,156.3



including other direct expenditure amounting to Nil (March 31, 2022 Rs. 3.5 million) (refer below)

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Other direct expenditure	Rs. in million
As at March 31, 2023	As at March 31, 2022
Payments to and provisions for employees	-
Salaries, wages, bonus etc.	-
Contribution to provident and other funds	-
Depreciation/amortisation	-
Repair and maintenance : Plant and equipment	-
Legal and professional charges	-
Rent expenses	-
Development expenses	-
Add: Balance brought forward from previous year	3.5
	36.9
Less: Capitalised during the year	3.5
	33.4
	3.5

Capital work-in progress ageing schedule
As at March 31, 2023

Particulars	Amount in CWIP for a period of				Rs. in million
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
Projects in progress	1,186.9	12.7	0.4	20.6	1,220.6
Projects temporarily suspended	-	-	-	-	-
Total	1,186.9	12.7	0.4	20.6	1,220.6



As at March 31, 2022

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



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. Intangible assets

	Rs. in million		
	Product design, prototype etc.	Software	Total
Cost			
At March 31, 2021	12,983.2	1,766.2	14,749.4
Additions	519.1	90.6	609.7
Disposals	-	5.4	5.4
At March 31, 2022	13,502.3	1,851.4	15,353.7
Additions	2,082.6	130.5	2,213.1
Disposals	-	14.1	14.1
At March 31, 2023	15,584.9	1,967.8	17,552.7
Accumulated amortisation			
At March 31, 2021	5,329.8	1,293.5	6,623.3
Charge for the year	1,640.2	177.1	1,817.3
Less: Adjustments	-	5.4	5.4
At March 31, 2022	6,970.0	1,465.2	8,435.2
Charge for the year	1,453.4	166.4	1,619.8
Less: Adjustments	-	13.9	13.9
At March 31, 2023	8,423.4	1,617.7	10,041.1
Carrying amount			
At March 31, 2022	6,532.3	386.2	6,918.5
At March 31, 2023	7,161.5	350.1	7,511.6



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7A Right-of-use-asset	Rs. in million		
	Land	Building	Total
Cost			
At March 31, 2021	1,562.6	780.8	2,343.4
Additions	13.2	368.2	381.4
Disposals	-	115.9	115.9
At March 31, 2022	1,575.8	1,033.1	2,608.9
Additions	2.1	1,161.1	1,163.2
Disposals	-	97.9	97.9
At March 31, 2023	1,577.9	2,096.3	3,674.2
Accumulated depreciation			
At March 31, 2021	164.9	388.7	553.6
Charge for the year	18.0	206.3	224.3
Less: Adjustments		30.8	30.8
At March 31, 2022	182.9	564.2	747.1
Charge for the year	17.7	388.4	406.1
Less: Adjustments	-	96.0	96.0
At March 31, 2023	200.6	856.6	1,057.2
Carrying amount			
At March 31, 2022	1,392.9	468.9	1,861.8
At March 31, 2023	1,377.3	1,239.7	2,617.0



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

	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Opening lease liability as at March 31, 2022	773.9	698.6
Lease liability on additions	1,163.2	371.2
Less : Derecognised leases	9.8	93.9
Add : Accretion of interest	135.7	67.9
Less : Payments	496.3	269.9
Lease liability as at March 31, 2023	1,566.7	773.9
Current lease liability (note no.20)	390.6	185.6
Non-current lease liability (note no.20)	1,176.1	588.3

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

The following are the amounts recognised in profit or loss:
Depreciation expense of right-of-use assets 224.3
Interest expense on lease liabilities 135.7
Expense relating to short-term leases/low-value assets (included in other expenses) 93.7

Total amount recognised in profit or loss

	406.1	224.3
	135.7	67.9
	93.7	188.7
Total amount recognised in profit or loss	635.5	480.9



VE COMMERCIAL VEHICLES LIMITED
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8. Intangible assets under development

	Rs. in million	
	As at	As at
	March 31, 2023	March 31, 2022
Intangible assets under development	1,614.2	1,693.4
	1,614.2	1,693.4

Intangible assets under development ageing schedule
As at March 31, 2023

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
Projects in progress	1,100.1	315.6	70.2	128.3	1,614.2
Projects temporarily suspended	-	-	-	-	-
Total	1,100.1	315.6	70.2	128.3	1,614.2

As at March 31, 2022

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



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9 Investments in subsidiaries & joint ventures

Particulars	Rs in million	
	As at March 31, 2023	As at March 31, 2022
Non-current		
Unquoted investment (at cost) in equity shares of:		
Subsidiary companies		
1,26,81,697 (previous year 1,26,81,697) equity shares of 10 LKR each of VECV Lanka (Private) Limited, Sri Lanka	54.3	54.3
310 (previous year 310) equity shares of VECV South Africa (Pty) Limited (no face value)	115.0	115.0
50,000 equity shares of Rs 10 each fully paid up of VE Electro-mobility Limited*	0.5	0.0
	<u>169.8</u>	<u>169.3</u>
Joint venture company**		
25,000 (previous year 25,000) equity shares of Rs. 10 each fully paid up of Eicher Group Foundation (Licence under Section 8(1) of the Companies Act, 2013)	-	-
	<u>169.8</u>	<u>169.3</u>

*VE Electro mobility is wholly owned subsidiary of the company and was incorporated on 27th April 2022

**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.

10 Investments

Particulars	Rs in million	
	As at March 31, 2023	As at March 31, 2022
Non-current		
Investment in equity instruments		
	<u>1.4</u>	<u>1.4</u>
	1.4	1.4
Unquoted investment (at FVTPL) in :		
145,000 (previous year 145,000) equity shares of Rs. 10 each fully paid up of Pithampur Auto Cluster Ltd.	1.4	1.4
Total	<u>1.4</u>	<u>1.4</u>
Current		
Quoted investment (at Amortised Cost) in :		
Investment in bonds	495.2	0.0
	<u>495.2</u>	<u>0.0</u>
Total		

	Rs in million	
	As at March 31, 2023	As at March 31, 2022
Aggregate book value of quoted investments	495.2	-
Aggregate carrying value of unquoted investments	1.4	1.4
Category wise other investments- as per IND AS 109 Classification#		
Financial assets carried at fair value through profit or loss (FVTPL)		
Investment in Pithampur Auto Cluster Ltd.	1.4	1.4
Financial assets carried at Amortised cost		
Investment in bonds	495.2	-



11 Trade receivables

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Current		
Trade receivables	23,509.6	20,486.1
Total	23,509.6	20,486.1
Trade receivables		
Secured, considered good	862.5	241.3
Unsecured, considered good	22,647.1	20,244.8
Trade Receivables - credit impaired	344.0	310.5
	23,853.6	20,796.6
Impairment Allowance (allowance for bad and doubtful debts)		
Trade Receivables - credit impaired	(344.0)	(310.5)
Total Trade receivables	23,509.6	20,486.1

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

Trade receivables ageing schedule
As at March 31, 2023

Particulars	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - considered good	20,796.7	2,381.2	122.0	95.6	25.4	71.1	23,492.0
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed - credit impaired	-	27.1	22.8	62.8	-	84.2	196.9
Disputed - considered good	-	-	0.0	17.6	-	-	17.6
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	17.3	51.0	-	78.8	147.1
Total	20,796.7	2,408.3	162.1	227.0	25.4	234.1	23,853.6

As at March 31, 2022

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

12 Loans

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Non - current		
Unsecured, considered good		
Loans to employees	28.0	26.4
Total	28.0	26.4
Current		
Unsecured, considered good		
Loans to employees	33.8	39.5
Total	33.8	39.5

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



13 Other financial assets

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Non - current		
Unsecured, considered good		
Fixed deposits*	6,275.7	2,439.3
Security deposit	112.6	134.8
Total	6,388.3	2,574.1
*Includes fixed deposits of 218.5 MINR pledged against bank overdraft limits and 37.3 MINR pledged against bank guarantees.		
Current		
Unsecured, considered good unless otherwise stated		
Security deposit		
Considered good	219.9	105.4
Considered doubtful	5.0	5.0
	224.9	110.4
Less: impairment for doubtful security deposits	5.0	5.0
	219.9	105.4
Interest accrued on deposits	538.1	248.8
Industrial promotion subsidy receivable	2,709.5	2,288.8
Other receivables		
Considered good	202.6	158.5
Considered doubtful	1.1	1.1
	203.7	159.6
Less: impairment for doubtful other receivables	1.1	1.1
	202.6	158.5
Total	3670.1	2,801.5

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

14 Other assets

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Non - current		
Unsecured, considered good unless otherwise stated		
Capital advances	570.4	462.5
Balance with government authorities		
Considered good	276.8	282.3
Considered doubtful	5.1	5.1
	281.9	287.4
Less: impairment for doubtful advances	5.1	5.1
	276.8	282.3
Prepayment security deposits and other loans	20.5	28.8
Total	867.7	773.6
Current		
Unsecured, considered good unless otherwise stated		
Advance to supplier	973.4	900.8
Prepaid expense	130.4	103.1
Balance with government authorities		
Considered good	1,084.3	862.2
Considered doubtful	2.0	2.0
	1,086.3	864.2
Less: impairment for doubtful advances	2.0	2.0
	1,084.3	862.2
Advances to employees	-	2.9
Prepayment security deposits and other loans	14.4	8.4
Total	2,202.5	1,877.4



15 Inventory

Particulars	Rs. in million	
	As at	As at
	March 31, 2023	March 31, 2022
Raw materials and components (includes goods in transit of Rs. 531.9 millions (March 31, 2022 Rs 352.3 millions))	5,074.8	4,408.1
Work in progress	1,080.4	829.2
Finished goods (includes goods in transit of Rs. 533.5 millions (March 31, 2022 Rs 322.4 millions))	7,794.7	6,762.6
Stock in trade (includes goods in transit of Rs. 18.8 millions (March 31, 2022 Rs 49.1 millions))	2,134.3	1,793.6
Stores and spares	493.7	355.9
Loose tools	294.1	230.7
Total	16,872.0	14,380.1

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

16 Cash and cash equivalents

Particulars	Rs. in million	
	As at	As at
	March 31, 2023	March 31, 2022
Cash on hand	5.6	4.0
Cheques, drafts on hand	52.6	27.5
Balances with banks		
On current accounts	930.4	1,079.9
On deposit accounts (with original maturity less than 3 months)	797.9	3,047.5
Total	1,786.5	4,158.9

17 Other bank balance

Particulars	Rs. in million	
	As at	As at
	March 31, 2023	March 31, 2022
Balances with banks		
On deposit accounts (with original maturity more than 3 months but less than 12 months)	24,170.3	9,630.4
Total	24,170.3	9,630.4



18 Equity share capital

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Authorised		
10,000,000 (previous year 10,000,000) equity shares of Rs. 10 each	100.0	100.0
Total	100.0	100.0
Issued, subscribed and paid up		
10,000,000 (previous year 10,000,000) equity shares of Rs. 10 each	100.0	100.0
Total	100.0	100.0

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

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

Particulars	No. of Shares	Amount
		(Rs. in million)
Balance at March 31, 2021	10,000,000	100.0
Movement during the year	-	-
Balance at March 31, 2022	10,000,000	100.0
Movement during the year	-	-
Balance at March 31, 2023	10,000,000	100.0

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

Particulars	As at March 31, 2023		As at March 31, 2022		% change during the year
	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.

(iii) Details of shares held by promoters

As at March 31, 2023

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

As at March 31, 2022

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



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19 Other equity

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
(a) Share premium account	10,786.6	10,786.6
(b) General reserve	2,598.5	2,598.5
(c) Retained earnings	27,504.4	22,553.3
Total	40,889.5	35,938.4

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
(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	22,553.3	21,997.5
Add: Profit for the year	5,760.9	1,072.2
Add: Other comprehensive income:		
from remeasurement of defined benefit obligation net of income tax	(59.8)	(16.4)
Less: Final dividend (amount per share Rs. 75 (previous year Rs. 45))	(675.0)	(450.0)
Less: Tax on dividend	(75.0)	(50.0)
Closing balance	27,504.4	22,553.3

In respect of the year ended March 31, 2023, the directors proposed that a dividend of Rs 175 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 1750 million.



20 Lease Liabilities

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Non- Current	1,176.1	588.3
Current	390.6	185.6
Total	1,566.7	773.9

21 Other financial liabilities

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Non- Current		
Security deposits	84.6	80.4
Total	84.6	80.4
Current		
Capital creditors	1,010.7	494.4
Book overdraft	467.3	556.1
Interest accrued but not due	4.0	5.1
Employees dues	1,116.5	913.2
Total	2,598.5	1,968.8

22 Provisions

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Non-current		
Employees benefits (i)		
Compensated absences	694.7	616.7
Other employee benefits	458.8	287.4
Other provisions : Warranties (ii)	554.7	369.1
Total	1,708.2	1,273.2
Current		
Employees benefits (i)		
Compensated absences	35.1	28.1
Other employee benefits	108.4	60.5
Other provisions : Warranties (ii)	1,165.9	914.3
Total	1,309.4	1,002.9

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

(ii) Movement in warranties provision

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	1,283.4	1,053.7
Additional provisions recognised	2,659.3	1,768.8
Amount utilised during the year	(2,284.7)	(1,576.4)
Unwinding of discount	62.6	37.3
Closing balance	1,720.6	1,283.4

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

23 Deferred tax liabilities (net)

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	4,579.5	4,311.8
Others	82.1	51.4
	4,661.6	4,363.2
Less: Deferred tax assets on		
MAT credit entitlement	1,739.6	3,036.1
Accrued expenses deductible on payment	48.5	42.8
Provision for leave encashment/compensated absences	231.4	201.7
Impairment for doubtful debts and other receivables	120.6	111.4
Others	198.6	180.0
	2,338.7	3,572.0
Deferred tax liabilities (net)	2,322.9	791.2



For the year ended March 31, 2023				Rs. in million	
Particulars	Opening balance	Recognised in profit and loss	Recognised in Other comprehensive income	Closing balance	
Deferred tax liabilities on					
Property, plant and equipment and intangible assets	4,311.8	267.7	-	4,579.5	
Others	51.4	30.8	-	82.1	
	(A)	4,363.2	298.5	4,661.6	
Less: Deferred tax assets on					
MAT credit entitlement	3,036.1	(1,296.5)	-	1,739.6	
Accrued expenses deductible on payment	42.8	5.7	-	48.5	
Provision for leave encashment/compensated absences	201.7	29.6	-	231.4	
Remeasurement of defined benefit obligation	-	(32.1)	32.1	-	
Impairment for doubtful debts and advances	111.4	9.3	-	120.6	
Others	180.0	18.6	-	198.6	
	(B)	3,572.0	(1,265.4)	2,338.7	
Deferred tax liabilities (net)	(A-B)	791.1	1,563.9	(32.1)	2,322.9

For the year ended March 31, 2022				Rs. in million	
Particulars	Opening balance	Recognised in profit and loss	Recognised in Other comprehensive income	Closing balance	
Deferred tax liabilities on					
Property, plant and equipment and intangible assets	4,876.0	(564.2)	-	4,311.8	
Others	40.5	10.9	-	51.4	
	(A)	4,916.5	(553.3)	4,363.2	
Less: Deferred tax assets on					
MAT credit entitlement	3,521.4	(485.3)	-	3,036.1	
Accrued expenses deductible on payment	48.7	(5.9)	-	42.8	
Provision for leave encashment/compensated absences	224.8	(23.1)	-	201.7	
Remeasurement of defined benefit obligation	-	(8.8)	8.8	-	
Impairment for doubtful debts and advances	117.5	(6.1)	-	111.4	
Others	554.0	(374.0)	-	180.0	
	(B)	4,466.4	(903.2)	3,572.0	
Deferred tax liabilities (net)	(A-B)	450.1	349.9	(8.8)	791.2

24 Other liabilities

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Non-current		
Advances from customers	95.7	73.1
Total	95.7	73.1
Current		
Advances from customers	3,651.1	2,612.9
Statutory dues	2612.5	1552.7
Other Payable	10.3	36.7
Total	6273.9	4202.3

25 Borrowings

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Current		
Secured- at amortised cost		
Loan repayable on demand from banks		
Short term loan (i)	1,550.0	-
Unsecured- at amortised cost		
Loan repayable on demand from banks		
Short term loan (ii)	1,550.0	-
Current maturities of long term borrowings (i)	-	346.2
	3,100.0	346.2
Non-Current		
Secured- at amortised cost		
Loan repayable on demand from banks		
Long term borrowings (i)	-	778.8
Total	-	778.8



(i) Loan of 1125 MINR was fully repaid in July 2022.

