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INDEPENDENT AUDITOR'S REPORT - AUDIT

To	<i>Price Waterhouse & Co Chartered Accountants LLP - Chennai office</i>
From	BDO UK LLP
Date	10 May 2023
Subject	Independent auditor's report on the special purpose financial information (reporting package) of Optare PLC for period ending 31 March 2023

To *Price Waterhouse & Co Chartered Accountants LLP - Chennai office*

Opinion

As requested in your group audit engagement instructions dated 08 March 2023, we have audited, for purposes of your audit of the consolidated financial statements of Ashok Leyland Limited, the special purpose financial information of Optare PLC as of 31 March 2023 and for the year then ended of the accompanying financial reporting package of Ashok Leyland Limited. This special purpose financial information has been prepared by management of Optare PLC solely to enable Ashok Leyland Limited to prepare its consolidated financial statements.

In our opinion, the special purpose financial information of Optare PLC (the Component) as of 31 March 2023 and for the year then ended was prepared in all material respects, in accordance with the instructions issued by Ashok Leyland Limited's management on 08 March 2023 and the policies contained in the Ashok Leyland Limited's disclosed accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Information* section of our report. We are independent of the Component in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of Accounting and Restriction on Use and Distribution

This special purpose financial information has been prepared by management of Optare PLC for purposes of providing information to Ashok Leyland Limited to enable it to prepare the consolidated financial statements of the group. As a result, the special purpose financial information is not a complete set of financial statements of Optare PLC in accordance with the Indian Accounting Standards (Ind AS) and is not intended to present fairly, in all material respects, the financial position of Optare PLC as of 31 March 2023, and of its financial performance, and its cash flows for the year then ended in accordance with the Indian Accounting Standards (Ind AS). As a result, the special purpose financial information may not be suitable for another purpose.

Our report is intended solely for Price Waterhouse & Co Chartered Accountants LLP and should not be distributed to or used by parties other than Price Waterhouse & Co Chartered Accountants LLP. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Special Purpose Financial Information

Management is responsible for the preparation and presentation of the special purpose financial information in accordance with the instructions issued by Ashok Leyland Limited's management on 08 March 2023 and the policies contained in the Ashok Leyland Limited's disclosed accounting policies, and for such internal control as management determines is necessary to enable the preparation of the special purpose financial information that are free from material misstatement, whether due to fraud or error. This special purpose financial information has been prepared solely to enable Ashok Leyland Limited to prepare its consolidated financial statements.

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

Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the special purpose financial information as a whole is 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 ISAs 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 special purpose financial information.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. As requested, our audit procedures also include the additional procedures identified in your instructions. As requested by you, we plan and perform our audit using the component materiality level specified in your instructions, which is different than the materiality level that we would have used had we been designing the audit to express an opinion on the financial information of the Component alone. We also:

- Identify and assess the risks of material misstatement of the special purpose financial information, 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, but not for the purpose of expressing an opinion on the effectiveness of the Component's internal control.
- Evaluate the appropriateness of accounting policies in accordance with the instructions issued by Ashok Leyland Limited's management on 08 March 2023 and the policies contained in the Ashok Leyland Limited's disclosed accounting policies 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 evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Component'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 special purpose financial information, 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 Component to cease to continue as a going concern.

We communicate with those charged with governance of Optare PLC 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.

APPENDIX K - ISA (IAASB)

The conclusions reached in forming our opinion are based on the component materiality level specified by you in the context of the audit of the consolidated financial statements of the group.

Component engagement partner's name	Arbinder Chatwal
Component engagement partner's signature	<div>DocuSigned by: <i>Arbinder Chatwal</i> 3177D3FAB4224F0...</div>
Component auditor's firm and address	BDO UK LLP, Southampton
Date	10 May 2023

Optare PLC
Consolidated balance sheet as at March 31, 2023

Particulars	Note No.	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	281.90	70.64
Capital work-in-progress	1.1	82.39	24.98
Goodwill		-	-
Other Intangible assets	1.2	149.08	145.80
Intangible assets under development	1.2	33.97	16.58
Right To use Asset	1.3	76.78	49.80
Financial Assets			
(i) Investments	1.4	-	-
(ii) Trade receivables	1.5	2.21	-
(iii) Loans	1.6	-	-
(i) Other financial assets	1.7	6.90	2.03
Deferred tax assets (net)	1.30a	34.54	14.38
Advance tax assets (net)	1.9	0.44	0.01
Other non-current assets	1.8	2.16	0.26
		670.37	324.48
Current assets			
Inventories	1.10	314.42	176.47
Financial Assets			
(i) Investments	1.11	-	-
(i) Trade receivables	1.12	66.87	14.19
(ii) Cash and cash equivalents	1.13	101.67	129.62
(iv) Bank balances other than (iii) above	1.13B	6.20	16.00
(v) Loans	1.14	-	-
(iii) Other financial assets	1.15	164.52	31.69
Contract Assets	1.16	8.14	2.62
Other current assets	1.17	265.73	173.03
		927.55	543.62
Assets classified as held for sale	1.17A	-	-
		1,597.92	868.10
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1.18	899.37	899.37
Other equity	1.19	(1,504.73)	(1,213.59)
Equity Attributable to parent		(605.36)	(314.22)
Non controlling interest		(7.83)	(1.67)
		(613.19)	(315.89)
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1.20	548.81	-
(i) Lease liabilities		75.86	46.08
(ii) Other financial liabilities	1.21	-	-
Provisions	1.23	39.58	21.03
Deferred tax liabilities (net)	1.30b	-	-
Contract liabilities	1.22	-	-
Other non-current liabilities	1.22	13.68	-
		677.93	67.11
Current liabilities			
Financial liabilities			
(i) Borrowings	1.24	942.63	543.40
(ii) Trade payables	1.25		
a) Total outstanding dues of Micro and Small Enterprises		0.49	0.57
b) Total outstanding dues of creditors other than Micro and Small Enterprises		393.85	164.81
(iii) Lease Liabilities		13.90	11.53
(iv) Other financial liabilities	1.26	42.30	289.33
Contract liabilities	1.27	58.30	66.24
Other current liabilities	1.29	61.64	10.29
Provisions	1.31	20.07	30.71
Current tax liabilities (net)			
		1,533.18	1,116.88
TOTAL EQUITY AND LIABILITIES		1,597.92	868.10

The accompanying notes form an integral part of the consolidated financial statements

Optare PLC

Consolidated statement of Profit and Loss for the period ended March 31, 2023

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
		Rs. Crores	Rs. Crores
Income			
Revenue from operations	2.1	222.14	243.94
Other income	2.2	7.58	0.08
Total Income		229.72	244.02
Expenses			
Cost of materials and services consumed		215.56	129.63
Purchases of stock-in-trade		0.45	16.84
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.3	(42.25)	35.57
		173.76	182.04
Employee benefits expense	2.4	259.69	233.30
Finance costs	2.5	85.00	24.31
Depreciation and amortisation expense	2.6	93.29	42.23
Other expenses	2.7	191.63	137.04
Total Expenses		803.37	618.92
Profit before exchange (loss) on swap contracts, exceptional items and tax		(573.65)	(374.90)
Exchange (loss) on swap contracts		-	-
Profit before exceptional items and tax		(573.65)	(374.90)
Exceptional items	2.8	(29.09)	-
Profit before tax		(602.74)	(374.90)
Tax expense:			
Current tax		-	-
Deferred tax - Charge/ (Credit)	-	19.95	(14.38)
		(19.95)	(14.38)
Net Profit / (Loss) for the year		(582.79)	(360.52)
Other Comprehensive Income			
- Translation difference	-	26.38	3.02
- Defined benefit pension scheme		(0.75)	
Total Other Comprehensive Income		(27.13)	3.02
Total Comprehensive Income for the year		(609.92)	(357.50)
Profit or loss attributable to Owners		(576.98)	(357.94)
Non Controlling Interest		(5.81)	(2.58)
		(582.79)	(360.52)
Other Comprehensive Income			
Owners		(26.78)	3.02
Non Controlling Interest		(0.35)	-
		(27.13)	3.02
Total Comprehensive Income for the year			
Owners		(603.76)	(354.92)
Non Controlling Interest		(6.16)	(2.58)
		(609.92)	(357.50)
Earnings per share (Face value Re.1 each) -			
-Basic (in Rs.)	-	0.06	(0.04)
-Diluted (in Rs.)	-	0.06	(0.04)

The accompanying notes form an integral part of the consolidated financial statements

Optare PLC
Consolidated statement of Cash flows for the year ended March 31, 2023