26 Trade payables

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Current		
Total outstanding dues of micro enterprises and small enterprises	421.1	1,317.4
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	15,350.5	12,167.1
Other trade payables	38,231.9	28,725.9
Total	54,003.5	42,210.4



Note:- Refer note 41 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006

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Trade payables ageing
As on March 31, 2023

Particulars	Outstanding for following period from due date of payment					Total
	Not due*	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
MSME**	419.6	1.2	0.2	0.0	-	421.1
Others*	52,628.2	913.3	33.5	1.3	6.2	53,582.4
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	53,047.8	914.5	33.7	1.4	6.2	54,003.5

* Not dues includes unbilled dues

** Dues are primarily in relation to vendor's GST compliances.

As on March 31, 2022

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

*Not due includes unbilled dues of Rs. 12,938.9 million

** Dues are primarily in relation to vendor's GST compliances.

27 Liabilities for current tax (net)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Provision for tax (net of advance tax)	318.8	358.1
Total	318.8	358.1



28 Revenue from operations

Particulars	Rs. in million	
	For the period ended March 31, 2023	For the year ended March 31 2022
Revenue from operations		
Sale of products		
Manufactured goods	158,291.8	106,025.3
Stock-in-trade	24,869.7	16,898.5
Sale of services	831.8	492.7
Sub-total (A)	183,993.3	123,416.5
Other operating revenue		
Export benefits	553.7	546.6
Scrap sales	798.0	506.1
Income from maintenance contracts	1,542.5	1,269.7
Industrial promotion subsidy	2,017.8	696.9
Income from other operating revenues	769.3	680.2
Others	7.2	11.3
Sub-total (B)	5,688.5	3,710.9
Revenue from operations (net)	Total (A+B)	189,681.8
		127,127.4

Particulars	Rs. in million	
	For the period ended March 31, 2023	For the year ended March 31 2022
Details of products sold		
Manufactured goods		
Commercial vehicles	126,150.7	80,885.6
Engines and related components	12,020.6	9,405.1
Spare parts and other components	20,120.5	15,734.6
Total	158,291.8	106,025.3
Stock-in-trade		
Commercial vehicles	17,909.0	11,244.6
Spare parts and other components	6,960.7	5,653.9
Total	24,869.7	16,898.5
Details of services rendered		
Engineering services	87.3	23.7
Other allied services	744.5	469.0
Total	831.8	492.7

29 Other income

Particulars	Rs. in million	
	For the period ended March 31, 2023	For the year ended March 31 2022
a) Interest income on financial assets carried at amortised cost		
- Deposit with bank	1,043.8	458.1
- Others	56.0	39.6
(A)	1,099.8	497.7
b) Other non-operating income		
Service charges recovered	20.7	17.4
(B)	20.7	17.4
c) Other gains and losses		
Exchange gain (net)	77.5	46.0
Others	18.5	-
(C)	96.0	46.0
Total (A+B+C)	1,216.5	561.1

30 Cost of raw materials and components consumed

Particulars	Rs. in million	
	For the period ended March 31, 2023	For the year ended March 31 2022
Inventory at the beginning of the year	4,408.1	4,536.2
Add: purchases of inventory during the year	135,885.3	91,032.6
	140,293.4	95,568.8
Less: inventory at the end of the year	5,074.8	4,408.1
Less: material cost of vehicles capitalised	-	89.2
	135,218.6	91,071.5
Less: sale of raw materials and components to suppliers on cost to cost basis	5,639.8	4,317.0
Net consumption	129,578.8	86,754.5



31 Details of purchase of stock-in-trade

Particulars	Rs. in million	
	For the period ended March 31, 2023	For the year ended March 31 2022
Commercial vehicles	16,082.5	9,970.0
Spare parts and other components	4,619.2	3,853.0
Total	20,701.7	13,823.0

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

Particulars	Rs. in million	
	For the period ended March 31, 2023	For the year ended March 31 2022
Inventories at the end of the year		
Finished goods	7,794.7	6,762.6
Work-in-progress	1,080.4	829.2
Stock-in-trade	2,134.3	1,793.6
(A)	11,009.4	9,385.4
Inventories at the beginning of the year		
Finished goods	6,762.6	5,822.0
Work-in-progress	829.2	764.4
Stock-in-trade	1,793.6	1,984.3
(B)	9,385.4	8,570.7
Net change (B-A)	(1,624.0)	(814.7)

33 Employee benefits expenses

Particulars	Rs. in million	
	For the period ended March 31, 2023	For the year ended March 31 2022
Salaries, wages, bonus etc.	10,061.4	8,135.8
Contribution to provident and other funds	330.3	301.7
Gratuity expenses (refer note no. 42)	111.0	102.3
Staff welfare expenses	813.4	626.7
Total	11,316.1	9,166.5

34 Depreciation and amortisation expenses

Particulars	Rs. in million	
	For the period ended March 31, 2023	For the year ended March 31 2022
Depreciation of tangible assets	3,700.6	3,569.8
Amortisation of intangible assets	1,619.8	1,817.3
Depreciation of Right-of-use assets	406.3	224.3
Total	5,726.7	5,611.4

35 Finance costs

Particulars	Rs. in million	
	For the period ended March 31, 2023	For the year ended March 31 2022
Interest expense		
on borrowings	119.2	250.6
on security deposit	4.2	4.0
Interest on lease liabilities	135.7	67.9
Amortisation of premium on securities	1.9	-
Unwinding of discount on provisions	62.6	37.3
Total	323.6	359.8



36 Other expenses

Particulars	Rs. in million	
	For the period ended March 31, 2023	For the year ended March 31 2022
Stores and machinery spares consumed (including loose tools)	771.7	431.1
Loss on sale of property, plant and equipment	-	0.8
Property, plant and equipment and intangible assets discarded	16.2	7.7
Power and fuel	1,031.1	860.6
Insurance	236.4	213.1
Repairs and maintenance		
Buildings	262.8	198.8
Plant and equipment	572.5	406.0
Others	516.3	342.8
Rates and taxes	136.4	114.5
Advertisement	54.0	40.9
Freight and handling charges	3,926.6	2,750.9
Incentives	97.0	43.9
Warranty	2,659.3	1,768.8
Other selling and distribution expenses	1,542.9	1,257.5
Rent	93.7	188.7
Legal and professional charges #	196.7	138.3
Travelling and conveyance expenses	533.0	241.7
Development and testing expenses	296.7	355.7
Corporate social responsibility expenditure ##	20.4	54.9
Brand fees	707.3	137.3
Impairment for doubtful debts and advances	33.6	71.2
Miscellaneous expenses	2,303.3	1,449.5
Total	16,007.9	11,074.7

Including payment to auditors as below:-

Particulars	Rs. in million	
	For the period ended March 31, 2023	For the year ended March 31 2022
a) As Statutory Audit		
-Audit fee	6.4	5.7
-Audit fees for foreign reporting	1.6	1.5
-Limited Review of unaudited financial results	2.3	1.9
b) In other capacity:		
- other certification	0.3	0.9
c) Out of pocket expenses	0.2	0.0

Details of CSR expenditure:

Particulars	Rs. in million		
	For the period ended March 31, 2023	For the year ended March 31 2022	
a) Gross amount required to be spent during the year	20.4	54.9	
b) Amount approved by the Board to be spent during the year	20.4	54.9	
c) Amount spent during the year ending on 31 March 2023:	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	20.4	-	20.4
d) Amount spent during the year ending on 31 March 2022:	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	40.8	-	40.8

e) Details related to spent / unspent obligations:

Particulars	Rs. in million	
	For the period ended March 31, 2023	For the year ended March 31 2022
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust*	20.3	29.1
iii) Unspent amount in relation to:		
- Ongoing project**	-	16.2
- Other than ongoing project	-	-
iv) Contribution to Others	0.1	11.7
	20.4	57.0

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

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



Details of ongoing project and other than ongoing project for FY 22-23

In case of S. 135(6) (Ongoing Project)						
Opening Balance*		Amount required to be spent during the year	Amount spent during the year		Closing balance	
With company	In Separate CSR Unspent A/c		From Company's bank a/c	From Separate CSR	With company	In Separate CSR
-	32.9	20.4	20.4	22.5	-	10.4

* Previous year closing balance with company transferred to separate unspent CSR account

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

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

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

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

37 Income tax expense

Particulars	Rs. in million	
	For the period ended March 31, 2023	For the year ended March 31 2022
Current tax	1,542.7	291.2
Tax adjustment related to previous year	-	-
Deferred tax charge	1,563.9	349.9
Total Income tax recognised in the current year	3,106.6	641.1

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

Particulars	Rs. in million	
	For the period ended March 31, 2023	For the year ended March 31 2022
Profit before tax	8,867.5	1,713.3
Income Tax expenses calculated at 34.944%	3,098.7	598.7
Effect of expenses that are not deductible in determining taxable profit	0.2	5.0
Others	7.8	37.4
Income tax expense recognised in statement of profit and loss	3,106.6	641.1

Income tax expense recognised in other comprehensive income

Particulars	Rs. in million	
	For the period ended March 31, 2023	For the year ended March 31 2022
Deferred tax charge		
Arising on income and expenses recognised in other comprehensive income:		
- Remeasurement of defined benefit obligation	(32.1)	(8.8)
Total Income tax expense recognised in other comprehensive income	(32.1)	(8.8)
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(32.1)	(8.8)
	(32.1)	(8.8)



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38 Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 4345 million (As at March 31, 2022 Rs. 1962 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.

39. Research and development expenses:

Capital expenditure incurred during the year for research and development purposes aggregate Rs. 2,145.9 million (previous year Rs. 1387 million).

Capital expenditure	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Building - factory	0.5	-
Plant and office equipment	39.1	35.6
Furniture and fittings	9.4	6.8
Vehicles	29.5	26.3
Intangible assets	2,109.6	524.6
Capital work in progress including intangible assets under development and capital advances	(42.1)	793.7
Total	2,145.9	1,387.0

40. Contingent liabilities not provided for:

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
a) In respect of following:		
- Sales tax matters	1,757.7	1,769.1
- Excise duty matters	62.8	62.8
- Service tax matters	15.6	15.2
- Income tax matters	174.9	179.5
b) Claims against the Company not acknowledged as debts	35.5	39.0
c) Guarantees given		
to a bank credit facility granted to 100% subsidiary companies	131.5	213.8
- Dues outstanding (net off provision made by the Company)	-	1.0

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.

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

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	450.9	1,377.6
(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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42. Disclosures under Ind AS 19 (Employee Benefits)

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

A. Defined contribution plans

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Provident fund *	292.6	279.6
b) Superannuation fund	17.6	19.4
c) Employee State Insurance Corporation	10.7	11.1

*Includes Rs. 9.4 million (previous year Rs. 9.1 million) capitalised during the year in intangible assets under development and includes Rs Nil (previous year nil) capitalised during the year under pre-operative expenditure pending allocation.

Out of the total contribution made for employees' provident fund, Rs. 97.8 million (previous year Rs. 93.5 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, 2023 is Rs 4,509.1 million as against the total plan assets of Rs. 4,493.4 million. The funds of the trust have been invested under various securities as prescribed under the rules of the trust. Total plan liabilities are still not final as government notification on rate of interest has still not been released.

B. Defined benefit plans:

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

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

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently for the plan, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The estimates of future salary increases, considered in the actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2023 by Mr Charan Gupta, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

Principal assumptions:	Rs. in million	
	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Discount rate	7.40%	7.25%
Future salary increase	7.25%	7.00%
Retirement age	58/60 years	58/60 years
Withdrawal rate	1-3%	1-3%
In service mortality	IALM (2012-14)	IALM (2012-14)

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

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Service cost		
Current service cost	101.8	92.4
Net interest expense	9.3	10.4
Component of defined benefit cost recognised in profit or loss	111.0	102.8
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses arising from changes in financial assumptions	12.8	11.8
Actuarial (gains)/ losses arising from experience adjustments	80.2	13.4
Component of defined benefit cost recognised in Other comprehensive Income	93.0	25.2



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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, 2023	As at March 31, 2022
Present Value of funded defined benefit obligation	1,390.9	1,200.9
Fair value of plan assets	1,390.9	1,200.9
Net liability arising from defined benefit obligation	-	-

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

Particulars	Gratuity	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of obligation as at the beginning	1,200.9	1,089.5
Volvo Bus India acquisition adjustment	-	-
Current service cost	101.8	92.4
Interest cost	87.1	74.6
Benefits paid	(85.3)	(84.4)
Net actuarial (gain) / loss recognised	86.4	28.76
Present value of obligation as at the end	1,390.9	1,200.9

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

Particulars	Gratuity	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Present Value of fund as at the beginning	1,200.9	1,089.5
Interest income	77.8	64.2
Contribution	204.0	127.9
Net actuarial (gain) / loss recognised	6.6	(3.6)
Benefits paid	(85.3)	(84.4)
Present value of fund as at the end @	1,390.9	1,200.9

@ 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:

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Total		
Corporate Bonds categorised by issuers' credit rating		
AAA	115.6	64.9
AA	10.2	7.6
A	0.5	2.1
Corporate debt bonds (traditional plan)	353.5	488.3
Equity	29.5	-
Government securities / Treasury Bills	784.7	560.6
Money Market	60.8	36.3
Others	36.0	41.1

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. 62.1 million (increase by Rs. 67.1 million) (as at March 31, 2022: Decrease by Rs 56.6 million (increase by Rs 61.2 million)).

- If the expected salary growth increases (decreases) by 0.5 basis points, the defined benefit obligation would increase by Rs. 66.8 million (decrease by Rs. 62.4 million) (as at March 31, 2022: increase by Rs 61.1 million (decrease by Rs 56.9 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.