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
Cash flow from operating activities		
Profit for the year - before tax	(602.74)	(374.90)
Adjustments for :		
Depreciation, amortisation and impairment	75.80	33.21
Depreciation of right-of-use asset	17.49	9.02
Foreign exchange loss/ (gain)	(3.38)	3.02
Loss / (Profit) on sale of Property, plant and equipment (PPE) and intangible assets - net	(0.82)	0.34
Finance costs	85.00	24.31
Interest income	(0.39)	-
Payments of Lease Liability	14.54	9.42
Cashflow translation difference (average rate P&L vs closing rate BS)	(23.75)	0.91
Operating profit before working capital changes	(438.28)	(294.87)
Adjustments for changes in :		
Trade receivables	(54.89)	104.30
Inventories	(137.95)	(8.85)
Non-current and current financial assets	(137.70)	(33.72)
Contract assets	(5.52)	(2.62)
Other non-current and current assets	(95.03)	(111.41)
Trade payables	228.98	97.71
Non-current and current financial liabilities	62.57	23.39
Contract liabilities	(7.94)	64.73
Other non-current and current liabilities	65.03	(0.21)
Other non-current and current provisions	7.91	13.30
Cash generated from operations	(512.82)	(148.05)
Income tax paid (net of refund)	-	-
Net cash (used in)/ from operating activities	[A] (512.82)	(148.05)
Cash flow from investing activities		
Purchase of PPE, Intangible assets & right to use assets	(409.58)	(91.53)
Proceeds on sale of PPE and intangible assets	0.79	2.39
Interest income	0.39	-
Net cash from/ (used in) investing activities	[B] (408.40)	(89.14)
Cash flow from financing activities		
Proceeds from issue of equity shares*	-	-
Proceeds from issues of shares to non-controlling interest	52.49	135.59
Proceeds from borrowings	621.11	228.48
Proceeds from loans received from related parties	285.89	-
Repayments of borrowings	-	(33.68)
Payments of Lease Liability	(14.54)	(9.42)
Interest paid	(61.49)	(24.31)
Net cash (used in) financing activities	[C] 883.46	296.66
Net cash Inflow / (Outflow)	[A+B+C] (37.75)	59.47
Opening cash and cash equivalents	145.62	86.15
Exchange fluctuation on foreign currency bank balances	-	-
Closing cash and cash equivalents [Refer Note 1.13 to the standalone financial statements]	107.87	145.62

Notes:

The accompanying notes form an integral part of the consolidated financial statements

A. Equity Share Capital

Balance at the beginning of April 1, 2021	Changes in equity share capital during the year	Balance at the end of March 31, 2022	Changes in equity share capital during the period	Balance at the end of March 31, 2023
899.37	-	899.37	0.00	899.37

B. Other Equity

Particulars	Shares Pending Allotment	Reserves and Surplus							Attributable to owners of the Company	Non-controlling interests
		Capital Reserve	Securities Premium	Capital Redemption Reserve	Debt Redemption Reserve	Cash flow hedge reserve	Preference share reserve	Foreign currency translation reserve	Retained Earnings	
Balance at the beginning of April 1, 2021	-	-	-	-	-	-	-	(13.36)	(884.62)	(888.18)
Pursuant to business combination	-	(96.08)	-	-	-	-	-	-	135.59	39.51
Adjusted balance at the beginning of the year	-	(96.08)	-	-	-	-	-	(13.36)	(749.23)	(858.67)
Transition adjustment on account of adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-
Change in shareholding between owners and non controlling interest	-	-	-	-	-	-	-	-	(357.94)	0.91
Profit for the year	-	-	-	-	-	-	-	3.02	-	(2.58)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	3.02	(357.94)	-
Balance at the end of March 31, 2022	-	(96.08)	-	-	-	-	-	(10.34)	(1,107.17)	(1,677)
Profit for the year	-	-	-	-	-	-	-	-	(576.98)	(5.81)
Other comprehensive income	-	-	-	-	-	-	-	(26.78)	-	(0.35)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(26.78)	(576.98)	(6.16)
Transactions with owners:	-	-	-	-	-	-	-	-	-	-
Recognition on conversion of slump sale liability to Preference share	-	-	-	-	-	-	260.13	-	-	260.13
Change in shareholding between owners and non controlling interest - capital investment	-	-	-	-	-	-	-	-	52.49	52.49
Balance at the end of March 31, 2023	-	(96.08)	-	-	-	-	260.13	(37.12)	(1,631.66)	(1,504.73)

The accompanying notes form an integral part of the consolidated financial statements

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS													Rs. Gross
DESCRIPTION	GROSS CARRYING AMOUNT (COST)						DEPRECIATION / AMORTISATION						NET CARRYING AMOUNT
	01.04.2022	Adjustments	Additions	Acquisition through business combination	Exchange	Disposals	Up to 31.03.2022	Adjustments	Charge during the year	Exchange	Disposals	31.03.2023	
Property, plant and equipment (PPE)													31.03.2023
Freehold land			42.55		2.94		45.49						45.49
Buildings			2.34				2.34		0.14			0.14	2.20
Leasehold property improvements	13.75		0.76		0.42		14.93	12.24	0.10	0.38		12.72	2.21
Plant and equipment	43.90		12.74		1.39		58.02	33.99	2.74	1.12		37.95	20.17
Furniture and fittings	4.67		3.73		0.14		8.54	1.40	0.74	0.05		2.19	6.35
Vehicles	70.59		160.77		0.78		232.14	23.79	12.80	0.68		37.07	165.07
Computer equipment	19.47	(8.41)	2.53		0.37		13.96	10.32	(5.21)	0.27		8.99	5.27
Office Equipment			5.84		0.05		5.89		0.75			0.75	5.14
								81.74	20.38	2.50		99.41	267.90

Notes:

- a) The title relating to 40 vehicles which was acquired through a business combination during previous year which is in the name of the selling entity and are yet to be transferred in the name of the Company. Gross value of such assets are Rs.23.12 Crores
b) These additions represents vehicles transferred from inventories for fleet operations given to customers
c) Refer Note 3.11 for secured loans over Property, Plant and Equipment pledged as security by the Group.

Capital work-in-progress	01.04.2022	Additions	Acquisition through business combination (Refer Note 3.20)	Capitalised during the year	Exchange	31.03.2023
Capital work in progress	74.98	236.67		(231.28)	2.00	82.39

CWIP Ageing Schedule

Amount in CWIP for a period of	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	82.39	-	-	-	82.39

Note:
There are no projects as Capital Work In Progress as at 31 March 2022, whose completion is overdue or cost of which has exceeded in comparison to its original plan.

1.1a PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

DESCRIPTION	GROSS CARRYING AMOUNT (COST)							DEPRECIATION / AMORTISATION						Rs. Crores
	01.04.2021	Adjustments	Additions	Acquisition through business combination	Exchange	Disposals	31.03.2022	Up to 31.03.2021	Adjustments	Charge during the year	Exchange	Disposals	Up to 31.03.2022	NET CARRYING AMOUNT
Property, plant and equipment (PPE)														31.03.2022
Leasehold property improvements	13.41		0.83		(0.99)		13.75	10.99						
Plant and equipment	39.83	39.06	2.10	7.74	(1.43)	(43.40)	43.90	37.78	34.55	4.57	0.39	(43.40)	12.24	1.51
Furniture and fittings	6.15		0.37	0.28	(0.14)	(1.99)	4.67	2.51		0.88		(1.99)	33.39	9.91
Tooling	39.06	(39.06)							(34.55)				1.40	3.27
Vehicles	38.66		8.92	29.12	(2.48)	(3.93)	70.59	19.41		5.87	(0.36)	(1.13)	23.79	-
Computer equipment	15.17		4.60	0.38	(0.30)	(0.38)	19.47	8.48		2.38	(0.16)	(0.38)	10.32	46.80
TOTAL	152.58	-	16.82	37.52	4.34	(49.70)	152.38	113.72	-	15.22	0.30	(48.90)	81.74	70.64

Capital work-in-progress	01.04.2021	Acquisition through business combination	Capitalised during the year	Exchange	31.03.22
Capital work-in-progress		24.98			24.98

CWIP Ageing Schedule

Amount in CWIP for a period of	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	24.98				24.98
Projects temporarily suspended					

Rs. Crores

1.2 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

DESCRIPTION	GROSS CARRYING AMOUNT (COST)					DEPRECIATION / AMORTISATION					Rs. Crores NET CARRYING AMOUNT
	01.04.2022	Adjustment	Additions	Acquisition through business combination	Exchange	Disposals	31.03.2023	Charge during the year	Exchange	Disposals	31.03.2023
Intangible assets											
Computer software											
- Developed	6.86	8.41	2.56				6.96	2.17			3.23
- Acquired	0.96					0.03	11.96	1.65			7.15
Others											
Technical knowhow											
- Developed	83.24		24.48		3.37	(0.76)	110.33	37.80	3.03	(0.76)	84.56
- Acquired	107.08		28.09		0.36		135.53	13.80	0.36		20.66
TOTAL	198.14	8.41	55.13	-	3.73	(0.73)	284.68	55.42	3.39	(0.76)	115.60

Employee expenses capitalised Rs. 29.88 crores (2021-2022: Rs. 3.31 crores) - Refer Notes 2.4

DESCRIPTION	Capitalised during the year				31.03.2023
	01.04.2022	Adjustments	Additions	Exchange	
Intangible assets under development					
Intangible assets under development	16.58		72.40	(55.13)	0.12
					33.97

Intangible assets under development

Amount in IAU for a period of	one than 3 years			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	2.70	5.56		8.26
Projects temporarily suspended	25.71			25.71

Notes:

a) Intangibles under development includes 2 R&D projects. The cost includes to those that are relating to the development phase on these projects.

b) There are no projects as intangible assets under development as at 31 March 2023 and 31 March 2022, whose completion is overdue or cost of which has exceeds in comparison to its original plan.

(c) There were R. 25.71 Crores of suspended projects provided with accelerated depreciation as these assets are no longer going to yield future benefits.

1.2a OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

DESCRIPTION	GROSS CARRYING AMOUNT (COST)						DEPRECIATION / AMORTISATION						Rs. Crores
	01.04.2021	Adjustments	Additions	Acquisition through business	Exchange	Disposals	Up to 31.03.2021	Adjustment	Charge during the year	Exchange	Disposals	Up to 31.03.22	
Intangible assets													
Computer software													
- Developed				6.86					1.08	(0.02)		1.06	5.80
- Acquired				0.96					0.30	(0.01)		0.29	0.67
Others													
Technical knowhow													
- Developed	132.94	(6.96)	2.75	107.08	(0.52)	(44.97)	79.74		9.96	(0.23)	(44.98)	44.49	38.75
- Acquired									6.65	(0.15)		6.50	100.58
TOTAL	132.94	(6.96)	2.75	114.90	(0.52)	(44.97)	79.74	-	17.93	(0.41)	(44.98)	52.34	145.80
Employee expenses capitalised Rs. 3.31 crores (2020-2021: Rs. 3.41 crores) • Refer Notes 2.4													

Employee expenses capitalised Rs. 3.31 crores (2020-2021: Rs. 3.41 crores) - Refer Notes 2.4

DESCRIPTION	Other Intangible Assets					31.03.22
	01.04.2021	Additions / Adjustments	Acquisition through business combination	Capitalised during the year	Reclassification	Exchange
Intangible assets under development						
Intangible assets under development		16.58				16.59

Amount in INR for a period of	Less than 1 year			2-3 years		More than 3 years	
	Projects in progress	16.58					Total
a) Intangibles under development includes 4 R&D projects. The cost includes to those that are relating to the development phase on these projects.							16.58

Optare PLC

Notes annexed to and forming part of the consolidated financial statements

Description	Gross carrying amount					Depreciation/Amortisation					Net Carrying Amount
	01.04.2022	India lease adjustment current year	Additions	Disposals	Exchange	31.03.2023	01.04.2022	Charge during the year	Disposals	Exchange	31.03.2023
Right of use asset											
			44.74		2.81	112.25	20.03	16.16		1.05	37.24
Building	67.39	- 2.69			0.13	5.46	2.24	1.33		0.12	3.69
Vehicle	4.68		0.65				22.27	17.49	-	1.17	40.93
Total	72.07	- 2.69	45.39		2.94	117.71					

Note :

1. A range from 2% - 8% discounting rates have been used for the purpose of computing right to use assets

2. Rental amount per annum ranges from Rs 5 Crores to Rs 0.1 Crores

3. The lease period ranges from 5 to 17 years over which the right to use asset is depreciated on a straight line basis.

4. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

5. Escalation clause - the percentage of escalation is NIL

Notes annexed to and forming part of the consolidated financial statements

Gross carrying amount							Depreciation/Amortisation					Net Carrying Amount
Description	01.04.2021	Additions	Disposals	Exchange	31.03.2022	Upto 31.03.2021	Charge during the year	Disposals	Exchange	31.03.2022	31.03.2022	
Right of use asset	-	-	-	-	-	-	-	-	-	-	-	
Building	56.64	10.21	-	1.02	1.58	67.39	13.69	7.69	1.02	0.33	20.03	47.36
Plant and Machinery	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle	4.11	0.54	-	0.31	0.34	4.68	1.32	1.33	0.37	0.04	2.24	2.44
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	60.75	10.75	-	1.33	1.90	72.07	15.01	9.02	1.39	0.37	22.27	49.80

1.5 NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(Unsecured)

Considered good
Related parties (Refer Note 3.8)
Others

As at March 31, 2023	As at March 31, 2022
Rs. Crores	Rs. Crores
-	-
2.21	-
2.21	-
No prior quarter or period comparatives.	

See aged debtor analysis in note 1.12

1.7 NON-CURRENT - OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

a) Security Deposits

As at March 31, 2023	As at March 31, 2022
Rs. Crores	Rs. Crores
6.90	2.03
-	-
6.90	2.03

1.8 OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

a) Prepayments under operating leases

b) Capital Advances

Advances to related parties (Refer Note 3.8)

Considered good

Considered doubtful

Others

Considered good

Considered doubtful

Less: Allowance for doubtful advances

	As at March 31, 2023	As at March 31, 2022
	Rs. Crores	Rs. Crores
	-	-
	-	-
	-	-
	-	-
	2.16	0.26
	-	-
	-	-
	2.16	0.26
	2.16	0.26

1.9 NON-CURRENT INCOME TAX ASSETS (NET)	As at March 31, 2023	As at March 31, 2022
	Rs. Crores	Rs. Crores
Advance income tax (net of provision)	0.44	0.01
	0.44	0.01
CURRENT TAX ASSETS		
Advance income tax (net of provision) #	-	-
	-	-

mainly represents tax refund receivable on account of conclusion of assessments/ litigations.

1.10 INVENTORIES

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
(a) Raw materials and components	225.65	133.03
(b) Work-in-progress	14.96	19.80
(c) Finished goods	68.21	18.63
(d) Stock-in-trade	5.60	5.01
	314.42	176.47

Amount of inventories recognised as an expense and write down of inventories during the year are Rs. 173.76 crores (2021-2022: Rs. 182.04 crores). Goods in transit included above are Rs. 3.19 crores (2021-2022: Rs. 3.43 crores).

The group availed Working Capital facility and other non fund based facilities namely Bank Guarantee, Letter of Credit etc., some of which are secured by hypothecation of inventories. At year end March 23 amounts of Work-in-progress at costs totalled Rs. 0.17 Crores (2021-2022: Rs. 0.17 Crores).

	As at March 31, 2023	As at March 31, 2022
	Rs. Crores	Rs. Crores
1.12 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
(Unsecured)		
Considered good	12.01	-
Related parties	54.86	14.19
Others	66.87	14.19
Significant increase in credit risk		
Others	19.68	20.26
	19.68	20.26
Less: Loss allowance	(19.68)	(20.26)
	66.87	14.19

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Related Parties								
(i) Undisputed Trade receivables – considered good			8.74	3.27				12.01
(ii) Undisputed Trade Receivables – which have significant increase in credit risk								-
(iii) Undisputed Trade Receivables – credit impaired								-
(iv) Disputed Trade Receivables – considered good								-
(v) Disputed Trade Receivables – which have significant increase in credit risk								-
(vi) Disputed Trade Receivables – credit impaired								-
Others								-
(i) Undisputed Trade receivables – considered good			34.36	0.62	2.21			37.19
(ii) Undisputed Trade Receivables – which have significant increase in credit risk			19.68					19.68
Total			82.98	3.89	2.21			69.08

Comparative trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Related Parties								
(i) Undisputed Trade receivables – considered good								-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk								-
(iii) Undisputed Trade Receivables – credit impaired								-
(iv) Disputed Trade Receivables – considered good								-
(v) Disputed Trade Receivables – which have significant increase in credit risk								-
(vi) Disputed Trade Receivables – credit impaired								-
Others								-
(i) Undisputed Trade receivables – considered good			13.69	0.50	2.68			14.19
(ii) Undisputed Trade Receivables – which have significant increase in credit risk			17.28					20.26

Notes :

1. Movement in loss allowance is as follows:

	Mar-23	Mar-22
Opening	20.26	18.14
Pursuant to business combination		
Additions/Transfers	2.39	0.47
Utilisations / Reversals	2.01	1.65
Closing	19.68	20.26

2. These are carried at amortised cost.

3. For details of assets given as security against borrowings - Refer Note 3.13.

There are no trade or other receivable which are either due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

5 Trade receivables are non-interest bearing and are generally on terms of 15 to 30 days.

1.13 A. CASH AND CASH EQUIVALENTS

i) Balance with banks:

a) In current accounts

b) In deposit accounts *

ii) Cash and stamps on hand

As at
March 31, 2023
Rs. CroresAs at
March 31, 2022
Rs. Crores

97.16

129.15

4.50

0.38

0.01

0.09

101.67**129.62****1.12 B. BANK BALANCES OTHER THAN (A) ABOVE**

i) Unclaimed dividend accounts (earmarked)

- in Deposit accounts (earmarked) #
- Margin money against bank guarantee

6.20

16.00

ii) In deposit accounts

6.20**16.00**

* This represents deposits with original maturity of less than or equal to 3 months.