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Other disclosures

Maturity profile of defined benefit obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Average duration of the defined benefit obligation (in years)	9.5 Years	9.8 Years

The estimated contribution during next year is Rs. 128.5 million (previous year Rs. 111.5 million) to the defined benefit plan.

43. Earnings per share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Profit after taxation, per statement of profit and loss (Rs. in million)	5,760.9	1,072.2
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)]	576.09	107.22



44. Financial instruments

44.1 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company has long-term debt and uses to meet its capital requirements.

The Company is not subject to any externally imposed capital requirements.

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

The following table summarizes the capital of the Company:

	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Share capital	100.0	100.0
Other equity	40,889.5	35,938.4
	40,989.5	36,038.4

44.2 Categories of financial instruments

Carrying value of the financial instruments are as follows:-

	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Financial assets carried at fair value through profit and loss (FVTPL)		
Investment in equity instruments	1.4	1.4
Financial assets at amortised cost		
Non-current		
Loans	28.0	26.4
Other financial assets	6,388.3	2,574.1
Current		
Investment in Bonds	495.2	-
Trade receivables	23,509.6	20,486.1
Cash and cash equivalents	1,786.5	4,158.9
Loans	33.8	39.5
Other financial assets	3,670.1	2,801.5
Financial liabilities at amortised cost		
Non-current		
Other financial liabilities	84.6	80.4
Current		
Borrowings	3,100.0	346.2
Trade payables	54,003.5	42,210.4
Other financial liabilities	2,598.5	1,968.8

44.3 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 at 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, 2023 Level 3	March 31, 2022 Level 3
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity instruments	1.4	1.4

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

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



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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.

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.

44.4 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.

Foreign currency exposure	As at March 31, 2023		As at March 31, 2022	
	Trade Receivables	Trade Payables	Trade Receivables	Trade Payables
USD	32.0	2.7	36.1	1.3
EURO	2.2	4.1	1.2	3.4
SEK	-	5.3	-	4.7
JPY	2.3	104.5	0.2	72.6
ZAR	53.5	-	-	-
Others	-	36.7	38.8	52.1

in million

Breakup and aging of Foreign Currency Exposure Risk in INR million as on March 31, 2023:

Particulars	Unhedged		Hedged through forward or derivative	Natural Hedge	
	<=1 year	>1 year		<=1 year	>1 year
FCY Receivables					
(i) Exports	2,631.6	20.8	-	415.5	1.2
Total (A)	2,631.6	20.8	-	415.5	1.2
FCY Payables					
(i) Imports	385.8	8.3	-	415.5	1.2
Total (B)	385.8	8.3	-	415.5	1.2

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.

Currency	As at March 31, 2023		As at March 31, 2022	
	5% increase	5% decrease	5% increase	5% decrease
Receivable				
USD	(131.5)	131.5	(136.1)	136.1
EURO	(9.7)	9.7	(5.0)	5.0
Others	(12.3)	12.3	(10.1)	10.1
Payable				
USD	11.1	(11.1)	5.0	(5.0)
EURO	18.2	(18.2)	14.2	(14.2)
SEK	2.1	(2.1)	1.9	(1.9)
JPY	3.2	(3.2)	6.6	(6.6)
Others	5.9	(5.9)	7.6	(7.6)
Impact on profit or loss as at the end of the reporting period	(112.9)	112.9	(115.9)	115.9
Impact on total equity as at the end of the reporting period	(73.5)	73.5	(75.4)	75.4

Rs. in million



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

Credit risk management

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

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

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

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

Movement in the expected credit loss allowance of financial assets

	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at beginning of the year	316.6	334.2
Add: Provided during the year	33.6	71.2
Less: others	-	(11.3)
Less: amounts written off	(0.1)	(77.4)
Balance at end of the year	350.1	316.6

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.

Particulars	Rs. in million			
	As at March 31, 2023			
	Less than 1 year	1 Year-5 year	More than 5 years	Total
Non-current				
(i) Borrowings	-	-	-	0.0
(ii) Other financial liabilities	-	-	84.6	84.6
Current				
(i) Borrowings	3,100.0	-	-	3,100.0
(ii) Other financial liabilities	2,598.5	-	-	2,598.5

Particulars	Rs. in million			
	As at March 31, 2022			
	Less than 1 year	1 Year-5 year	More than 5 years	Total
Non-current				
(i) Borrowings		778.8		778.8
(ii) Other financial liabilities	-	-	80.4	80.4
Current				
(i) Borrowings	346.2	-	-	346.2
(ii) Other financial liabilities	1,968.8	-	-	1,968.8

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



45. **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, 2023	166,707.4	22,974.4	189,681.8
For the year ended March 31, 2022	104,122.1	23,005.4	127,127.4

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.



46. Related party disclosures under Ind AS 24

a. Related party disclosures

(i) Subsidiaries companies

VECV Lanka (Private) Limited	(VECV Lanka)
VECV South Africa (Pty.) Limited	(VECV South Africa)
VE Electro Mobility Limited	(VEEM)

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

Volvo do Brasil Veiculos Ltda
Renault Trucks SAS
Renault Trucks Gare V1
Renault Trucks Gare 89
Renault Trucks
Volvo Group India Private Ltd
Volvo Lastvagnar AB
Volvo Powertrain Corporation
Volvo Bussar AB
AB Volvo Penta
AB Volvo Penta Germany
Volvo Information Technology AB
Volvo Business Services AB
Volvo Parts AB
Volvo Construction Equipment AB
Thai Swedish Assembly
Volvo Truck Corporation
Volvo Merchandise AB
Volvo Bus Corporation
Volvo Group Middle East FZE
Volvo Parts Corporation
PT Volvo Indonesia
TMBP Ltd, Thailand
Volvo Group Southern Africa (Pty) Ltd
Volvo Group Singapore (Pte) Ltd
Volvo Financial Services India Pvt Ltd
Volvo Technology AB
Volvo Logistics Corporation
Bajaj Allianz General Insurance Company Ltd.
Volvo CE India Private Limited
Mack Trucks Inc.
Volvo Group Connected Solution AB
Renault Trucks GARE G2
Renault Trucks Limoges ECH STD
Volvo Group Belgium NV
Volvo Technology AB EUR
Volvo CE Eskilstuna
Volvo Group Korea Co. Ltd.
Volvo Parts Corporation Belgium

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

Eicher Polaris Private Limited	(EPPL)
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(vi) Entity under the control of key management personnel and their relatives

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

(vii) Other related parties

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

(viii) Key management personnel

Executive director : Vinod Aggarwal	Managing director, Chief Executive Officer
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Non-Executive directors :

Independent Directors

Lila Poonawalla
Inder Mohan Singh

Other Key management personnel :

Praveen Kumar Jain
Ken Trolle



Company Secretary
Chief Financial Officer (from May 1, 2022)



b. Transactions with the above parties

Name of related party	Nature of transaction	Rs. in million	
		For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Subsidiaries companies			
V E C V Lanka (Private) Limited	Incentives paid	-	16.2
	Expenses recovered	-	-
	Expenses reimbursed	1.9	5.4
VECV South Africa (Pty.) Limited	Sale of finished goods/services	851.6	476.2
	Investment in equity share capital	-	-
	Incentives paid	70.9	28.5
	Expenses recovered	29.4	-
	Expenses reimbursed	17.4	14.1
VE Electro Mobility Limited	Sale of finished goods/services	367.0	-
	Subsidy paid/payable	142.7	-
	Expenses reimbursed	1.0	-
	Lease rent	23.0	-
	Investment in equity share capital	0.5	-
(ii) Investor in respect of which the Company is a joint venture			
Eicher Motors Limited	Sale of finished goods/services	2,442.0	1,540.2
	Others	-	-
	Dividend paid	408.0	272.0
	Expenses recovered	20.7	17.4
	Expenses reimbursed	-	6.3
Aktiebolaget Volvo (PUBL), Volvo, Sweden	Dividend paid	260.2	173.5
(iii) Joint venture company			
Eicher Group Foundation	Contribution for corporate social responsibility	20.3	28.8
(iv) Entity under the control of co-venturer (AB Volvo)			
Volvo do Brasil Veiculos Ltda	Sale of finished goods / services	1,087.8	46.4
Renault Trucks SAS	Sale of finished goods / services	4,718.8	4,599.8
	Purchase of goods / services	17.8	29.2
	Purchase of capital goods/services	103.1	130.0
Renault Trucks Gare G2	Sale of finished goods / services	0.0	-
Renault Trucks Limoges ECH STD	Purchase of goods / services	0.1	-
Volvo Group India Private Ltd	Sale of finished goods/ services	283.7	179.7
	Expenses recovered	266.1	249.7
	Expenses reimbursed	31.2	15.7
	Purchase of goods / services	19,602.5	12,878.9
	Purchase of capital goods/services	16.5	7.6
	Incentives on parts sale	37.8	27.7
	Purchase consideration	-	-
	Others	27.9	247.1
Volvo Powertrain Corporation	Sale of finished goods/ services	10.6	6.7
	Others	2.4	1.8
Volvo Bussar AB	Sale of finished goods/ services	7.7	10.8
	Expenses recovered	-	1.4
AB Volvo Penta	Sale of finished goods/ services	135.0	49.1
AB Volvo Penta Germany	Sale of finished goods/ services	612.2	257.3
Volvo Information Technology AB	Purchase of goods / services	27.1	16.9
Volvo Technology AB	Sale of finished goods/ services	0.1	-
	Purchase of goods / services	8.8	4.8
	Others	72.7	46.4
Volvo Business Services AB	Expenses reimbursed	0.4	-
Volvo Construction Equipment AB	Sale of finished goods / services	2.2	-
Thai Swedish Assembly	Sale of finished goods / services	-	2.0
	Purchase of goods / services	0.5	-



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Name of related party	Nature of transaction	For the year ended	For the year ended
		March 31, 2023	March 31, 2022
Volvo Truck Corporation	Sale of finished goods / services	683.9	1.1
	Purchase of goods / services	150.1	130.5
	Expenses recovered	280.6	101.8
	Expenses reimbursed	2.0	-
	Purchase of capital goods/services	-	-
	Dividend	81.8	54.5
	Others	46.2	22.1
Volvo Group Middle East FZE	Sale of finished goods/ services	-	0.6
Renault Trucks Gare V1	Sale of finished goods/ services	3.2	2.9
Renault Trucks Gare 89	Sale of finished goods/ services	3.1	11.6
Volvo Bus Corporation	Sale of finished goods/ services	-	1.9
	Purchase of capital goods/services	528.4	6.6
	Expenses recovered	31.3	19.3
Volvo Parts Corporation	Sale of finished goods / services	-	5.8
	Purchase of goods / services	1.0	4.7
Renault Trucks	Sale of finished goods/ services	181.6	185.3
PT Volvo Indonesia	Expenses reimbursed	2.7	5.0
Volvo CE India Private Limited	Sale of finished goods/ services	139.9	146.1
	Expenses reimbursed	7.6	-
TMBP Ltd, Thailand	Sale of finished goods/ services	401.7	246.7
	Purchase of goods / services	22.9	14.3
Volvo Group Southern Africa (Pty) Ltd	Expenses reimbursed	15.2	13.0
	Sale of finished goods/ services	-	-
Volvo Group Singapore (Pte) Ltd	Expenses reimbursed	7.4	8.7
Volvo Group Belgium NV	Sale of finished goods/ services	8.1	-
Volvo Lastvagnar AB	Sale of finished goods/ services	2,424.4	2,499.8
Volvo Financial Services India Pvt Ltd	Purchase of goods / services	1.6	6.7
Volvo Merchandise AB	Expenses reimbursed	0.4	-
Volvo Logistics Corporation	Expenses Reimbursed	1.2	0.1
Mack Trucks Inc.	Sale of finished goods/ services	7.4	4.6
Volvo Group Connected Solution AB	Purchase of goods/ services	22.3	30.0
Bajaj Allianz General Insurance Company Ltd.	Others	107.9	72.1
Volvo Technology AB EUR	Sale of finished goods/ services	0.4	0.1
Volvo CE Eskilstuna	Sale of finished goods/ services	4.4	-
Volvo Group Korea Co. Ltd.	Sale of finished goods/ services	1.1	-
Volvo Parts Corporation Belgium	Sale of finished goods/ services	8.4	-
(v) Entity under the joint control of co-venturer (EML)			
Eicher Polaris Private Limited	Purchase of goods / services	-	-
(vi) Entity under the control of key management personnel and their relatives			
Eicher Goodearth Private Limited	Expenses reimbursed	21.4	22.0
	Lease rent	110.9	112.6
Eicher Goodearth India Private Limited	Brand fee	707.3	137.3
Shardul Amarchand Mangaldas & Co., Advocates and Solicitors	Purchase of goods/services	0.7	0.2
Neera Aggarwal	Rent paid	0.3	0.3
(vii) Other related parties			
Eicher Executive Provident Fund	Contribution made	97.8	93.5
Eicher Tractors Executive Staff Superannuation Fund	Contribution made	17.6	19.6
VECV Employees Group Gratuity Scheme	Contribution made to fund	204.0	128.0
	Benefits paid through fund	85.3	84.4



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(viii) Key management personnel

Vinod Aggarwal	Short- term benefits	87.5	81.5
	Post- employment benefits	3.7	2.9
	Other long- term benefits	0.4	0.3
		<u>91.6</u>	<u>84.7</u>
Ken Trolle	Short-term benefits	47.9	32.0
Praveen Kumar Jain	Short- term benefits	7.1	6.6
	Post- employment benefits	0.1	0.1
	Other long- term benefits	0.1	0.0
		<u>7.3</u>	<u>6.7</u>
Lila Poonawalla	Sitting fees and commission	2.1	1.7
Inder Mohan Singh	Sitting fees and commission	2.3	1.8

Balance outstanding at the year end

Name of related party	Nature	As at	As at
		March 31, 2023	March 31, 2022
(i) Subsidiaries companies			
V E C V Lanka (Private) Limited	- Payables	0.2	4.6
	- Guarantees given	83.6	154.3
	- Investment	54.3	54.3
VECV South Africa (Pty.) Limited	- Receivables	253.4	220.3
	- Payables	5.2	6.7
	- Guarantees given	47.9	59.5
	- Investment	115.0	115.0
VE Electro Mobility Limited	- Receivables	239.5	-
	- Payables	5.9	-
(ii) Investor in respect of which the Company is a joint venture			
Eicher Motors Limited	- Receivables	561.4	419.4
	- Payables	-	-
	- Acceptances*	5,927.1	6,767.5

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

(iii) Entity under the control of joint venturer (AB Volvo)

Volvo do Brasil Veiculos Ltda	- Receivables	241.7	1.3
Renault Trucks SAS	- Receivables	981.8	1,125.4
	- Payables	24.8	4.4
Renault Trucks Limoges ECH STD	- Payables	0.1	-
Volvo Group India Private Ltd	- Receivables	94.3	75.2
	- Payables	2,796.2	2,462.7
Volvo Powertrain Corporation	- Receivables	2.5	1.5
Volvo Bussar AB	- Receivables	2.4	1.9
AB Volvo Penta	- Receivables	29.5	16.1
AB Volvo Penta Germany	- Receivables	60.4	-
Volvo Information Technology AB	- Payables	6.0	0.2
Volvo Technology AB	- Receivables	0.1	0.1
	- Payables	4.4	-
Volvo Business Services AB	- Payables	0.4	-
Volvo Parts corporation	- Receivables	0.4	5.3
	- Payables	0.8	4.8
Volvo Construction Equipment AB	- Receivables	2.2	-
Thai Swedish Assembly	- Receivables	0.3	1.6
Volvo Truck Corporation	- Receivables	148.1	6.3
	- Payables	24.9	33.8
Volvo Group Middle East FZE	- Receivables	-	0.0



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	- Receivables	1.3	0.5
Renault Trucks Gare 89	- Receivables	3.3	10.9
Volvo Bus Corporation	- Receivables	3.9	-
	- Payables	180.9	1.3
Renault Trucks	- Receivables	57.1	50.6
PT Volvo Indonesia	- Payables	5.5	5.2
Volvo CE India Private Limited	- Receivables	76.0	34.2
TMBP Ltd, Thailand	- Receivables	155.6	97.6
	- Payables	2.3	-
Volvo Group Southern Africa (Pty) Ltd	- Payables	6.8	3.8
Volvo Group Singapore (Pte) Ltd	- Payables	0.4	5.0
Volvo Group Belgium NV	- Receivables	5.0	-
Volvo Lastvagnar AB	- Receivables	261.3	459.2
Volvo Merchandise AB	- Payables	0.4	-
Volvo Logistics Corporation	- Payables	1.5	0.3
Mack Trucks Inc.	- Receivables	4.0	4.6
Bajaj Allianz General Insurance Company Ltd.	- Receivables	1.1	0.1
	- Payables	-	2.2
Volvo Technology AB EUR	- Receivables	0.4	-
Volvo Parts Corporation Belgium	- Receivables	1.1	-
(v) Entity under the joint control of joint venturer (EML)			
Eicher Polaris Private Limited	- Receivables	-	0.4
	- Payables	-	-
Volvo Group Connected Solution AB	- Payables	-	-
(vi) Entity under the control of key management personnel			
Eicher Group Foundation	- Receivables	-	2.5
Eicher Goodearth Private Limited	- Security Deposit Receivable	39.1	39.1
	- Payables	1.9	-
Eicher Goodearth India Private Limited	- Payables	707.3	137.3

Notes to the related party transactions

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



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

47. Disclosure in respect of revenue from Customer :

A. Disaggregation of revenue from contracts with customers :

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

For the year ended March 31, 2023

(Rs. in million)			
Segments	Sale of products and related services	Others	Total
Revenue by Geography			
Domestic	162,561.4	1,567.3	164,128.7
Overseas	22,974.4	-	22,974.4
Total revenue from contract with customers	185,535.8	1,567.3	187,103.1
Revenue by major product lines			
Sale of products	183,993.3	798.0	184,791.3
Product related services	1,542.5	769.3	2,311.8
Total revenue from contract with customers	185,535.8	1,567.3	187,103.1
Timing of revenue recognition			
At a point in time	183,993.3	798.0	184,791.3
Over time	1,542.5	769.3	2,311.8
Total revenue from contract with customers	185,535.8	1,567.3	187,103.1
Revenue			
External customer	185,535.8	1,567.3	187,103.1
Inter-segment revenue	-	-	-
Inter-segment adjustments/eliminations	-	-	-
Total revenue from contract with customers	185,535.8	1,567.3	187,103.1

For the year ended March 31, 2022

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

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

(Rs. in million)		
Particulars	As at March 31, 2023	As at March 31, 2022
Within one year	3,098.2	2,450.1
More than one year	-	-



48. Ratio analysis

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Remarks
Current ratio	Current Assets	Current Liabilities	1.07	1.06	-0.77%	-
Debt- Equity Ratio	Total Debt including lease liability	Shareholder's Equity	0.11	0.05	-116.07%	Majorly on account of higher export packing credit (short term) outstanding at year end Rs 3100 millions (previous year Rs 346 millions).
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	8.44	2.28	-269.89%	Higher profit as a result of higher sales volume during the year.
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	14.8%	3.0%	401.57%	Higher profit as a result of higher sales volume during the year.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	9.5	7.1	-33.56%	Higher profit as a result of higher sales volume during the year.
Trade Receivable Turnover Ratio	Net sales	Average Trade Receivable	8.6	7.1	-21.44%	Higher profit as a result of higher sales volume during the year.
Trade Payable Turnover Ratio	Cost of goods sold	Average Trade Payables	2.7	2.2	-20.52%	Majorly on account of higher production/purchase during the year.
Net Capital Turnover Ratio	Net sales	Working capital = Current assets – Current liabilities	46.9	33.4	40.47%	Increase in sales was higher than increase in working capital
Net Profit ratio	Net Profit	Net sales	3.1%	0.9%	260.40%	Higher profit as a result of higher sales volume during the year.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax liability	27.8%	7.2%	287.54%	Higher profit as a result of higher sales volume during the year.



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

Particulars	(Rs. in million)				Total
	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	
Lease liabilities	134.2	393.9	943.6	1,624.5	3,096.2
Total	134.2	393.9	943.6	1,624.5	3,096.2

50. The details of disputed excise duty, sales tax, service tax and income tax dues as on March 31, 2023 which have not been deposited or deposited under protest are as follows:

Nature of the Statute	Forum where pending	Amount* (Rs. in million)	Amount paid under protest (Rs. in million)	Period to which amount relate
Central Excise Act	Appellate Authority upto Commissioner's level	1.2	-	1992-1997
	CESTAT	130.8	83.0	2000-01 to 2015-16
Sales Tax Act	Appellate Authority upto Commissioner's level	1,623.6	141.4	1995-96, 2004-05 to 2017- 18
	Appellate Tribunal	99.9	24.1	1991-92 to 1994-95, 1998- 99, to 2000-01, 2002-03, 2009-10, 2011-12, 2013- 14 and 2014-15
	High Court	60.1	3.0	1995-96, 2000-01, 2005- 06 & 2008-09 & 2009-10.
Finance Act, 1994	CESTAT _ GST	0.9	-	
	Appellate Tribunal	0.5	0.0	2003-07 to 2007-08, 2009- 10, 2011-12, 2012-13, 2014-17
	CESTAT	14.3	-	
Income Tax Act, 1961	Appellate Authority upto Commissioner's level	174.9	-	2012-15, 2018-20

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

51. Other Statutory Information

- The Company has sanctioned working capital limits amounting to Rs 8,345 million from multiple banks as at March 31, 2023. The security offered is "First Pari-Passu charge by way of hypothecation of the company's entire stock of raw material, semifinished and finished goods, stores spare other moveable including book debts". In addition, the company has sanctioned unsecured working capital limits of Rs. 11,600 million as at that date. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- The Company has applied the borrowed fund for the specific purpose for which it was obtained as at the balance sheet date.
- The Company has not defaulted in on loans payable and have not been declared as wilful defaulter.
- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company have not revalued its Property, Plant & Equipments, Intangible Assets and Right to Use Assets during the year.
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company
- The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax
- The Company has not granted any loans and advances to promoters, directors, KMPs and other related parties (as defined under Companies Act 2012) during the year.
- The Company have complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.



- 52. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 53. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 54. Previous year's figures have been recast/regrouped wherever necessary to confirm to the current year presentation.

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

Sanjay V

Per Sanjay Vij
Partner
Membership no.: 095169



Place : Gurugram
Date : May 9, 2023



Praveen Jain
Praveen Jain
Company Secretary
M No. 3524

Ken Trolle

Ken Trolle
Chief financial Officer

For and on behalf of the Board of Directors

Vinod Aggarwal

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Joachim Henry Rosenberg

Joachim Henry
Rosenberg
Director
DIN: 06391543

Siddhartha Lal

Siddhartha Lal
Director and
Chairman
DIN: 00037645

INDEPENDENT AUDITOR'S REPORT

To the Members of VE Commercial Vehicles Limited

Report on the Audit of the Consolidated Financial Statements**Opinion**

We have audited the accompanying consolidated financial statements of VE Commercial Vehicles Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

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

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

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

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



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Responsibilities of Management for the Consolidated Financial Statements

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

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

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective company(ies).

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion.



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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose financial statements include total assets of Rs 454.34 Mn as at March 31, 2023, and total revenues of Rs 1,041.62 Mn and net cash outflow of Rs 23.17 Mn for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

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

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

Report on Other Legal and Regulatory Requirements

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



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

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, , incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 40 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2023.

- iv. a) The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether,



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Chartered Accountants

directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) The final dividend paid by the Holding Company, its subsidiaries incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 19 to the consolidated financial statements, the respective Board of Directors of the Holding Company, its subsidiaries, incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Sanjay Vij**

Partner

Membership Number: 095169



UDIN: 23095169BGXZYM7405

Place of Signature: Gurugram

Date: May 09, 2023

S.R. BATLIBOI & Co. LLP

Chartered Accountants

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

Re: VE Commercial Vehicles Limited (‘the Holding Company’)

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

- xxi. There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxix) of the Order is not applicable to the Holding Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Vij**

Partner

Membership Number: 095169



UDIN: 23095169BGXZYM7405

Place of Signature: Gurugram

Date: May 09, 2023

S.R. BATLIBOI & Co. LLP

Chartered Accountants

ANNEXURE 2 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")

We have audited the internal financial controls with reference to consolidated financial statements of VE Commercial Vehicles Limited ("the Holding Company") as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date. Since the subsidiaries are not incorporated in India, the reporting requirements on adequacy and operating effectiveness of internal control over financial reporting under section 143(3)(i) of the Act is not applicable for these subsidiaries.

Management's Responsibility for Internal Financial Controls

The Holding Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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



S.R. BATLIBOI & CO. LLP

Chartered Accountants

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

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

Opinion

In our opinion, the Company and its subsidiary which is a company incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to Consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Sanjay Vij**

Partner

Membership Number: 095169

UDIN: 23095169BGXZYM7405

Place of Signature: Gurugram

Date: May 09, 2023

VE COMMERCIAL VEHICLES LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note	Rs. in million	
		As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	21,428.2	21,349.3
(b) Capital work-in-progress	6	1,220.6	1,156.3
(c) Other Intangible assets	7	7,511.6	6,918.5
(d) Right-of-use assets	7A	2,617.0	1,861.8
(e) Intangible assets under development	8	1,614.2	1,693.4
(f) Investments in subsidiaries & joint ventures	9	-	-
(g) Financial assets			
(i) Investments	10	1.4	1.4
(ii) Loans	12	28.0	26.4
(iii) Other financial assets	13	6,388.9	2,574.6
(h) Other assets	14	867.8	774.0
Total non-current assets		41,677.7	36,355.7
Current assets			
(a) Inventories	15	17,155.8	14,538.0
(b) Financial assets			
(i) Investments	10	495.2	-
(ii) Trade receivables	11	23,095.8	20,379.4
(iii) Loans	12	33.8	39.5
(iv) Cash and cash equivalents	16	1,837.1	4,225.9
(v) Bank balances other than (iv) above	17	24,170.3	9,630.4
(vi) Other financial assets	13	3,672.5	2,804.5
(c) Other assets	14	2,237.3	1,912.5
Total current assets		72,697.8	53,530.2
Total assets		114,375.5	89,885.9
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	100.0	100.0
(b) Other equity	19	40,862.2	35,891.1
Total equity		40,962.2	35,991.1
LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	25	-	778.8
(ii) Lease liabilities	20	1,176.1	588.3
(iii) Other financial liabilities	21	84.6	80.4
(b) Provisions	22	1,708.2	1,273.2
(c) Deferred tax liabilities (net)	23	2,315.5	784.4
(d) Other liabilities	24	95.7	73.1
Total non-current liabilities		5,380.1	3,578.2
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	3,100.0	346.2
(ii) Lease liabilities	20	390.6	185.6
(iii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	26	421.1	1,317.4
- Total outstanding dues of creditors other than micro enterprises and small enterprises	26	53,619.2	40,928.4
(iv) Other financial liabilities	21	2,602.7	1,973.2
(b) Provisions	22	1,309.4	1,002.9
(c) Liabilities for current tax (net)	27	314.8	358.9
(d) Other liabilities	24	6,275.4	4,204.0
Total current liabilities		68,033.2	50,316.6
Total liabilities		73,413.3	53,894.8
Total equity and liabilities		114,375.5	89,885.9

See accompanying notes forming part of the financial statements

1 to 54

In terms of our report attached.

For S.R.Batliloi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

Per Sanjay Vij

Partner

Membership no.: 095169



Praveen Jain
Company Secretary
M No. 3524

Ken Trolle
Chief financial Officer

For and on behalf of the Board of Directors

Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906

Joachim Henry
Rosenberg
Director
DIN: 06391543

Siddhartha Lal
Chairman and Director
DIN: 00037645

Place : Gurugram
Date : May 09, 2023

VE COMMERCIAL VEHICLES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2023

Particulars	Note	Rs. in million	
		For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	28	189,523.3	127,244.5
Other income	29	1,226.1	573.4
Total Income		190,749.4	127,817.9
Expenses			
Cost of raw materials and components consumed	30	129,231.2	86,754.5
Purchases of traded goods	31	20,899.4	13,906.1
Change in inventories of finished goods, work-in-progress and stock-in-trade	32	(1,748.4)	(894.3)
Employee benefits expenses	33	11,347.4	9,203.6
Depreciation and amortisation expenses	34	5,737.3	5,611.7
Finance costs	35	323.6	359.9
Other expenses	36	16,044.3	11,118.3
Total expenses		181,834.8	126,059.8
Profit before tax		8,914.6	1,758.1
Tax expense			
Current tax	37	1,556.2	302.5
Deferred tax charge	37	1,564.8	349.9
Total tax expense		3,121.0	652.4
Profit for the year		5,793.6	1,105.7
Other comprehensive income			
Items that will not be reclassified to profit or loss:-			
Re-measurement losses on defined benefit plans		(91.9)	(25.2)
Income tax benefit	37	32.1	8.8
Net other comprehensive income not to be reclassified to profit or loss		(59.8)	(16.4)
Items that may be reclassified to profit or loss:-			
Exchange differences in translating the financial statements of foreign operations		(17.4)	(9.4)
Income tax effect	37	4.7	3.3
		(12.7)	(6.1)
Net other comprehensive income not to be reclassified to profit or loss		(72.5)	(22.5)
Total Comprehensive income for the year, net of tax		5,721.1	1,083.2
Earnings per share (of Rs. 10 each) in Rs.			
Basic/ diluted	42	579.36	110.57

See accompanying notes forming part of the financial statements

1 to 54

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


Praveen Jain
Company Secretary
M No. 3524


Ken Trolle
Chief financial Officer

Per Sanjay Vij
Partner
Membership no.: 095169



For and on behalf of Board of Directors


Vinod Aggarwal
Managing Director and
Chief Executive Officer
DIN: 00038906


Joachim Henry
Rosenberg
Director
DIN: 06391543


Siddhartha Lal
Chairman and Director
DIN: 00037645

Place : Gurugram
Date : May 09, 2023



VE COMMERCIAL VEHICLES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity share capital