This represents deposits with original maturity of more than 3 months and remaining maturity less than 12 months.

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
1.15 CURRENT FINANCIAL ASSETS - OTHERS (Unsecured, considered good unless otherwise stated)		
a) Security deposits	1.69	17.27
b) Employee advances	0.04	0.02
c) Others (includes expenses recoverable, etc.)		
Subsidy receivable*	155.50	14.40
Other Receivable	7.20	-
Less: Allowance for doubtful amount	162.70	14.40
	162.70	14.40
	164.52	31.69

*Subsidy represents amount receivable from both Central and State Government on completion of milestone as specified in the relevant notification issued by the respective

1.16 CONTRACT ASSETS

Unbilled revenue (Refer note 3.7)
Related party (Refer note 3.8)
Other

As at March 31, 2023	As at March 31, 2022
Rs. Crores	Rs. Crores
0.66	2.62
7.48	
8.14	2.62

1.17a OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
a) Supplier advances - Considered good Considered doubtful	137.15	107.84
Less: Allowance for doubtful advances	137.15	107.84
	137.15	107.84
b) Balances with customs, port trust, central excise etc.	78.06	13.69
c) VAT debtor	14.03	19.62
d) Prepayments	35.54	30.97
e) Other debtors	0.16	0.91
f) Other receivable related parties	0.79	-
	265.73	173.03

Note:

All supplier advances considered good at this time. Therefore no allowance required.
No movement in allowance for doubtful advances as no allowance in current or prior year

1.18 EQUITY SHARE CAPITAL

Authorised
96,210,291,827 Equity Shares

Issued
96,210,291,827 Equity Shares

Subscribed and fully paid up
96,210,291,827 Equity Shares

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
	899.37	899.37
	899.37	899.37
	899.37	899.37
	899.37	899.37
	899.37	899.37
	899.37	899.37
	899.37	899.37

amount is below rounding off norms adopted by the group
Notes:

- Reconciliation of number of equity shares subscribed
Balance as at the beginning of the year
Add: Issued during the previous year pursuant to business combination
Issued during the year
Balance as at end of the period

	Mar-23	March 2022
	96,21,02,91,827	96,21,02,91,827
	-	-
	96,21,02,91,827	96,21,02,91,827

- Shares Issued in preceding 5 years
a) The Company had issued and allotted the following: 2,000,000,000 ordinary shares during the year 2017-18; 11,000,000,000 ordinary shares during the year 2019-20; and 22,750,000,000 ordinary shares in the year 2020-21.

	88,15,37,04,162	88,15,37,04,162
--	-----------------	-----------------

- Shares held by the Holding Company - No change in year

- Shareholders other than the Holding Company holding more than 5% of the equity share capital

	7,50,00,00,000	7,50,00,00,000
--	----------------	----------------

Hinduja Automotive Ltd

- Rights, preferences and restrictions in respect of equity shares and GDRs issued by the Company

Shares held by promoters at the end of the year				% Change during the year
S. No	Promoter name	No. of Shares**	% of total shares**	
	Ashok Leyland Limited	88,15,37,04,162	91.83%	0%
	Hinduja Automotive Ltd	7,50,00,00,000	7.80%	0%
		95,65,37,04,162	99.42%	0%
Total				

1.19 OTHER EQUITY		As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
a	Capital Reserve	[A] (96.08)	(96.08)
b	Cash Flow Hedge Reserve	-	-
c	Foreign currency monetary item translation difference	(37.12)	(10.34)
d	Retained Earnings	(1,631.66)	(1,107.17)
e	Preference Share Reserve	[B] 260.13	-
		(1,504.73)	(1,213.59)

Refer "Statement of Changes in Equity" for additions / deletions in each reserve.

- A Capital reserve represents consideration paid over and above the net assess taken over pursuant to the business combinations accounted as per IND AS 103 in the previous year.
- B The company has issued 8.5% 301,00,000 Non-Convertible Redeemable preference shares to M/s.Ashok Leyland Limited (ultimate Holding Company) redeemable on or before 20 years. These preference shares are fair valued as per Accounting Standard 109 Financial Instruments at a discount rate of 10.5% and the equity component amounting to Rs.260.13 Crores was recognised in Other Equity and the liability component of Rs.41.04 CRORES is disclosed under financial liability and measured at amortised cost, until it is redeemed. Also refer note 1.16 (b). The carrying amount of equity is not measured in subsequent years.

As at March 31, 2023	As at March 31, 2022
Rs. Crores	Rs. Crores
548.81	-
548.81	-

1 These are carried at amortised cost.

2 Refer Note 1.24 for current maturities of non-current borrowings.

3 Refer Note 3.11 for security and terms of the borrowing

4 Refer Note 3.6 for details on debt covenants.

5 The Company has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreem

6 The Company is not declared as a wilful defaulter by any bank or financial institution or government or any go

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
1.22 CONTRACT LIABILITIES		
Income received in advance (Refer note 3.7)	-	-
	-	-
OTHER NON-CURRENT LIABILITIES		
Others	13.68	-
Cheque due on June 2024 from Spanish entity	13.68	-

1.23 NON-CURRENT PROVISIONS

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
a) Provision for employee benefits		
i. Compensated absences	1.17	1.03
ii. Others including post retirement benefits	-	-
Others		
i. Product warranties	38.41	20.00
c) Provision for other contingencies		
i. Others (including litigation matters)	-	-
	39.58	21.03

Note:

Movement in Provision for product warranties is as follows :

Particulars	Mar-23	Mar-22
Opening	20.00	20.00
Net movement from short term . See note 1.28	18.41	-
Closing	38.41	20.00

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products which range from 1 to 5 years

1.24 CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
Secured borrowings		
Loans from banks (includes cash credit, packing credit, etc)	335.43	276.85
Unsecured borrowings		
Short term loans from banks	280.27	264.55
Preference Share Capital	41.04	-
Loans from related parties	285.89	-
	<u>942.63</u>	<u>543.40</u>

Note:

1. These are carried at amortised cost.
2. Refer Note 3.12 for security and terms of the borrowings.
3. Refer Note 3.6 for details of debt covenants.
4. The Company has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements.
5. Net debt reconciliation:

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
Cash and cash equivalents	107.87	
Non Current borrowings	548.81	
Preference shares	41.04	
Leases	89.76	
Current borrowings	901.96	
Interest Accrued on borrowings	-	
Net debt	<u>1,689.44</u>	
Other assets		
cash and bank overdraft	86.15	350.16
Net debt as at March 31, 2021		497.50
Recognised on adoption of Ind As 116		-
Cash flows (net)	59.47	193.24
Interest expense		255.13
Interest paid		23.12
		24.31
		(23.12)
		(24.31)
Net debt as at March 31, 2022	<u>145.62</u>	<u>543.40</u>
Recognised on adoption of Ind As 116		746.63
Cash flows (net)	37.75	335.05
Interest expense		919.30
Interest paid		81.91
		85.00
		(58.40)
		(61.49)
Net debt as at March 31, 2023	<u>107.87</u>	<u>901.96</u>
		<u>1,689.44</u>

1.25 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 3.14)	0.49	0.57
b) Total outstanding dues of creditors other than Micro and Small	393.85	164.81
	<u>394.34</u>	<u>165.38</u>

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.16	0.33				0.49
(ii) Others	60.58	199.18	0.32			260.08
(iii) Related Parties		133.77				133.77
(iv) Disputed dues - Others						-

Comparative Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME			0.35			154.45
(ii) Others	130.06	24.04				11.28
(iii) Related Parties		11.28				-
(iv) Disputed dues - Others						-

a) Trade payables are recognised at amortised cost

b) Payment towards trade payables is made as per the terms and conditions of the contract / purchase orders. Generally, the average credit period on purchases is 0 to 90 days.

c) Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing.
- For explanations on the Company's credit risk management processes, refer to Note 3.4 A

1.26 CURRENT - OTHER FINANCIAL LIABILITIES	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
a) Interest accrued but not due on borrowings	0.37	-
b) Employee benefits	9.91	3.25
c) Capital creditors	2.92	-
d) Derivatives designated in hedging relationships	-	-
e) Slump sale - related party, capitalised to pref share	-	277.82
f) Others *	25.08	8.26
Of which are related parties	4.02	
	42.30	289.33

* Includes:

- Accrued expenses / liabilities Switch India

27.33

- Accrued expenses / liabilities Switch UK

1.77

Notes:

1. Refer Note 3.5 for security and terms of the borrowings.

Company Name

Notes annexed to and forming part of the standalone financial statements

	As at March 31, 2023	As at March 31, 2022
	Rs. Crores	Rs. Crores
1.27 CONTRACT LIABILITIES		
Income received in advance	-	-
Advance from customers - other	52.36	66.24
Advance from customers - related parties	5.94	
	58.30	66.24

Refer Note 3.7 for disclosures relating to revenue from contracts with customers

	As at March 31, 2023	As at March 31, 2022
	Rs. Crores	Rs. Crores
1.28 CURRENT PROVISIONS		
a) Provision for employee benefits		
i. Compensated absences	1.89	2.06
b) Others		
i. Product warranties	18.18	28.65
	20.07	30.71

1. Movement in Provision for product warranties is as follows :

Particulars	Mar-23	Mar-22
Opening	28.65	16.40
Additions	56.19	54.04
Moved Long Term - see note 1.23	(18.41)	-
Utilisation	(48.25)	(41.79)
Closing	18.18	28.65

This provision is recognised once the products are sold. The estimated provision takes into account historical information, frequency and average cost of warranty claims and the estimate regarding possible future incidence of claims. The provision for warranty claims represents the present value of management's best estimate of the future economic benefits. The outstanding provision for product warranties as at the reporting date is for the balance unexpired period of the respective warranties on the various products

Company Name

Notes annexed to and forming part of the standalone financial statements

1.29 OTHER CURRENT LIABILITIES

a) Statutory liabilities

b) Others (from Spanish entity)

c) Accrued gratuity

As at March 31, 2023	As at March 31, 2022
Rs. Crores	Rs. Crores
39.91	10.29
21.14	-
0.59	-
61.64	10.29

1.30a DEFERRED TAX ASSETS (NET)

- i) Deferred tax (liabilities)
- i) Deferred tax assets

As at March 31, 2023	As at March 31, 2022
Rs. Crores	Rs. Crores
(4.99)	
39.53	14.38
34.54	14.38

1.30b DEFERRED TAX LIABILITIES (NET)

- i) Deferred tax liabilities

As at March 31, 2023	As at March 31, 2022
Rs. Crores	Rs. Crores
-	-

2.1 REVENUE FROM OPERATIONS

	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Crores	Rs. Crores
a) Sale of products	120.38	173.51
- Commercial vehicles		
- Spare parts and others	54.30	54.99
(A)	174.68	228.50
b) Sale of services	48.42	16.48
(B)		
c) Other operating revenues		
- Grant income	0.31	0.08
- Export incentives	0.18	0.11
- Scrap sales		0.05
- Others	0.49	0.24
(C)		
(A+B)	223.59	245.22
Less: Rebates and discounts	(1.45)	(1.28)
	222.14	243.94

2.2 OTHER INCOME

	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Crores	Rs. Crores
a) Interest income from		
i. Loans to related parties (Refer Note 3.8)	-	-
ii. Others	0.39	0.01
b) Dividend income from		
i. Current investments	-	-
ii. Non-current investments (Refer Note 3.8)	-	-
c) Profit on sale of investments - net		
i. Current investments	-	-
ii. Non-current investments	-	-
Other non-operating income		
Profit/(loss) on sale of Property, Plant and Equipment (net)	0.82	(0.34)
ii. Foreign exchange gain (net)	-	-
iii. R&D tax credit	6.25	-
iv. Income from subleasing right of use assets		
v. Gains or losses arising from sale or leaseback transactions;		
vi. Others	0.12	0.41
	7.58	0.08

**2.3 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE
AND WORK-IN-PROGRESS**

Changes in inventories
- Finished goods and stock-in-trade
- Work-in-progress

Net change

Year ended March 31, 2023	Year ended March 31, 2022
Rs. Crores	Rs. Crores
(46.83)	(4.09)
4.58	39.66
(42.25)	35.57

2.4 EMPLOYEE BENEFITS EXPENSE

a) Salaries and wages

b) Contribution to defined contribution retirement benefit schemes

c) Staff welfare expenses

Less: Expenses capitalised

Year ended March 31, 2023	Year ended March 31, 2022
Rs. Crores	Rs. Crores
275.62	232.31
7.45	1.93
6.50	2.22
289.57	236.46
(29.88)	(3.16)
259.69	233.30

2.5 FINANCE COSTS

	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Crores	Rs. Crores
a) Interest expense and other borrowing costs	82.03	23.12
b) Interest on leases	2.97	1.19
	85.00	24.31

2.6 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Crores	Rs. Crores
A) Property, plant and equipment		
(i) Leasehold property improvements	0.10	1.42
(ii) Plant and equipment	2.74	4.67
(iii) Furniture and fittings	0.74	0.88
(iv) Vehicles	12.60	5.87
(v) Office equipment	0.75	-
(vi) Buildings	0.14	-
(vii) Computers	3.31	2.38
(A)	20.38	15.22
B) Intangible assets		
(i) Computer software		
- Developed	2.17	0.90
- Acquired	1.65	0.35
Technical knowhow		
- Developed	37.80	10.09
- Acquired	13.80	6.65
(B)	55.42	17.99
C) Amortisation of right to use asset	17.49	9.02
(A + B+C)	93.29	42.23

2.7 OTHER EXPENSES

	Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
Consumption of stores and tools	4.19	2.01
Power and fuel	11.21	3.28
Rent	5.53	3.37
Repairs and maintenance		
- Buildings	0.40	0.13
- Plant and machinery	6.44	2.08
Insurance	7.84	4.53
Rates and taxes, excluding taxes on income	4.43	3.51
Research and development	14.62	6.97
Service and product warranties	48.25	41.79
Selling and administration expenses - net	124.16	75.35
Annual maintenance contracts	0.14	0.01
Impairment loss allowance / write off on trade receivable (net)	(2.39)	0.47
Travelling & conveyance	-	-
Legal & Professional business	-	-
	224.82	143.50
Less: Expenses capitalised	(33.19)	(6.46)
	191.63	137.04

2.8 EXCEPTIONAL ITEMS

	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Crores	Rs. Crores
Potential liability due to accidental damage	29.09	-
	<u>29.09</u>	<u>-</u>

Notes annexed to and forming part of the standalone financial statements

3.1 Income taxes relating to continuing operations

3.1.1 Income tax recognised in profit or loss

Current tax

In respect of the current year

	Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
	-	-
A	-	-

Deferred tax

In respect of the current year

Adjustments to deferred tax attributable to changes in tax rates and laws

	(19.95)	(14.38)
B	(19.95)	(14.38)

Total income tax expense recognised in profit or loss (A + B)

	(19.95)	(14.38)
--	---------	---------

3.1.2 Income tax expense for the year reconciled to the accounting profit:

Profit before tax

Income tax rate

Income tax expense

Effect of previously unrecognised and unused tax losses and deductible temporary differences

Effect of concessions and other allowances

Effect of exceptional items, disallowances and reversals (net)

Effect of different tax rates of branches operating in overseas jurisdictions

Effects of other timing differences

Income tax expense recognised in profit or loss

	Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
	(602.74)	(374.90)
	19%	4%
	(114.52)	
	94.57	14.38
	(19.95)	14.38

Notes annexed to and forming part of the standalone financial statements

3.1.4 Analysis of deferred tax assets / liabilities:

	Rs. Crores			
March 31, 2023	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Property, Plant & Equipment and intangible assets	14.38	(19.37)		(4.99)
Right-of-use asset	-			-
Lease Liability	-			-
Voluntary retirement scheme compensation	-			-
Expenditure allowed upon payments	-			-
Unused tax credit (MAT credit entitlement)	-			-
Cash flow hedges	-			-
Other temporary differences	-			-
Unused tax losses / unabsorbed depreciation	-	39.53		39.53
	14.38	20.16	-	34.54
March 31, 2022	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Property, Plant & Equipment and intangible assets		14.38		14.38
Right-of-use asset				
Lease Liability				
Voluntary retirement scheme compensation				
Expenditure allowed upon payments				
Unused tax credit (MAT credit entitlement)				
Cash flow hedges				
Other temporary differences				
Unused tax losses / unabsorbed depreciation				
	-	14.38	-	14.38

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, unused tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and unused tax credits could be utilised.

Optare PLC

Notes annexed to and forming part of the standalone financial statements

3.1.5 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
- Unused tax losses (capital)	(2,050.54)	(1,293.08)
	<u>(2,050.54)</u>	<u>(1,293.08)</u>

Notes:

- 1 These will expire in various years upto 2026-27.
- 2 The above are gross amounts on which appropriate tax rates would apply.

Notes annexed to and forming part of the standalone financial statements

3.2 Retirement benefit plans**3.2.1 Defined contribution plans**

Payments to defined contribution plans i.e., Company's contribution to superannuation fund, employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

The total expense recognised in profit or loss of Rs. 7.45 crores (2021-22: Rs. 1.93 crores) represents contribution paid/ payable to these schemes by the Company at rates specified in the schemes.