	Rs. in million	
	Number of Shares	Amount
Balance as at March 31, 2021	10,000,000	100.0
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	10,000,000	100.0
Changes in equity share capital during the year	-	-
Balance as at March 31, 2023	10,000,000	100.0

Financial year 2022-23

Particulars	Reserves and Surplus			Foreign currency translation reserve	Total
	Share Premium	General reserve	Retained Earning		
Balance as at March 31, 2022	10,786.6	2,598.5	22,498.8	7.2	35,891.1
Profit for the year	-	-	5,793.6	-	5,793.6
Other comprehensive income	-	-	(59.8)	-	(59.8)
Exchange differences in translating the financial statements of foreign operations	-	-	-	(12.7)	(12.7)
Dividends paid	-	-	(675.0)	-	(675.0)
Tax on dividend	-	-	(75.0)	-	(75.0)
Balance as at March 31, 2023	10,786.6	2,598.5	27,482.6	(5.5)	40,862.2

Financial year 2021-22

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

See accompanying notes forming part of the consolidated financial statements

1 to 54

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

Sanjay Vij

Per Sanjay Vij
Partner
Membership no.: 095169



Priyanka Jain
Priyanka Jain
Company Secretary
M No. 3524

Ken Trolle

Ken Trolle
Chief financial Officer

For and on behalf of the Board of Directors

Vinod Aggarwal
Vinod Aggarwal

Managing Director and
Chief Executive Officer
DIN: 00038906

Joachim Henry Rosenberg
Joachim Henry
Rosenberg
Director

DIN: 06391543

Siddhartha Lal
Siddhartha Lal

Chairman and Director

DIN: 00037645

Place : Gurugram
Date : May 09, 2023



VE COMMERCIAL VEHICLES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	8,914.6	1,758.1
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	5,737.3	5,611.7
Property, plant and equipment discarded	16.2	7.7
Loss on sale of property, plant and equipment (net)	-	0.8
Exchange differences in translating the financial statements of foreign operations	(17.4)	(9.4)
Interest income	(1,106.1)	(498.5)
Impairment on doubtful debts	33.6	71.2
Finance costs	323.6	359.9
Operating profit before changes in working capital	13,901.8	7,301.5
Working capital adjustments:		
Adjustments for (increase) / decrease assets:		
Non-current		
Loans	(1.6)	(6.5)
Other financial assets	(3,847.9)	(633.8)
Other assets	14.2	(14.8)
Current		
Inventories	(2,617.8)	(868.4)
Trade receivables	(2,716.4)	(5,112.5)
Loans	5.7	(3.9)
Other financial assets	(582.9)	(406.5)
Other assets	(324.8)	(349.7)
Adjustments for increase / (decrease) in liabilities:		
Non-current		
Other financial liabilities	4.2	(2.3)
Provisions	280.5	208.9
Other liabilities	22.6	5.0
Current		
Trade payables	11,794.6	6,536.8
Provisions	306.5	(24.0)
Other financial liabilities	113.1	(423.0)
Other liabilities	2,071.4	1,469.4
Cash generated from operating activities	18,423.2	7,676.2
Income taxes paid	(1,597.2)	(316.4)
Net cash flows from operating activities (A)	16,826.0	7,359.8
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital advances)	(5,660.5)	(4,885.1)
Proceeds from sale of property, plant and equipment	56.5	(8.5)
Investment/Redemption in fixed deposits	(14,539.9)	1,375.5
Investment in Government Securities	(495.2)	-
Interest received (finance income)	816.8	476.0
Net cash flow used in investing activities (B)	(19,822.3)	(3,042.1)
C.CASH FLOW FROM FINANCING ACTIVITIES		
Increase in borrowings	3,100.0	-
Repayment of Long term borrowings	(1,125.0)	(2,798.2)
Interest paid	(121.2)	(250.7)
Payment of finance lease liabilities	(496.3)	(269.9)
Dividends paid to equity holders	(675.0)	(450.0)
Tax on dividend paid	(75.0)	(50.0)
Net cash flow (used)/generated in financing activities (C)	607.5	(3,818.8)
Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)	(2,388.8)	498.9
Cash and cash equivalents at the beginning of the year	4,225.9	3,727.0
Cash and cash equivalents at the end of the year	1,837.1	4,225.9



VE COMMERCIAL VEHICLES LIMITED
 CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Components of cash and cash equivalents		
Cash on hand	5.6	4.0
Cheques/ drafts on hand	52.6	27.5
Balances with banks:		
In current accounts	981.0	1,094.8
In deposit accounts	797.9	3,099.6
Total cash and cash equivalents (refer note no. 16)	1,837.1	4,225.9

See accompanying notes forming part of the financial statements

1 to 54

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

Per Sanjay Vij
 Partner
 Membership no.: 095169




Place : Gurugram
 Date : May 09, 2023


 Praveen Jain
 Company Secretary
 M No. 3524



Ken Trolle
 Chief financial Officer

For and on behalf of Board of Directors



Vinod Aggarwal
 Managing Director and
 Chief Executive Officer
 DIN: 00038906



Joachim Henry Rosenberg
 Director
 DIN: 06391543



Siddhartha Lal
 Chairman and Director
 DIN: 00037645

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, 2023 were approved by the Board of Directors and authorize for issue on May 09, 2023.

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, 2023.
- (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.



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

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, 2023	Voting power held as at March 31, 2022
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%
VE Electro Mobility Limited	India	100%	NA

3.2 Revenue Recognition

Revenue from contract with customers

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

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

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

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

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.3 Leases

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

Group as a lessee

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



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

(i) Right-of-use assets

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

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

ii) Lease liabilities

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

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

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

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

Group as a lessor

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

3.4 Foreign currencies

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



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Notes forming part of the Consolidated financial statements

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

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

3.5 Borrowing costs

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

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

3.6 Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

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

3.7 Employee benefits

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



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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



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Notes forming part of the Consolidated financial statements

the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.10 Intangible assets

Intangible assets acquired separately

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

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

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

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

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

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

Useful lives of intangible assets

Intangible assets comprising of product design, prototypes, etc., either acquired or internally developed are amortised over a period of 6-10 years depending upon the estimated minimum useful life of the related products. Cost of software is amortised over a period of 5 years or less depending upon the estimated useful life of asset. The useful lives of intangible assets are given below:

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



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Notes forming part of the Consolidated financial statements

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.



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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.



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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.



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Derecognition of financial liabilities

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

3.17 Cash flow statement

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

4.0 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group accounting policies, which are described in note 3, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements: -

Recoverability of intangible assets and intangible assets under development

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

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

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

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

Defined benefit plans

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



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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, 2023 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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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

5. Property, plant and equipment

Cost	Rs. in million						
	Freehold Land*	Buildings	Plant and equipment	Furniture and Fixtures	Office equipment	Vehicles	Total
At March 31, 2021	532.9	7,156.3	30,676.3	1,199.9	1,508.5	1,230.0	42,303.9
Additions	0.4	248.5	1,913.4	73.2	149.4	245.3	2,630.2
Disposals	-	2.9	85.8	24.9	7.8	185.2	306.7
At March 31, 2022	533.3	7,401.9	32,503.9	1,248.2	1,650.0	1,290.1	44,627.4
Additions	-	586.4	2,507.8	88.2	178.8	501.4	3,862.6
Disposals	-	14.3	317.8	35.2	50.8	160.8	578.9
At March 31, 2023	533.3	7,974.0	34,693.9	1,301.2	1,778.0	1,630.7	47,911.1
Accumulated depreciation							
At March 31, 2021	-	1,462.9	16,023.5	509.8	1,254.6	674.1	19,924.9
Charge for the year	-	279.8	2,878.1	83.9	128.1	200.2	3,570.1
Less: Adjustments	-	0.5	74.3	17.2	7.2	117.8	217.0
At March 31, 2022	-	1,742.2	18,827.3	576.5	1,375.5	756.5	23,278.0
Charge for the year	-	300.0	2,960.6	98.3	131.3	220.9	3,711.1
Less: Adjustments	-	9.2	298.9	27.4	49.9	120.8	506.2
At March 31, 2023	-	2,033.0	21,489.0	647.4	1,456.9	856.6	26,482.9
Carrying amount							
At March 31, 2022	533.3	5,659.7	13,676.6	671.7	274.5	533.6	21,349.4
At March 31, 2023	533.3	5,941.0	13,204.9	653.8	321.1	774.1	21,428.2

* Title deeds for lands and other properties at Ahmedabad, Bhiwandi are pending for mutation in favor of the Company having carrying value of Rs 37.8 million (Rs 38.2 million in March 2022). The title deeds for Ahmedabad are held in the name of Eicher Motors Limited since August 22, 2008 and for Bhiwandi is held in the name of Volvo Group India Private Limited since February 02, 2009. The company is in the process of getting these properties registered in its name.



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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

6. Capital work-in-progress	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Capital work-in-progress	1,220.6	1,156.3
	1,220.6	1,156.3

including other direct expenditure amounting Nil (March 31, 2022 Rs. 3.5 million) (refer below)

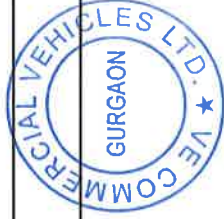
Other direct expenditure	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Payments to and provisions for employees	-	-
Salaries, wages, bonus etc.	-	-
Contribution to provident and other funds	-	-
Depreciation/amortisation	-	-
Repair and maintenance : Plant and equipment	-	-
Legal and professional charges	-	-
Rent expenses	-	-
Development expenses	-	-
	-	-
Add: Balance brought forward from previous year	3.5	36.9
	3.5	36.9
Less: Capitalised during the year	3.5	33.4
	-	3.5

Capital work-in progress ageing schedule
As at March 31, 2023

Particulars	Amount in CWIP for a period of			Total
	Less than 1 year	1 -2 years	2 -3 years	
Projects in progress	1,186.9	12.7	0.4	1,220.6
Projects temporarily suspended	-	-	-	-
Total	1,186.9	12.7	0.4	1,220.6

As at March 31, 2022

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



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

7. Intangible assets

	Product design, prototype etc.	Software	Goodwill	Total
Cost				
At March 31, 2021	12,983.3	1,779.6	110.6	14,873.5
Additions	519.1	90.6	-	609.7
Disposals	-	5.4	-	5.4
At March 31, 2022	13,502.4	1,864.8	110.6	15,477.8
Additions	2,082.6	130.5	-	2,213.1
Disposals	-	14.1	-	14.1
At March 31, 2023	15,585.0	1,981.2	110.6	17,676.8
Accumulated amortisation				
At March 31, 2021	5,373.1	1,263.7	110.6	6,747.4
Charge for the year	1,640.2	177.2	-	1,817.3
Disposals	-	5.4	-	5.4
At March 31, 2022	7,013.3	1,435.5	110.6	8,559.3
Charge for the year	1,453.4	166.4	-	1,619.8
Disposals	-	13.9	-	13.9
At March 31, 2023	8,466.7	1,588.0	110.6	10,165.2
Carrying amount				
At March 31, 2022	6,489.1	429.3	-	6,918.5
At March 31, 2023	7,118.3	393.2	-	7,511.6



**VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

7A Right-of-use-asset

	Rs. in million		
	Land	Building	Total
Cost			
At March 31, 2021	1,562.6	780.8	2,343.4
Additions	13.2	368.2	381.4
Disposals		115.9	115.9
At March 31, 2022	1,575.8	1,033.1	2,608.9
Additions	2.1	1,161.1	1,163.2
Disposals	-	97.9	97.9
At March 31, 2023	1,577.9	2,096.3	3,674.2

Accumulated depreciation

At March 31, 2021	164.9	388.7	553.6
Charge for the year	18.0	206.3	224.3
Less: Adjustments		30.8	30.8
At March 31, 2022	182.9	564.3	747.1
Charge for the year	17.7	388.4	406.1
Less: Adjustments	-	96.0	96.0
At March 31, 2023	200.6	856.7	1,057.2

Carrying amount

At March 31, 2022	1,392.9	468.8	1,861.8
At March 31, 2023	1,377.3	1,239.6	2,617.0

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

	Rs. in million		
	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2022
Opening lease liability as at March 31, 2022	773.9	698.6	698.6
Lease liability on additions	1,163.2	371.2	371.2
Less : Derecognised leases	9.8	93.9	93.9
Add : Accretion of interest	135.7	67.9	67.9
Less : Payments	496.3	269.9	269.9
Lease liability as at March 31, 2023	1,566.7	773.9	773.9
Current lease liability (note no.20)	390.6	185.6	185.6
Non-current lease liability (note no.20)	1,176.1	588.3	588.3



The maturity analysis of lease liabilities are disclosed in Note 49

The effective interest rate for lease liabilities considered is 8%.

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The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	406.1	261.8
Interest expense on lease liabilities	135.7	67.9
Expense relating to short-term leases/low-value assets (included in other expenses)	81.7	202.8
Total amount recognised in profit or loss	623.5	532.5

8. Intangible assets under development

	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Intangible assets under development	1,614.2	1,693.4
	1,614.2	1,693.4

Intangible assets under development ageing schedule
As at March 31, 2023

Particulars	Amount in Intangible assets under development for a period of					Total	Rs. in million
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years			
Projects in progress	1,100.1	315.6	70.2	128.3		1,614.2	
Projects temporarily suspended	-	-	-	-	-	-	
Total	1,100.1	315.6	70.2	128.3		1,614.2	

As at March 31, 2022

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



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9 Investments in subsidiaries & joint ventures

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Joint venture company*		
25,000 (previous year 25,000) equity shares of Rs. 10 each fully paid up of Eicher Group Foundation (License under Section 8(1) of the Companies Act, 2013).	-	-

*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.

10 Investments

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Non Current		
Investment in equity instruments		
Unquoted investment (at FVTPL) in :		
145,000 (previous year 145,000) equity shares of Rs. 10 each fully paid up of Pithampur Auto Cluster Ltd.	1.4	1.4
Total	1.4	1.4
Current		
Quoted investment (at Amortised Cost) in:		
Investment in bonds	495.2	-
Total	495.2	-

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Aggregate book value of quoted investments	495.2	-
Aggregate carrying value of unquoted investments	1.4	1.4

Category wise other investments- as per IND AS 109
Classification

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Financial assets carried at fair value through profit or loss (FVTPL)		
Investment in Pithampur Auto Cluster Ltd.	1.4	1.4
Financial assets carried at Amortised cost		
Investment in bonds	495.2	-

11 Trade receivables

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Trade receivables		
Total	23,095.8	20,379.4
Trade receivables		
Secured, considered good	625.4	241.4
Unsecured, considered good	22,470.4	20,138.0
Trade Receivables - credit impaired	344.0	310.5
	23,439.8	20,689.9
Impairment Allowance (allowance for bad and doubtful debts)		
Trade Receivables - credit impaired	(344.0)	(310.5)
Total Trade receivables	23,095.8	20,379.4

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

Trade receivables ageing schedule
As at March 31, 2023

Particulars	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - considered good	20,875.0	1,889.3	122.0	95.6	25.4	71.1	23,078.2
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed - credit impaired	-	27.1	22.8	62.8	-	84.2	196.9
Disputed - considered good	-	-	0.0	17.6	-	-	17.6
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	17.3	51.0	-	78.8	147.1
Total	20,875.0	1,916.4	162.1	226.9	25.4	234.1	23,439.8



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As at March 31, 2022

Particulars	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - considered good	16,166.9	3,867.3	203.3	44.5	53.2	44.3	20,379.4
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed - credit impaired	-	31.0	1.8	7.9	107.6	102.6	250.8
Disputed - considered good	-	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	30.0	-	-	30.0
Total	16,166.9	3,898.3	205.0	82.4	160.8	176.5	20,689.9

12 Loans

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Non - current		
Unsecured, considered good		
Loans to employees	28.0	26.4
Total	28.0	26.4
Current		
Unsecured, considered good		
Loans to employees	33.8	39.5
Total	33.8	39.5

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

13 Other financial assets

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Non - current		
Unsecured, considered good		
Fixed deposits*	6,275.7	2,439.3
Security deposit	113.2	135.3
Total	6,388.9	2,574.6

*Includes fixed deposits of Rs 218.5 MINR pledged against bank overdraft limits and 37.3 MINR pledged against bank guarantees.

Current

Unsecured, considered good unless otherwise stated

Security deposit		
Considered good	220.3	105.9
Considered doubtful	5.0	5.0
	225.3	110.9
Less: impairment for doubtful security deposits	5.0	5.0
	220.3	105.9
Interest accrued on deposits	538.1	248.8
Industrial promotion subsidy receivable	2,709.5	2,288.8
Other receivables		
Considered good	204.6	161.0
Considered doubtful	1.1	1.1
	205.7	162.1
Less: impairment for doubtful other receivables	1.1	1.1
	204.6	161.0
Total	3,672.5	2,804.5

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

14 Other assets

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Non - current		
Unsecured, considered good unless otherwise stated		
Capital advances	570.4	462.4
Balance with government authorities		
Considered good	276.8	282.8
Considered doubtful	5.1	5.1
	281.9	287.9
Less: impairment for doubtful advances	5.1	5.1
	276.8	282.8
Prepayment security deposits and other loans	20.6	28.8
Total	867.8	774.0



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Current

Unsecured, considered good unless otherwise stated

Advance to supplier	982.9	932.2
Prepaid expense	130.5	103.2
Balance with government authorities		
Considered good	1,109.5	866.0
Considered doubtful	2.0	2.0
	<u>1,111.5</u>	<u>868.0</u>
Less: impairment for doubtful advances	2.0	2.0
	<u>1,109.5</u>	<u>866.0</u>
Advances to employees	-	2.7
Prepayment security deposits and other loans	14.4	8.4
Total	<u>2,237.3</u>	<u>1,912.5</u>

15 Inventory

Particulars	Rs. in million	
	As at	As at
	March 31, 2023	March 31, 2022
Raw materials and components (includes goods in transit of Rs. 531.9 millions (March 31, 2022 Rs 352.3 millions)	5,078.4	4,410.2
Work in progress		
Finished goods (includes goods in transit of Rs. 533.5 millions (March 31, 2022 Rs 322.4 millions)	1,076.8	826.0
Stock in trade (includes goods in transit of Rs. 18.8 millions (March 31, 2022 Rs 49.1 millions)	7,975.2	6,853.5
Stores and spares		
Loose tools	2,237.6	1,861.7
	493.7	355.9
Total	<u>294.1</u>	<u>230.7</u>
	<u>17,155.8</u>	<u>14,538.0</u>

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

16 Cash and cash equivalents

Particulars	Rs. in million	
	As at	As at
	March 31, 2023	March 31, 2022
Cash on hand	5.6	4.0
Cheques, drafts on hand	52.6	27.5
Balances with banks		
On current accounts	981.0	1,094.8
On deposit accounts (with original maturity less than 3 months)		
	797.9	3,099.6
Total	<u>1,837.1</u>	<u>4,225.9</u>

17 Other bank balance

Particulars	Rs. in million	
	As at	As at
	March 31, 2023	March 31, 2022
Balances with banks		
On deposit accounts (with original maturity more than 3 months but less than 12 months)	24,170.3	9,630.4
Total	<u>24,170.3</u>	<u>9,630.4</u>



18 Equity share capital

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Authorised		
10,000,000 (previous year 10,000,000) equity shares of Rs. 10 each	100.0	100.0
Total	100.0	100.0
Issued, subscribed and paid up		
10,000,000 (previous year 10,000,000) equity shares of Rs. 10 each	100.0	100.0
Total	100.0	100.0

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

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

Particulars	No. of Shares	Amount
		(Rs. in million)
Balance at March 31, 2021	10,000,000	100.0
Movement during the year	-	-
Balance at March 31, 2022	10,000,000	100.0
Movement during the year	-	-
Balance at March 31, 2023	10,000,000	100.0

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

Particulars	As at March 31, 2023		As at March 31, 2022		% change during the year
	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.

(iii) Details of shares held by promoters

As at March 31, 2023

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

As at March 31, 2022

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



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19 Other equity

Particulars	Rs in million	
	As at March 31, 2023	As at March 31, 2022
(a) Share premium account	10,786.6	10,786.6
(b) General reserve	2,598.5	2,598.5
(c) Retained earnings	27,482.7	22,498.9
(d) Foreign currency translation reserve	(5.6)	7.1
Total	40,862.2	35,891.1

Particulars	Rs in million	
	As at March 31, 2023	As at March 31, 2022
(a) Share premium account		
Opening balance	10,786.6	10,786.6
Add/ (less): movement during the year	-	-
Closing balance	<u>10,786.6</u>	<u>10,786.6</u>

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	<u>2,598.5</u>	<u>2,598.5</u>

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	22,498.9	21,909.6
Add: Profit for the year	5,793.6	1,105.7
Add: Other comprehensive income:		
from remeasurement of defined benefit obligation net of income tax	(59.8)	(16.4)
Less: Final dividend (amount per share Rs. 75 (previous year Rs. 50))	(675.0)	(450.0)
Less: Tax on dividend	(75.0)	(50.0)
Closing balance	<u>27,482.7</u>	<u>22,498.9</u>

In respect of the year ended March 31, 2023, the directors proposed that a dividend of Rs.175 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.1750 Million.

(d) Foreign currency translation reserve		
Opening balance	7.1	13.2
Add :- exchange differences in translating the financial statements of foreign operations	(12.7)	(6.1)
Closing balance	<u>(5.6)</u>	<u>7.1</u>



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20 Lease Liabilities

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Non- Current	1,176.1	588.3
Current	390.6	185.6
Total	1,566.7	773.9

21 Other financial liabilities

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Non- Current		
Security deposits	84.6	80.4
Total	84.6	80.4
Current		
Capital creditors	1,010.7	494.3
Book overdraft	467.3	557.1
Interest accrued but not due	4.0	5.1
Employees dues	1,120.7	916.7
Total	2,602.7	1,973.2

22 Provisions

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Non-current		
Employees benefits (i)		
Compensated absences	694.7	616.7
Other employee benefits	458.8	287.4
Other provisions : Warranties (ii)	554.7	369.1
Total	1,708.2	1,273.2
Current		
Employees benefits (i)		
Compensated absences	35.1	28.1
Other employee benefits	108.4	60.5
Other provisions : Warranties (ii)	1,165.9	914.3
Total	1,309.4	1,002.9

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

(ii) Movement in warranties provision

	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	1,283.4	1,053.7
Additional provisions recognised	2,664.8	1,306.8
Amount utilised during the year	(2,290.2)	(1,097.9)
Unwinding of discount	62.6	20.8
Closing balance	1,720.6	1,283.4

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



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23 Deferred tax liabilities (net)

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	4,565.3	4,305.1
Others	82.1	51.4
	<u>4,647.4</u>	<u>4,356.5</u>
Less: Deferred tax assets on		
MAT credit entitlement	1,739.6	3,036.1
Accrued expenses deductible on payment	48.5	42.8
Provision for leave encashment/compensated absences	231.4	201.7
Impairment for doubtful debts and advances	120.6	111.4
Others	191.8	180.0
	<u>2,331.9</u>	<u>3,572.0</u>
Deferred tax liabilities (net)	2,315.5	784.4

For the year ended March 31, 2023

Particulars	Rs. in million			
	Opening balance	Recognised in profit and loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	4,305.1	260.2	-	4,565.3
Others	51.4	35.5	(4.7)	82.1
	<u>4,356.5</u>	<u>295.7</u>	<u>(4.7)</u>	<u>4,647.4</u>
Less: Deferred tax assets on				
MAT credit entitlement	3,036.1	(1,296.5)	-	1,739.6
Business losses and unabsorbed depreciation carried forward	-	-	-	-
Accrued expenses deductible on payment	42.8	5.7	-	48.5
Provision for leave encashment/compensated absences	201.7	29.7	-	231.4
Remeasurement of defined benefit obligation	-	(32.1)	32.1	-
Impairment for doubtful debts and advances	111.4	9.2	-	120.6
Others	180.0	11.8	-	191.8
	<u>3,572.0</u>	<u>(1,272.2)</u>	<u>32.1</u>	<u>2,331.9</u>
Deferred tax (assets) / liabilities (net)	784.4	1,567.9	(36.8)	2,315.5

For the year ended March 31, 2022

Particulars	Rs. in million			
	Opening balance	Recognised in profit and loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	4,872.7	(567.6)	-	4,305.1
Others	40.5	14.2	(3.3)	51.4
	<u>4,913.2</u>	<u>(553.4)</u>	<u>(3.3)</u>	<u>4,356.5</u>
Less: Deferred tax assets on				
MAT credit entitlement	3,521.4	(485.3)	-	3,036.1
Business losses and unabsorbed depreciation carried forward	6.8	(6.8)	-	-
Accrued expenses deductible on payment	48.7	(5.9)	-	42.8
Provision for leave encashment/compensated absences	224.8	(23.1)	-	201.7
Remeasurement of defined benefit obligation	-	(8.8)	8.8	-
Impairment for doubtful debts and advances	117.5	(6.1)	-	111.4
Others	554.0	(374.0)	-	180.0
	<u>4,473.2</u>	<u>(910.0)</u>	<u>8.8</u>	<u>3,572.0</u>
Deferred tax (assets) / liabilities (net)	440.0	356.5	(12.1)	784.4

24 Other liabilities

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Non- Current		
Advances from customers	95.7	73.1
Total	<u>95.7</u>	<u>73.1</u>
Current		
Advances from customers	3,651.1	2,613.2
Statutory dues	2,614.0	1,554.1
Other Payable	10.3	36.7
Total	<u>6,275.4</u>	<u>4,204.0</u>



25 Borrowings

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Secured- at amortised cost		
Loan repayable on demand from banks		
Short term loan (i)	1,550.0	-
Unsecured- at amortised cost		
Loan repayable on demand from banks		
Short term loan (ii)	1,550.0	-
Current maturities of long term borrowings (i)	-	346.2
Total	3,100.0	346.2
Non-Current		
Secured- at amortised cost		
Loan repayable on demand from banks		
Long term borrowings (i)	-	778.8
Total	-	778.8

(i) Loan of 1125 MINR was fully paid in July 2022.

26 Trade payables

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Current		
Total outstanding dues of micro enterprises and small enterprises	421.1	1,317.4
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	15,350.5	12,167.1
Other trade payables	38,268.7	28,761.3
Total	54,040.3	42,245.8

Trade payables ageing schedule

As on March 31, 2023

Particulars	Outstanding for following period from due date of payment					Total
	Not due*	Less than 1 yr.	1 -2 yrs.	2 -3 yrs.	More than 3 yrs.	
MSME**	419.6	1.2	0.2	0.0	-	421.1
Others*	52,665.1	913.3	33.5	1.3	6.1	53,619.3
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	53,084.7	914.5	33.7	1.4	6.1	54,040.3

* Not due includes unbilled dues

** Dues are primarily in relation to vendor's GST compliances.

As on March 31, 2022

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

*Not due includes unbilled dues of Rs. 12,938.9 million

** Dues are primarily in relation to vendor's GST compliances.

27 Liabilities for current tax (net)

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Provision for tax (net of advance tax)	314.8	358.9
Total	314.8	358.9



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28 Revenue from operations

Particulars	Rs. in million		
	For the year ended March 31, 2023	For the year ended March 31, 2022	
Revenue from operations			
Sale of products			
Manufactured goods	158,079.0	106,102.8	
Stock-in-trade	24,869.7	16,898.5	
Sale of services	880.3	521.1	
Sub-total (A)	183,829.0	123,522.4	
Other operating revenue			
Export benefits	553.7	546.6	
Scrap sales	799.0	506.1	
Income from maintenance contracts	1,544.9	1,270.2	
Industrial promotion subsidy	2,017.8	696.9	
Income from other operating revenues	771.7	691.0	
Others	7.2	11.3	
Sub-total (B)	5,694.3	3,722.1	
Revenue from operations (net)	Total (A+B)	189,523.3	127,244.5

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Details of products sold		
Manufactured goods		
Commercial vehicles	125,931.2	80,970.1
Engines and related components	12,020.6	9,405.1
Spare parts and other components	20,127.2	15,727.6
Total	158,079.0	106,102.8
Stock-in-trade		
Commercial vehicles	17,909.0	11,244.6
Spare parts and other components	6,960.7	5,653.9
Total	24,869.7	16,898.5
Details of services rendered		
Engineering services	87.3	23.7
Other allied services	793.0	497.4
Total	880.3	521.1

29 Other income

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Interest income on financial assets carried at amortised cost		
- Deposit with bank	1,050.1	458.9
- Others	56.0	39.6
(A)	1,106.1	498.5
b) Other non-operating income		
Service charges recovered	20.7	17.4
(B)	20.7	17.4
c) Other gains and losses		
Exchange gain (net)	80.7	57.5
Others	18.6	-
	99.3	57.5
Total (A+B)	1,226.1	573.4

30 Cost of raw materials and components consumed

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	4,410.2	4,539.0
Add: purchases of inventory during the year	135,539.2	91,031.9
	139,949.4	95,570.9
Less: inventory at the end of the year	5078.4	4,410.2
Less: material cost of vehicles capitalised	-	89.2
	134,871.0	91,071.5
Less: sale of raw materials and components to suppliers on cost to cost basis	5,639.8	4,317.0
Net consumption	129,231.2	86,754.5



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31 Details of purchase of stock-in-trade

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Commercial vehicles	16,274.5	10,053.1
Spare parts and other components	4,624.9	3,853.0
Total	20,899.4	13,906.1

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

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Finished goods	7,975.2	6,853.5
Work-in-progress	1,076.8	826.0
Stock-in-trade	2,237.6	1,861.7
	(A)	
	<u>11,289.6</u>	<u>9,541.2</u>
Inventories at the beginning of the year		
Finished goods	6,853.5	5,902.7
Work-in-progress	826.0	761.5
Stock-in-trade	1,861.7	1,982.7
	(B)	
	<u>9,541.2</u>	<u>8,646.9</u>
Net change (B-A)	(1,748.4)	(894.3)

33 Employee benefits expenses

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages, bonus etc.	10,089.1	8,169.6
Contribution to provident and other funds	330.3	301.7
Gratuity expenses (refer note no. 41)	111.0	102.3
Staff welfare expenses	817.0	630.0
Total	11,347.4	9,203.6