3.2.2 Defined benefit plans

The Company has an obligation towards gratuity as per payment of gratuity act, 1972, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at the time of retirement, separation, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company makes annual contributions through trusts to a funded gratuity scheme administered by the Life Insurance Corporation of India.

Eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined benefit plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions are made to the provident fund and pension fund set up as irrevocable trusts by the Company. The interest rates declared and credited by trusts to the members have been higher than / equal to the statutory rate of interest declared by the Central Government.

Company's liability towards gratuity (funded), provident fund, other retirement benefits and compensated absences are actuarially determined at the end of each reporting period using the projected unit credit method as applicable.

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

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes annexed to and forming part of the standalone financial statements**3.2 Retirement benefit plans (continued)****3.2.3 The principal assumptions used for the purposes of the actuarial valuations were as follows:**

	As at March 31, 2023	As at March 31, 2022
Gratuity	7.14%	7.36%
Discount rate	10.00%	5.50%
Expected rate of salary increase	2.40	4.14
Average Longevity at retirement age - past service	4.40	15.94
Average Longevity at retirement age - future service	22.00%	3.00%
Attrition rate		
Compensated absences		7.36%
Discount rate	7.14%	5.50%
Expected rate of salary increase	10.00%	3.00%
Attrition rate	22.00%	
Other defined benefit plans		
Discount rate		

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

3.2.4 Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

	Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
Gratuity	0.28	0.16
Current service cost	(0.03)	0.62
Net interest expense / (income)	0.25	0.78
Components of defined benefit costs recognised in profit or loss		
<u>Remeasurement on the net defined benefit liability comprising:</u>		
Actuarial (gain)/loss arising from changes in financial assumptions	0.79	0.48
Actuarial (gain)/loss arising from experience adjustments	(0.03)	0.01
Actuarial (gain)/loss on plan assets	-	-
	0.76	0.49
Components of defined benefit costs recognised in other comprehensive income		
	1.00	1.27
Total		

The current service cost and the net interest expense for the year are included in "contribution to provident and other funds" and "Salaries and wages" under employee benefits expense in profit or loss (Refer Note 2.4).

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

	As at March 31, 2023 Rs. Crores	As at March 31, 2022 Rs. Crores
Gratuity		
Present value of defined benefit obligation	2.72	1.64
Fair value of plan assets	2.13	1.97
Net liability / (asset) arising from defined benefit obligation	0.59	(0.33)
Compensated absences and other defined benefit plans		
Present value of defined benefit obligation	1.63	1.15
Fair value of plan assets		
Net liability arising from defined benefit obligation	1.63	1.15

Gratuity is reflected in other current asset in case of Net asset and reflected in "Accrued gratuity" under other current liabilities in case of Net liability and compensated absences is reflected in "Provision for employee benefits" under provisions. (Refer Notes 1.23 & 1.28)

Notes annexed to and forming part of the standalone financial statements**3.2 Retirement benefit plans (continued)****3.2.6 Movements in the present value of the defined benefit obligation were as follows:**

	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Crores	Rs. Crores
Gratuity		
Opening defined benefit obligation		
Current service cost	1.63	0.99
Interest cost	0.28	0.16
Actuarial (gain)/loss arising from changes in financial assumptions	0.11	0.07
Actuarial (gain)/loss arising from experience adjustments		
Benefits paid	0.95	0.48
	(0.26)	(0.06)
Closing defined benefit obligation	2.72	1.64
Compensated absences and other defined benefit plans		
Opening defined benefit obligation		
Current service cost	1.15	-
Addition pursuant to business combination	0.49	0.23
Actuarial (gain)/loss arising from changes in financial assumptions	-	0.92
Actuarial (gain)/loss arising from experience adjustments	-	-
Benefits paid	-	-
Closing defined benefit obligation	1.63	1.16

3.2.7 Movements in the fair value of the plan assets were as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Crores	Rs. Crores
Gratuity		
Opening fair value of plan assets		
Interest on plan assets	1.97	1.84
Remeasurements due to Actual return on plan assets less interest on plan assets	0.14	
Transfer in from AL	0.03	(0.01)
Contributions	0.16	
Benefits paid	0.07	0.19
	(0.26)	(0.06)
Closing fair value of plan assets	2.13	1.96

The Company funds the cost of the gratuity expected to be earned on a yearly basis to Life Insurance Corporation of India, which manages the plan assets.

The actual return on plan assets was Rs. 18 crores (2020-21: Rs.27.57 crores).

3.2.8 Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period.

	As at March 31, 2023	As at March 31, 2022
	Rs. Crores	Rs. Crores
Compensated absences		
If the discount rate is 50 basis points higher/lower, the defined benefit obligation would:		
decrease by		
increase by	0.05	0.02
If the expected salary increases/decreases by 50 basis points, the defined benefit obligation would:	0.05	0.08
increase by		
decrease by	0.06	0.08
	0.05	0.02

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation, since the above analysis are based on change in an assumption while holding other assumptions constant. In practice, it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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 each reporting period, which is the 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 previous year.

Optare PLC**Notes annexed to and forming part of the standalone financial statements****3.3 Earnings per share**

	Year ended March 31, 2023 Rs.	Year ended March 31, 2022 Rs.
Basic earnings per share	(0.06)	(0.04)
Diluted earnings per share	(0.06)	(0.04)
Face value per share		

3.3.1 Basic earnings per share

	Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
Profit for the year attributable to equity shareholders	(582.79)	(360.52)

	Year ended March 31, 2023 Nos.	Year ended March 31, 2022 Nos.
Weighted average number of equity shares used in the calculation of basic earnings per share	96,21,02,91,827	96,21,02,91,827

3.3.2 Diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows:

	Year ended March 31, 2023 Rs. Crores	Year ended March 31, 2022 Rs. Crores
Profit for the year attributable to equity shareholders	(582.79)	(360.52)

	Year ended March 31, 2023 Nos.	Year ended March 31, 2022 Nos.
Weighted average number of equity shares used in the calculation of basic earnings per share	96,21,02,91,827	96,21,02,91,827

Adjustments :

Dilutive effect - Number of shares relating to employee stock options

Weighted average number of equity shares used in the calculation of diluted earnings per share

96,21,02,91,827	96,21,02,91,827
-----------------	-----------------

3.4 Share based payments**3.4.1 Details of employees stock option plan of the Company**

The Company has Employees Stock Options Plan (ESOP) scheme granted to employees which has been approved by the shareholders of the Company. In accordance with the terms of the plan, eligible employees may be granted options to purchase equity shares of the Company if they are in service on exercise of the grant. Each employee share option converts into one equity share of the Company on exercise at the exercise price as per the scheme. The options carry neither rights to dividend nor voting rights. Options can be exercised at any time from the date of vesting to the date of their expiry.

The following share based payment arrangements were in existence during the current or prior year:

Option series	Number	Grant date	Expiry date	Exercise price Rs.	Fair value at grant date Rs.

None held for the year ended 31 March 2023 and 31 March 2022

Optare PLC

Notes annexed to and forming part of the standalone financial statements

3.5 Lease arrangements

Non-cancellable operating lease commitments

	Year ended March 31, 2023	Year ended March 31, 2022
Not later than 1 year	13.90	11.53
Later than 1 year but not later than 5 years	53.80	42.40
Later than 5 years	22.06	3.68

Company has applied following practical expedients for the purpose of lease on initial recognition :

- 1) Single discount rate has been applied for leases with same characteristics.
- 2) Non - lease component which are difficult to be separated from the lease components are taken as the part of lease calculation.
- 3) Short term leases i.e. leases having lease term of 12 months or less had been ignored for the purpose of calculation of right-of-use asset.

Expenses for the year ended March 31, 2023 includes lease expense aggregating to Rs.5.53 crores (March 31, 2022: Rs.3.37 crores) which are not required to be recognised as part of the practical expedient under Ind AS 116 'Leases' mentioned above.

Notes annexed to and forming part of the standalone financial statements**3.6 Financial Instruments****3.6.1 Capital management**

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual master planning and budgeting and five year's corporate plan for working capital, capital outlay and long-term product and strategic involvements. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Company.

	March 31, 2023	March 31, 2022
	Rs. Crores	Rs. Crores
Debt (long-term and short-term borrowings and lease liabilities net off effective interest rate adjustment)	1,581.20	601.01
Total Equity	(613.19)	(315.89)
Debt equity ratio	(2.58)	(1.90)

The quarterly returns or statements of current assets filed by the Company with Banks and Financial Institutions are in agreement with the books of account.

The Company is required to comply with certain covenants under the facility agreements executed for its borrowings, which were either complied or consent obtained for continuing the facility.

3.6.2 Financial risk management

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.

The Company uses derivative financial instruments to hedge risk exposures in accordance with the Company's policies as approved by the board of directors.