34 Depreciation and amortisation expenses

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of tangible assets	3,711.1	3,569.8
Amortisation of intangible assets	1,619.9	1,817.6
Depreciation of Right-of-use assets	406.3	224.3
Total	5,737.3	5,611.7

35 Finance costs

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense		
on borrowings	119.2	250.7
on security deposit	4.2	4.0
on income tax	-	-
Interest on lease liabilities	135.7	67.9
Amortisation of premium on securities	1.9	-
Unwinding of discount on provisions	62.6	37.3
Total	323.6	359.9



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36 Other expenses

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Stores and machinery spares consumed (including loose tools)	771.7	431.1
Loss on sale of property, plant and equipment	-	0.8
Property, plant and equipment and intangible assets discarded	16.2	7.7
Power and fuel	1,031.1	860.6
Insurance	237.0	213.7
Repairs and maintenance		
Buildings	262.8	198.8
Plant and equipment	572.5	406.0
Others	524.7	343.4
Rates and taxes	140.5	114.7
Advertisement	55.8	41.0
Freight and handling charges	3,936.3	2,758.2
Incentives	97.0	43.9
Warranty	2,664.8	1,772.4
Other selling and distribution expenses	1,547.8	1,260.2
Rent	81.7	202.8
Legal and professional charges #	201.9	139.8
Travelling and conveyance expenses	534.6	243.6
Development and testing expenses	297.3	358.9
Corporate social responsibility expenditure ##	20.4	54.9
Brand fees	707.3	137.3
Impairment for doubtful debts and advances	33.6	71.2
Miscellaneous expenses	2,309.3	1,457.3
Total	16,044.3	11,118.3

Including payment to auditors as below:-

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
a) As Statutory Audit		
-Audit fee	6.4	5.7
-Audit fees for foreign reporting	1.6	1.5
-Limited Review of unaudited financial results	2.3	1.9
b) In other capacity:		
- other certification	0.3	0.9
c) Out of pocket expenses	0.2	-

Details of CSR expenditure:

Particulars	Rs. in million		
	For the year ended March 31, 2023	For the year ended March 31, 2022	
a) Gross amount required to be spent by the Group during the year	20.4	54.9	
b) Amount approved by the Board to be spent during the year	20.4	54.9	
c) Amount spent during the year ending on March 31, 2023		In cash	Yet to be paid in cash
i) Construction/acquisition of any asset		-	-
ii) On purposes other than (i) above	20.4	-	20.4
d) Amount spent during the year ending on March 31, 2022		In cash	Yet to be paid in cash
i) Construction/acquisition of any asset		-	-
ii) On purposes other than (i) above	40.8	-	40.8

e) Details related to spent / unspent obligations:

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust*	20.3	29.1
iii) Unspent amount in relation to:		
- Ongoing project**	-	16.2
- Other than ongoing project	-	-
iv) Contribution to Others	0.1	11.7
	20.4	57.0

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



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Details of ongoing project and other than ongoing project for FY 22-23

In case of S. 135(6) (Ongoing Project)						
Opening Balance*		Amount required to be spent during the year	Amount spent during the year		Closing balance	
With company	In Separate CSR Unspent A/c		From Company's bank a/c	From Separate CSR	With company	In Separate CSR
-	32.9	20.4	20.4	22.5	-	10.4

* Previous year closing balance with company transferred to separate unspent CSR account.

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

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

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

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

37 Income tax expense

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	1,556.2	302.5
Tax adjustment related to earlier years	-	-
Deferred tax charge	1,564.8	349.9
Total Income tax recognised in the current year	Total 3,121.0	652.4

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

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	8,914.6	1,758.1
Income Tax expenses calculated at 34.944%	3,115.1	614.4
Effect of expenses that are not deductible in determining taxable profit	0.2	5.0
Others	5.7	33.0
Income tax expense recognised in statement of profit and loss	3,121.0	652.4

Income tax expense recognised in other comprehensive income

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax benefit		
Arising on income and expenses recognised in other comprehensive income:		
- Remeasurement of defined benefit obligation	(32.1)	(8.8)
- Exchange differences in translating the financial statements of foreign operations	(4.7)	(3.3)
Total Income tax expense recognised in other comprehensive income	(36.8)	(12.1)

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

Items that will not be reclassified to profit or loss	(32.1)	(8.8)
Items that may be reclassified to profit or loss	(4.7)	(3.3)
	(36.8)	(12.1)



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38 Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 4,345 million (As at March 31, 2022 Rs. 1,962 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.

39. **Research and development expenses:**

Capital expenditure incurred during the year for research and development purposes aggregate Rs. 2,145.9 million (previous year Rs. 1,387 million).

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

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
a) In respect of following:		
- Sales tax matters	1,757.7	1,769.1
- Excise duty matters	62.8	62.8
- Service tax matters	15.6	15.7
- Income tax matters	174.9	179.5
b) Claims against the Group not acknowledged as debts	35.5	39.0

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.

41. **Disclosures under Accounting Standard (Employee Benefits)**

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

A. **Defined contribution plans**

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Provident fund *	292.6	279.6
b) Superannuation fund	17.6	19.4
c) Employee State Insurance Corporation	10.7	11.1

*Includes Rs.9.4 million (previous year Rs. 9.1 million) capitalised during the year in intangible assets under development and includes Rs Nil (previous year Rs. Nil) capitalised during the year under pre-operative expenditure pending allocation.

Out of the total contribution made for employees' provident fund, Rs. 97.8 million (previous year Rs. 93.5 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, 2023 is Rs 4,509.1 million as against the total plan assets of Rs. 4,493.4 million. The funds of the trust have been invested under various securities as prescribed under the rules of the trust. Total plan liabilities are still not final as government notification on rate of interest has still not been released.

B. **Defined benefit plans:**

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

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

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



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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, 2023 by Mr.Charan Gupta, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

Principal assumptions:	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Discount rate	7.40%	7.25%
Future salary increase	7.25%	7.00%
Retirement age	58/60 years	58/60 years
Withdrawal rate	1-3%	1-3%
In service mortality	IALM (2012-14)	IALM (2012-14)

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

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows :-		
Service cost		
Current service cost	101.8	92.4
Net Interest expenses	9.3	10.4
Component of defined benefit cost recognised in profit or loss	111.0	102.8
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses arising from changes in financial assumptions	12.8	11.8
Actuarial (gains)/ losses arising from experience adjustments	80.2	13.4
Component of defined benefit cost recognised in Other comprehensive Income	93.0	25.2

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :		
Present Value of funded defined benefit obligation	1,390.9	1,200.9
Fair value of plan assets	1,390.9	1,200.9
Net liability arising from defined benefit obligation	-	-

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

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Movements in the present value of the defined benefit obligation are as follows :-		
Present value of obligation as at the beginning	1,200.9	1,089.5
Volvo Bus India acquisition adjustment	-	-
Current service cost	101.8	92.4
Interest cost	87.1	74.6
Benefits paid	(85.3)	(84.4)
Net actuarial (gain) / loss recognised	86.4	28.8
Present value of obligation as at the end	1,390.9	1,200.9

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

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Reconciliation of opening and closing balances of the present value of fund		
Present Value of fund as at the beginning	1,200.9	1,089.5
Interest income	77.8	64.2
Contribution	204.0	127.9
Net actuarial (gain) / loss recognised	6.6	(3.6)
Benefits paid	(85.3)	(84.4)
Present value of fund as at the end @	1,390.9	1,200.9

@ 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.

Particulars	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Corporate Bonds categorised by issuers' credit rating		
AAA	115.6	64.9
AA	10.2	7.6
A	0.5	2.1
Corporate debt bonds (traditional plan)	353.5	488.3
Equity	29.5	
Government securities / Treasury Bills	784.7	560.6
Money Market	60.8	36.3
Others	36.0	41.1

Significant actuarial assumptions for the determination of the defined obligation are discount rate, 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. 62.1 million (increase by Rs. 67.1 million) (as at March 31, 2022: Decrease by Rs. 56.6 million (increase by Rs. 61.2 million)).

- If the expected salary growth increases (decreases) by 0.5 basis points, the defined benefit obligation would increase by Rs. 66.8 million (decrease by Rs. 62.4 million) (as at March 31, 2022: increase by Rs. 61.1 million (decrease by Rs. 56.9 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, 2023	March 31, 2022
Average duration of the defined benefit obligation (in years)	9.5 Years	9.8 Years

The estimated contribution during next year is Rs. 128.5 million (previous year Rs. 111.5 million) to the defined benefit plan.

42. Earnings per share

Particulars	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Profit after taxation, per statement of profit and loss (Rs. in million)	5,793.6	1,105.7
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)]	579.36	110.57



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43. Financial instruments

43.1 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company has long-term debt and uses to meet its capital requirements.

The Company is not subject to any externally imposed capital requirements

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

The following table summarizes the capital of the Company:

	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Share capital	100.0	100.0
Other equity	40,862.2	35,891.1
	40,962.2	35,991.1

43.2 Categories of financial instruments

Carrying value of the financial instruments are as follows:-

	Rs. in million	
	As at March 31, 2023	As at March 31, 2022
Financial assets carried at fair value through profit and loss (FVTPL)		
Investment in equity instruments	1.4	1.4
Financial assets at amortized cost		
Non-current		
Loans	28.0	26.4
Other financial assets	6,388.9	2,574.6
Current		
Investment in bonds	495.2	-
Trade receivables	23,095.8	20,379.4
Cash and cash equivalents	1,837.1	4,225.9
Loans	33.8	39.5
Other financial assets	3,672.5	2,804.5
Financial liabilities at amortized cost		
Non-current		
Other financial liabilities	84.6	80.4
Current		
Borrowings	3,100.0	346.2
Trade payables	54,040.3	42,245.8
Other financial liabilities	2,602.7	1,973.2

43.3 Fair value measurements

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

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

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

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

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

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

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

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

	Rs. in million	
	Fair value as at	
	March 31, 2023 Level 3	March 31, 2022 Level 3
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity instruments	1.4	1.4

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

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



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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.

43.4 Financial risk management objectives and Policies

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

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

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

Market risk

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

Foreign currency risk management

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

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Foreign currency exposure	As at March 31, 2023		As at March 31, 2022	
	Trade Receivables	Trade Payables	Trade Receivables	Trade Payables
USD	32.0	2.7	36.1	1.3
EURO	2.2	4.1	1.2	3.4
SEK	-	5.3	-	4.7
JPY	2.3	104.5	0.2	72.6
ZAR	53.5	-	-	-
Others	-	36.7	38.8	52.1

in million

Breakup and aging of Foreign Currency Exposure Risk in INR million as on March 31, 2023:

Particulars	Unhedged		Hedged through forward or derivative Total	Natural Hedge	
	<=1 year	>1 year		<=1 year	> 1 year
FCY Receivables					
(i) Exports	2,631.6	20.8	-	415.5	1.2
Total (A)	2,631.6	20.8	-	415.5	1.2
FCY Payables					
(ii) Imports	385.8	8.3	-	415.5	1.2
Total (B)	385.8	8.3	-	415.5	1.2

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.

Currency	As at March 31, 2023		As at March 31, 2022	
	5% increase	5% decrease	5% increase	5% decrease
Receivable				
USD	(131.5)	131.5	(136.1)	136.1
EURO	(9.7)	9.7	(5.0)	5.0
Others	(12.3)	12.3	(10.1)	10.1
Payable				
USD	11.1	(11.1)	5.0	(5.0)
EURO	18.2	(18.2)	14.2	(14.2)
SEK	2.1	(2.1)	1.9	(1.9)
JPY	3.2	(3.2)	6.6	(6.6)
Others	5.9	(5.9)	7.6	(7.6)
Impact on profit or loss as at the end of the reporting period	(112.9)	112.9	(115.9)	115.9
Impact on total equity as at the end of the reporting period	(73.5)	73.5	(75.4)	75.4

Rs. in million

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.



VE COMMERCIAL VEHICLES LIMITED
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Credit risk management

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

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

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

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

Movement in the expected credit loss allowance of financial assets

	Rs. in million	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at beginning of the year	316.6	334.2
Add: Provided during the year	33.6	71.2
Less: others	-	(11.3)
Less: amounts written off	(0.1)	(77.4)
Balance at end of the year	<u>350.2</u>	<u>316.6</u>

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.

Particulars	As at March 31, 2023			Rs. in million
	Less than 1 year	1 Year-5 year	More than 5 years	Total
Non-current				
(i) Borrowings		-		0.0
(ii) Other financial liabilities	-	-	84.6	84.6
Current				
(i) Borrowings	3,100.0	-	-	3,100.0
(ii) Other financial liabilities	2,602.7	-	-	2,602.7

Particulars	As at March 31, 2022			Rs. in million
	Less than 1 year	1 Year-5 year	More than 5 years	Total
Non-current				
(i) Borrowings		778.8		778.8
(ii) Other financial liabilities	-	-	80.4	80.4
Current				
(i) Borrowings	346.2	-	-	346.2
(ii) Other financial liabilities	1,973.2	-	-	1,973.2

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



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44. 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, 2023	166,730.3	22,793.0	189,523.3
For the year ended March 31, 2022	104,121.9	23,122.6	127,244.5

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 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.