(A) Market risk

Market risk represent changes in market prices, liquidity and other factors that could have an adverse effect on realisable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Notes annexed to and forming part of the standalone financial statements

3.6 Financial Instruments continued...

(1) Foreign currency risk management:

The Company undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Company actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, through a centralised treasury division and uses derivative instruments such as foreign currency forward contracts and currency swaps to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by Management.

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

As on March 31, 2023 (all amounts are in equivalent Rs. in Crores):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	4.91		4.91	0.76		0.76	(4.16)
EUR	1.61		1.61	0.09		0.09	(1.52)
GBP			-			-	-
JPY	1.16		1.16			-	(1.16)
SGD			-			-	-
Others	1.46		1.46			-	(1.46)

As on March 31, 2022 (all amounts are in equivalent Rs. in Crores):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	6.99		6.99			-	(6.99)
EUR	15.13		15.13	0.01		0.01	(15.12)
GBP			-			-	-
JPY	1.35		1.35			-	(1.35)
SGD			-			-	-
Others	0.71		0.71			-	(0.71)

Notes annexed to and forming part of the standalone financial statements

3.6 Financial Instruments continued...

Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's export proceeds, import payments and cost of borrowings.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents Management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on the other components of equity arises from foreign currency forward contracts designated as cash flow hedges. The following table details the Company's sensitivity movement in the increase / decrease in foreign currencies exposures (net):

		Rs Crores	
		USD impact	
		March 31, 2023	March 31, 2022
Profit or loss		(0.08)	0.14
Equity			
		EUR impact	
		March 31, 2023	March 31, 2022
Profit or loss		(0.03)	0.30
Equity			
		GBP impact	
		March 31, 2023	March 31, 2022
Profit or loss			
Equity			
		JPY impact	
		March 31, 2023	March 31, 2022
Profit or loss		(0.02)	0.03
Equity			
		SGD impact	
		March 31, 2023	March 31, 2022
Profit or loss		-	
Equity			
		Impact of other currencies	
		March 31, 2023	March 31, 2022
Profit or loss		(0.03)	0.01
Equity			

3.6 Financial Instruments continued...**(2) Interest rate risk management:**

The Company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

The exposure of company's borrowings to interest rate changes at the end of the reporting period are as follows:

	March 31, 2023 Rs. Crores	March 31, 2022 Rs. Crores
Variable rate borrowings excluding preference shares	1,450.40	543.40
	1,450.40	543.40

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/ lower, the Company's profit / loss for the year ended March 31, 2023 would decrease / increase by Rs.3.63 crores (March 31, 2022 decrease / increase by Rs. 0.91 crores). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

(3) Foreign currency and interest rate sensitivity analysis for swap contracts:

The Company has not taken foreign currency and interest rate swap (FCIRS) contracts for hedging its foreign currency and interest rate risks related to certain external commercial borrowings.

Notes annexed to and forming part of the standalone financial statements

3.6 Financial Instruments continued...

(4) Equity price risk:

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. The fair value of some of the Company's investments exposes the Company to equity price risks. In general, these securities are not held for trading purposes.

(B) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee cover is taken. The Company operates predominantly on cash and carry basis excepting sale to State Transport Undertaking (STU), Government project customers based on tender terms and certain export customers which are on credit basis. The average credit period is in the range of 7 days to 90 days. However, in select cases, credit is extended which is backed by Security deposit/ Bank guarantee/ Letter of credit and other forms. The Company's trade and other receivables consists of a large number of customers, across geographies, hence the Company is not exposed to concentration risk except in case of a STU.

The Company makes a loss allowance using simplified approach for expected credit loss and on a case to case basis.

Expected credit loss for other than trade receivables has been assessed and based on life-time expected credit loss, loss allowance provision has been made. The ageing on trade receivable is given in note 1.10.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

3.6 Financial Instruments continued...

(C) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital limits from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures, and other debt instruments. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks.

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2023	March 31, 2022
	Rs. Crores	Rs. Crores
Banks and other loans		
- Secured	66.58	10.00
- Unsecured		0.40
Total	66.58	10.40

Further to the above, the Company has an option to issue commercial paper for an amount of Rs. Nil crores (March 31, 2022 Rs. Nil crores). The Company also constantly monitors funding options available in the debt and capital markets with a view to maintain financial flexibility.

The table below summarises the maturity profile remaining contractual maturity period at the balance sheet date for its non-derivative financial liabilities based on the undiscounted cash flows.

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Rs. Crores Total
March 31, 2023				
Trade payables	394.02	0.32		394.34
Other financial liabilities	42.30			42.30
Borrowings and interest accrued	1,002.43	414.49	74.89	1,491.81
Lease liabilities	14.62	57.78	28.24	100.64
	1,453.37	472.59	103.13	2,029.09
March 31, 2022				
Trade payables	165.38			165.38
Other financial liabilities	289.33			289.33
Borrowings	543.40			543.40
Lease liabilities	11.53	42.40	3.68	57.61
	1,009.64	42.40	3.68	1,055.72

As there is no expected credit loss on the financial guarantees given to group companies, the Company has not recognised a liability towards financial guarantee as at the end of the reporting period. Accordingly, not included in the above table.

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Notes annexed to and forming part of the standalone financial statements

3.6 Financial Instruments continued...

No interest swaps

The table below summarises the maturity profile for its derivative financial liabilities based on the undiscounted contractual net cash inflows and outflows on derivative liabilities that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

	Rs. Crores
	Due in 1st year
	Due in 2nd to 5th year
	Carrying amount

March 31, 2023

Currency and interest rate swaps
Foreign exchange forward contracts

-	-
-	-

March 31, 2022

Currency and interest rate swaps
Foreign exchange forward contracts

-	-
-	-

Notes annexed to and forming part of the standalone financial statements**3.6 Financial Instruments****3.6.3 Categories of Financial assets and liabilities:**

	As at March 31, 2023	Rs. Crores As at March 31, 2022
Financial assets		
<u>a. Measured at amortised cost:</u>		
Investments (net of impairment)	101.67	145.62
Cash and cash equivalents		
Other bank balances		
Trade Receivables (net of allowance)	66.87	14.19
Loans (net of allowance)		
Others (net of allowance)	171.42	33.72
<u>b. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):</u>		
Investments		
Derivatives designated in hedge accounting relationships		
Financial liabilities		
<u>a. Measured at amortised cost:</u>		
Borrowings	1,491.44	543.40
Trade Payables	394.34	165.38
Other financial liabilities	42.30	289.33
Lease liabilities	89.76	57.61
<u>b. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):</u>		
Derivatives designated in hedge accounting relationships		

3.6.4 Fair value measurements:

(A) Financial assets and liabilities that are not measured at fair values but in respect of which fair values are as follows:

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes annexed to and forming part of the standalone financial statements

3.7 Revenue from contracts with customers:

3.7.1 Disaggregated revenue information

Particulars	March 31, 2023		March 31, 2022	
	Rs. Crores		Rs. Crores	
Type of goods and service				
a) Sale of products				
- Commercial vehicles		120.38		173.51
- Engines and gensets				
- Ferrous castings and patterns				
- Spare parts and others		54.30		54.99
		174.68		228.50
b) Sale of services				
- Freight and Insurance				
- Annual Maintenance Contracts				
- Warranty services				
- Others		48.42		16.48
		48.42		16.48
c) Other operating revenues				
- Scrap sales		0.18		0.11
- Others		0.31		0.05
		0.49		0.16
Less: Rebates and discounts		(1.45)		(1.28)
Total revenue from contract with customers		222.14		243.86
India		75.20		4.18
Outside India		146.94		239.68
Total revenue from contract with customers		222.14		243.86
Timing of revenue recognition				
Particulars	March 31, 2023		March 31, 2022	
	At a point in time	Over a period of time	At a point in time	Over a period of time
- Sale of products and other operating revenue	163.00	12.17	228.66	
- Sale of Services - Freight and Insurance				
- Sale of Services - Annual Maintenance Contracts, warranty services and others		48.42	4.88	11.60
Less: Rebates and discounts	(1.45)		(1.28)	
Total revenue from contract with customers	161.55	60.59	232.26	11.60

Notes annexed to and forming part of the Standalone Financial Statements

3.7.2 Contract balances

	March 31, 2023	March 31, 2022
	Rs. Crores	Rs. Crores
Trade receivables (Refer Note 1.4 & 1.10)	66.87	14.19
Contract assets (Refer Note 1.14)	0.66	2.62
Contract liabilities (Refer Notes 1.19 & 1.25)	71.98	66.24

Trade receivables are non - interest bearing and are generally on terms of 7 to 90 days (Refer Credit risk Note 3.6.2 (B)).

Contract liabilities Includes advance received from customers and Income received in advance arising due to allocation of transaction price towards freight and insurance services on shipments not yet delivered to customer and unexpired service warranties. The decrease in contract liabilities is due to decrease in unexpired service warranties and decrease in volumes/revenue.