45. Related party disclosures under Ind AS 24

a. Related party disclosures

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

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

(ii) Joint venture company

Eicher Group Foundation (EGF)

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

Volvo do Brasil Veiculos Ltda
Renault Trucks SAS
Volvo Group India Private Ltd
Volvo Lastvagnar AB
Volvo Powertrain Corporation
Volvo Bussar AB
AB Volvo Penta
AB Volvo Penta Germany
Volvo Information Technology AB
Volvo Parts AB
Volvo Construction Equipment AB
Thai Swedish Assembly
Volvo Truck Corporation
Volvo Merchandise AB
Volvo Bus Corporation
Volvo Parts Corporation
Volvo Group Middle East FZE
PT Volvo Indonesia
Renault Trucks Gare V1
Renault Trucks Gare 89
Renault Trucks
TMBP Ltd, Thailand
Volvo Group Southern Africa (Pty) Ltd
Volvo Group Singapore (Pte) Ltd
Volvo Financial Services India Pvt Ltd
Volvo Technology AB
Volvo Logistics Corporation
Volvo Group Connected Solutions AB
Volvo CE India Private Limited
Mack Trucks Inc.
Bajaj Allianz General Insurance Company Ltd.
Renault Trucks GARE G2
Renault Trucks Limoges ECH STD
Volvo Group Belgium NV
Volvo Technology AB EUR
Volvo CE Eskilstuna
Volvo Group Korea Co. Ltd.
Volvo Parts Corporation Belgium

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

Eicher Polaris Private Limited (EPPL)

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

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

(vi) Other related parties

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

(vii) Key management personnel

Executive director :

Vinod Aggarwal Managing director, Chief Executive Officer

Non-Executive directors :

Independent Directors

Lila Poonawalla
Inder Mohan Singh

Other Key management personnel :

Praveen Kumar Jain Company Secretary
Ken Trolle Chief Financial Officer (from May 1, 2022)



VE COMMERCIAL VEHICLES LIMITED
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b. Transactions with the above parties

Name of related party	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Investor in respect of which the Company is a joint venture			
Eicher Motors Limited	Sale of finished goods/services	2,442.0	1,540.2
	Dividend paid	408.0	272.0
	Expenses recovered	20.7	17.4
	Expenses reimbursed	-	6.3
Aktiebolaget Volvo (PUBL), Volvo, Sweden	Dividend paid	260.2	173.5
(ii) Joint venture company			
Eicher Group Foundation	Contribution for corporate social responsibility	20.3	28.8
(iii) Entity under the control of co-venturer (AB Volvo)			
Volvo do Brasil Veiculos Ltda	Sale of finished goods / services	1,087.8	46.4
Renault Trucks SAS	Sale of finished goods / services	4,718.8	4,599.8
	Purchase of goods / services	17.8	29.2
	Purchase of capital goods/services	103.1	130.0
Renault Trucks Gare G2	Sale of finished goods / services	0.0	-
Renault Trucks Limoges ECH STD	Purchase of goods / services	0.1	-
Volvo Group India Private Ltd	Sale of finished goods/ services	283.7	179.7
	Expenses recovered	266.1	249.7
	Expenses reimbursed	31.2	15.7
	Purchase of goods/services	19,602.5	12,878.9
	Purchase of capital goods/services	16.5	7.6
	Incentives on parts sale	37.8	27.7
	Others	27.9	247.1
Volvo Powertrain Corporation	Sale of finished goods/ services	10.6	6.7
	Others	2.4	1.8
Volvo Bussar AB	Sale of finished goods/ services	7.7	10.8
	Expenses recovered	-	1.4
AB Volvo Penta	Sale of finished goods/ services	135.0	49.1
AB Volvo Penta Germany	Sale of finished goods/ services	612.2	257.3
Volvo Information Technology AB	Purchase of goods / services	27.1	16.9
Volvo Technology AB	Sale of finished goods/ services	0.1	-
	Purchase of goods / services	8.8	4.8
	Others	72.7	46.4
Volvo Business Services AB	Expenses reimbursed	0.4	-
Volvo Construction Equipment AB	Sale of finished goods / services	2.2	-
Thai Swedish Assembly	Sale of finished goods / services	-	2.0
	Purchase of goods / services	0.5	-
Volvo Truck Corporation	Sale of finished goods / services	683.9	1.1
	Purchase of goods / services	150.1	130.5
	Expenses recovered	280.6	101.8
	Expenses reimbursed	2.0	-
	Dividend	81.8	54.5
	Others	46.2	22.1
Volvo Group Middle East FZE	Sale of finished goods/ services	-	0.6
Renault Trucks Gare V1	Sale of finished goods/ services	3.2	2.9
Renault Trucks Gare 89	Sale of finished goods/ services	3.1	11.6
Volvo Bus Corporation	Sale of finished goods / services	-	1.9
	Purchase of capital goods/services	528.4	6.6
	Expenses recovered	31.3	19.3
Volvo Parts Corporation	Sale of finished goods / services	-	5.8
	Purchase of goods / services	1.0	4.7
Renault Trucks	Sale of finished goods/ services	181.6	185.3



VE COMMERCIAL VEHICLES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

PT Volvo Indonesia	Expenses reimbursed	2.7	5.0
Volvo CE India Private Limited	Sale of finished goods/ services	139.9	146.1
	Expenses reimbursed	7.6	-
TMBP Ltd, Thailand	Sale of finished goods/ services	401.7	246.7
	Purchase of goods / services	22.9	14.3
Volvo Group Southern Africa (Pty) Ltd	Expenses reimbursed	15.2	13.0
Volvo Group Singapore (Pte) Ltd	Expenses reimbursed	7.4	8.7
Volvo Group Belgium NV	Sale of finished goods/ services	8.1	-
Volvo Lastvagnar AB	Sale of finished goods/ services	2,424.4	2,499.8
Volvo Financial Services India Pvt Ltd	Purchase of goods / services	1.6	6.7
Volvo Merchandise AB	Expenses reimbursed	0.4	-
Volvo Logistics Corporation	Expenses Reimbursed	1.2	0.1
Mack Trucks Inc.	Sale of finished goods/ services	7.4	4.6
Volvo Group Connected Solution AB	Purchase of goods/ services	22.3	30.0
Bajaj Allianz General Insurance Company Ltd.	Others	107.9	72.1
Volvo Technology AB EUR	Sale of finished goods/ services	0.4	0.1
Volvo CE Eskilstuna	Sale of finished goods/ services	4.4	-
Volvo Group Korea Co. Ltd.	Sale of finished goods/ services	1.1	-
Volvo Parts Corporation Belgium	Sale of finished goods/ services	8.4	-

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

Eicher Goodearth Private Limited	Expenses reimbursed	21.4	22.0
	Lease rent	110.9	112.6
Eicher Goodearth India Private Limited	Brand fee	707.3	137.3
Shardul Amarchand Mangaldas & Co., Advocates and Solicitors	Purchase of goods/services	0.7	0.2
Neera Aggarwal	Rent paid	0.3	0.3

Name of related party	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
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(vi) Other related parties

Eicher Executive Provident Fund	Contribution made	97.8	93.5
Eicher Tractors Executive Staff Superannuation Fund	Contribution made	17.6	19.6
VECV Employees Group Gratuity Scheme	Contribution made to fund	204.0	128.0
	Benefits paid through fund	85.3	84.4

(vii) Key management personnel

Vinod Aggarwal	Short- term benefits	87.5	81.5
	Post- employment benefits	3.7	2.9
	Other long- term benefits	0.4	0.3
		<u>91.6</u>	<u>58.0</u>
Ken Trolle	Short-term benefits	47.9	32.0
Praveen Kumar Jain	Short- term benefits	7.1	6.6
	Post- employment benefits	0.1	0.1
	Other long- term benefits	0.1	-
		<u>7.3</u>	<u>4.7</u>
Lila Poonawalla	Sitting fees and commission	2.1	1.7
Inder Mohan Singh	Sitting fees and commission	2.3	1.8



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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Balance outstanding at the year end

Name of related party	Nature	As at March 31, 2023	As at March 31, 2022
(i) Investor in respect of which the Company is a joint venture			
Eicher Motors Limited	- Receivables	561.4	419.4
	- Acceptances*	5,927.1	6,767.5
* Represents balance outstanding of bill discounting for VECV vendors. The balance at any point of time during the year was within the overall sanction limit of Rs. 10,000 million.			
(ii) Entity under the control of co-venturer (AB Volvo)			
Volvo do Brasil Veiculos Ltda	- Receivables	241.7	1.3
Renault Trucks SAS	- Receivables	981.8	1,125.4
	- Payables	24.8	4.4
Renault Trucks Limoges ECH STD	- Payables	0.1	-
Volvo Group India Private Ltd	- Receivables	94.3	75.2
	- Payables	2,796.2	2,462.7
Volvo Powertrain Corporation	- Receivables	2.5	1.5
Volvo Bussar AB	- Receivables	2.4	1.9
AB Volvo Penta	- Receivables	29.5	16.1
AB Volvo Penta Germany	- Receivables	60.4	-
Volvo Information Technology AB	- Payables	6.0	0.2
Volvo Technology AB	- Receivables	0.1	0.1
	- Payables	4.4	-
Volvo Business Services AB	- Payables	0.4	-
Volvo Parts corporation	- Receivables	0.4	5.3
	- Payables	0.8	4.8
Volvo Construction Equipment AB	- Receivables	2.2	-
Thai Swedish Assembly	- Receivables	0.3	1.6
Volvo Truck Corporation	- Receivables	148.1	6.3
	- Payables	24.9	33.8
Renault Trucks Gare V1	- Receivables	1.3	0.5
Renault Trucks Gare 89	- Receivables	3.3	10.9
Volvo Bus Corporation	- Receivables	3.9	-
	- Payables	180.9	1.3
Renault Trucks	- Receivables	57.1	50.6
PT Volvo Indonesia	- Payables	5.5	5.2
Volvo CE India Private Limited	- Receivables	76.0	34.2
TMBP Ltd, Thailand	- Receivables	155.6	97.6
	- Payables	2.3	-
Volvo Group Southern Africa (Pty) Ltd	- Payables	6.8	3.8
Volvo Group Singapore (Pte) Ltd	- Payables	0.4	5.0
Volvo Group Belgium NV	- Receivables	5.0	-
Volvo Lastvagnar AB	- Receivables	261.3	459.2
Volvo Merchandise AB	- Payables	0.4	-
Volvo Logistics Corporation	- Payables	1.5	0.3
Mack Trucks Inc.	- Receivables	4.0	4.6



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Bajaj Allianz General Insurance Company Ltd.	- Receivables	1.1	0.1
	- Payables	-	2.2
Volvo Technology AB EUR	- Receivables	0.4	-
Volvo Parts Corporation Belgium	- Receivables	1.1	-
(iii) Entity under the joint control of co-venturer (EML)			
Eicher Polaris Private Limited	- Receivables	-	0.4
(iv) Entity under the control of key management personnel and their relatives			
Eicher Group Foundation	- Receivables	-	2.5
Eicher Goodearth Private Limited	- Security Deposit Receivable	39.1	39.1
	- Payables	1.9	-
Eicher Goodearth India Private Limited	- Payables	707.3	137.3

Notes to the related party transactions

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



VE COMMERCIAL VEHICLES LIMITED
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46. Disclosure in respect of revenue from Customer :

A. Disaggregation of revenue from contracts with customers :

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

For the year ended March 31, 2023

(Rs. in million)			
Segments	Sale of products and related services	Others	Total
Revenue by Geography			
Domestic	162,580.9	1,570.7	164,151.6
Overseas	22,793.0	-	22,793.0
Total revenue from contract with customers	185,373.9	1,570.7	186,944.6
Revenue by major product lines			
Sale of products	183,829.0	799.0	184,628.0
Product related services	1,544.9	771.7	2,316.6
Total revenue from contract with customers	185,373.9	1,570.7	186,944.6
Timing of revenue recognition			
At a point in time	183,829.0	799.0	184,628.0
Over time	1,544.9	771.7	2,316.6
Total revenue from contract with customers	185,373.9	1,570.7	186,944.6
Revenue			
External customer	185,373.9	1,570.7	186,944.6
Inter-segment revenue	-	-	-
Inter-segment adjustments/eliminations	-	-	-
Total revenue from contract with customers	185,373.9	1,570.7	186,944.6

For the year ended March 31, 2022

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

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

Particulars	(Rs. in million)	
	As at March 31, 2023	As at March 31, 2022
Within one year	3,098.2	2,450.1
More than one year	-	-



47. Ratio analysis

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Remarks
Current ratio	Current Assets	Current Liabilities	1.07	1.06	-0.44%	
Debt- Equity Ratio	Total Debt including lease liability	Shareholder's Equity	0.13	0.05	-141.97%	Majorly on account of higher export packing credit (short term) outstanding at year end Rs 3100 millicions (pervious year Rs 346 millions).
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	8.48	2.30	-269.14%	Higher profit as a result of higher sales volume during the year.
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	15%	3%	-385.74%	Higher profit as a result of higher sales volume during the year.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	9.36	7.07	-32.37%	Higher profit as a result of higher sales volume during the year.
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	8.78	7.17	-22.36%	Higher profit as a result of higher sales volume during the year.
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	2.68	2.23	-20.50%	Majorly on account of higher production/purchase during the year.
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	46.67	32.51	-43.53%	Increase in sales was higher than increase in working capital
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.03	0.01	-252.08%	Higher profit as a result of higher sales volume during the year.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax liability	28.0%	7.3%	-280.37%	Higher profit as a result of higher sales volume during the year.



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

Particulars	(Rs. in million)				Total
	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	
Lease liabilities	134.2	393.9	943.6	1,624.5	3,096.2
Total	134.2	393.9	943.6	1,624.5	3,096.2

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

Name of the entity in the	Share of net assets		Share of profit or loss	
	As % of consolidated net assets	Rs. In million	As % of consolidated profit or loss	Rs. In million
Parent				
VE Commercial Vehicles Limited	99.6%	40,800.5	99.4%	5,759.1
Subsidiaries				
VE Electro Mobility Limited	0.0%	-	0.0%	(0.5)
Foreign				
1. VECV South Africa (Pty) Limited	0.4%	161.6	0.6%	37.1
2. V E C V Lanka (Private) Limited	0.0%	0.1	0.0%	(2.1)
	100.0%	40,962.2	100.0%	5,793.6

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 total comprehensive income	Rs. In million
Parent				
VE Commercial Vehicles Limited	82.5%	(59.8)	99.6%	5,698.8
Subsidiaries				
VE Electro Mobility Limited	0.0%	-	0.0%	(0.5)
Foreign				
1. VECV South Africa (Pty) Limited	17.2%	(12.5)	0.4%	24.6
2. V E C V Lanka (Private) Limited	0.3%	(0.2)	0.0%	(2.3)
	100.0%	(72.5)	100.0%	5,721.1

50. Other Statutory Information

- (a) The Company has sanctioned working capital limits amounting to Rs.8,345 million from multiple banks as at March 31, 2023. The security offered is "First Pari-Passu charge by way of hypothecation of the company's entire stock of raw material, semi-finished and finished goods, stores spare other moveable including book debts". In addition, the company has sanctioned unsecured working capital limits of Rs. 11,600 million as at that date. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (b) The Company has applied the borrowed fund for the specific purpose for which it was obtained as at the balance sheet date.
- (c) The Company has not defaulted in on loans payable and have not been declared as wilful defaulter.
- (d) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (e) The Company have not revalued its Property, Plant & Equipments, Intangible Assets and Right to Use Assets during the year.
- (f) The Company do not have any transactions with companies struck off.
- (g) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (h) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (i) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (j) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (k) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (l) The Company has not granted any loans and advances to promoters, directors, KMPs and other related parties (as defined under Companies Act 2012) during the year.
- (m) The Company have complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

51. The subsidiary company V E C V Lanka (Pvt) Ltd. has made a loss of Rs.2 million during the current year (previous year profit of Rs. 4 million) and accumulated loss of Rs.54 million (previous year accumulated loss of Rs. 52 million) as at the reporting date. Further the government of Sri Lanka has decided to stop import of Completely Build Unit (CBU) and instead allow import of Semi Knocked-down (SKD) assemblies to promote the local industry and employment. The subsidiary Company currently imports CBU. These conditions indicate the existence of material uncertainty which may cast significant doubt's on the company's ability to continue as a going concern.

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



- 52. The Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 53. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiaries.
- 54. Previous year's figures have been recast/regrouped wherever necessary to conform to the current year presentation.

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

Per **Sanjay Vij**
 Partner
 Membership no.: 095169



Place : Gurugram
 Date : May 09, 2023



Praveen Jain
 Company Secretary
 M No. 3524

Ken Trulle
 Chief financial Officer

For and on behalf of the Board of Directors

Vinod Aggarwal
 Managing Director and
 Chief Executive Officer
 DIN: 00038906

**Jochim Henry
 Rosenberg**
 Director
 DIN: 06391543

Siddhartha Lal
 Chairman and Director
 DIN: 00037645