3.7.3 Revenue recognised in relation to contract liabilities

	March 31, 2023	March 31, 2022
	Rs. Crores	Rs. Crores
Revenue recognised from contract liabilities at the beginning of the year	66.24	1.51
Revenue recognised from performance obligations satisfied in previous years		

3.7.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price Particulars

	March 31, 2023	March 31, 2022
	Rs. Crores	Rs. Crores
Contracted price	223.59	245.22
Adjustments		
Rebates and discounts	(1.45)	(1.28)
Revenue from contract with customers	222.14	243.94

3.8 Related party disclosure

a) List of parties where control exists

Ultimate Holding company

Hinduja Automotive Limited, United Kingdom

Holding Company

Ashok Leyland Limited

b) Other related parties

Fellow subsidiaries

Hinduja Tech Ltd

Ashok Leyland (UAE) LLC

Ashok Leyland (UAE) LLP

HTL

VBCL

GTVS

HLF Service

Subsidiaries

Switch Mobility Limited

Switch Mobility Automotive Limited

Switch Mobility Europe S.L

Optare Australia Pty Limited - dissolved January 2023

Ohm International Mobility Limited

Ohm Global Mobility Limited

Key management personnel

Mr. Mahesh Babu Subramanian, CEO & Director

Dr. Andrew C Palmer (CEO, up to November 3, 2022)

Paul Jones, CFO

Abhijit Mukhopdabay, company secretary

Note:

c) Related Party Transactions - summary

Transactions during the year ended March 31	Subsidiaries		Fellow Subsidiaries		Holding Company		Ultimate Holding Company		Key Management Personnel		Total	
	2023		2022		2023		2022		2023		2022	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Purchase of raw materials, components and traded goods (net of GST/ CENVAT / VAT)	44.99				111.35						156.34	-
Sales and services (net of excise duties/GST)					28.11	5.76					28.11	5.76
Other operating income					14.76	50.01	0.24				21.83	56.08
Other expenditure incurred / (recovered) (net)	2.10		4.74	6.05								-
Advance / current accounts - net increase / (decrease)					38.11	11.90					38.11	11.90
Interest and other income												-
Purchase of assets												-
Sale of asset												-
Dividend payments												-
Dividend income									4.39		4.39	-
Remuneration to key management personnel												-
Commission and sitting fees to key management personnel												-
Financial guarantees utilised												-
Financial guarantees released												-
Loan interest paid to Ultimate Holding Company								0.01				0.01
Allotment of shares to Holding Company												-
Loans/ Advance converted to Investment in equity instruments					280.13						280.13	-
Disposal of Investments												-
Share application money given												-
Loan converted to equity												-
Financial Guarantees received from Holding company												-
Financial Guarantees closed from Holding company		49.12					56.92				56.92	49.12
Allotment of shares to Ultimate Holding Company		277.82										277.82
Loans taken from Holding Company							131.63	0.36			131.63	0.36
Loans taken from Ultimate Holding Company								0.36				0.36
Loans repaid to Ultimate Holding Company							1.80				1.80	-
Interest Expense												-
VAT & Deferred Duty re VAT												-
Group			0.12								0.12	
Import charges			4.11								4.11	
Others												-
	47.09	326.94	8.98	6.05	452.46	67.67	190.59	0.73	4.39	-	703.50	407.39

Rs. Crores

Optare PLC

Notes annexed to and forming part of the standalone financial statements

3.8 Related party disclosure continued...

d) Related Party balances - summary

Rs. Crores

	Subsidiaries		Fellow Subsidiaries		Holding Company		Ultimate Holding Company		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Balances as on March 31										
1 Trade receivables (Refer Note 1.4 and 1.12)					12.01				12.01	-
2 Loans (Refer Note 1.20 & 1.24)		277.82			200.00		85.89		285.89	277.82
3 Other financial and non-financial assets			0.79						0.79	-
4 Trade and other payables (1.25)			6.99	2.51	124.56	8.76	2.23		133.77	11.27
6 Current Financial Liabilities			0.48		1.74		1.80		4.02	-
7 Preference shares					301.00				301.00	
8 Contract assets					0.66				0.66	
9 Contract liabilities					5.94				5.94	-
Total	-	277.82	8.26	2.51	645.91	8.76	89.92	-	744.09	289.09

3.8 Related party disclosure continued...

e) Significant Related Party Transactions

	Rs. Crores	
Transactions during the year ended March 31	2023	2022
Purchase of raw materials, components and traded goods (net of GST)	158.34	
Sales and services (net of GST)		
Ashok Leyland Limited	28.11	5.76
Other Operating Income		
Other expenditure incurred / (recovered) (net)		
Ashok Leyland Limited	18.99	50.01
Ashok Leyland (UAE) LLP	0.28	2.40
Hinduja Automotive Limited, United Kingdom	0.24	-
Hinduja Tech Limited	6.56	3.65
Interest and other income		
Interest paid		
Hinduja Automotive Limited, United Kingdom		0.01
Ashok Leyland Limited	38.11	11.90
Financial guarantees issued		
Investment in shares of by HAL	56.92	
Payable slump sale		
Ashok Leyland Limited		277.82
Loans taken from		
Hinduja Automotive Limited, United Kingdom	131.63	0.36
Loans repaid to		
Hinduja Automotive Limited, United Kingdom		0.36
Loan converted into equity	260.13	
Interest expense balance sheet		
Ashok Leyland Limited	1.80	
Remuneration to key management personnel	4.39	
	703.50	

f. Details of loans (excluding interest accrued) as required under regulation 53(1)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations

Name of the company	March 2023			March 2022		
	Status	Outstanding amount	Maximum loan outstanding during the year	Investment in shares of the Company	Status	Outstanding amount
None held						

* During the year, loan outstanding, has been converted to investment in equity shares

g. Disclosure as required under section 186(4) of the Companies Act, 2013:

Rs. Crores			
Particulars	As at March 31, 2023	As at March 31, 2022	Maximum amount outstanding during the year
i) Loans outstanding - Optare plc	85.89		
			Funding for operations

The terms are in compliance with Section 186(7) of the Companies Act, 2013.

Notes annexed to and forming part of the standalone financial statements

3.9	Contingent liabilities	As at March 31, 2023	As at March 31, 2022 March 31,2022
	a) Claims against the Company not acknowledged as debts (net)		
	b) Corporate guarantees given to others for loans taken by subsidiaries and a joint venture company		
	Future cash outflows in respect of the above are determinable only on receipt of judgement / decisions pending with various forums / authorities.		
	Notes : No contingent liabilities		

Optare PLC

Notes annexed to and forming part of the standalone financial statements

3.10 Commitments

	As at March 31, 2023	As at March 31, 2022
a) Capital commitments (net of advances) not provided for (Switch India)	14.52	7.11
b) Uncalled liability on partly paid shares / investments [Refer Note 1.3]	-	-

3.10.1 Information relating to subsidiaries

Details of the Group's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest	
			As at Mar 31, 2023	As at March 31, 2022
Optare UK Limited	Supplying kits of passenger vehicles	UK	100.00%	100.00%
Switch Mobility Limited	Manufacturer of passenger vehicles	UK	98.42%	100.00%
Switch Mobility Automotive Limited	Manufacturer of passenger vehicles	IND	98.42%	98.89%
Switch Mobility Europe S.L	Manufacturer of passenger vehicles	SPN	98.42%	98.69%
Ohm International Mobility Limited	Dormant	UK	80.00%	0.00%
Optare Australia PTY Limited	Dormant	AUS	98.42%	100.00%

3.10.2 Information relating to subsidiaries

Goodwill	As at March 31, 2023	As at March 31, 2022
	Rs. Crores	Rs. Crores
Gross Goodwill at the beginning of the year	87.65	81.35
Exchange	0.78	6.30
Recognised during the year	-	-
Gross Goodwill at the end of the year	88.43	87.65
Opening accumulated impairment	87.65	81.35
Exchange	0.78	6.30
Impairment during the year	-	-
Closing accumulated impairment	88.43	87.65
Carrying amount of Goodwill	-	-

Goodwill arose on the 2008 purchase of Jamesstan Investments Limited. The Directors consider there is only one cash-generating unit ("CGU"), being the whole group.

The Directors carried out an impairment review of the goodwill and the net investments in subsidiaries, using the same forecasts and assumptions used in the going concern review. Based on this review, the Directors concluded in 2018 full impairment of goodwill was required. No change has been made in the current year.

Information relating to subsidiaries (Continued)

Details of non wholly-owned subsidiaries that have material non-controlling interests:

The table below shows details of non wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Total comprehensive income allocated to non-controlling interests		Accumulated non-controlling interests	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
Switch Mobility Limited	Leeds, UK	1.58%	1.11%	(8.18)	(2.58)	(7.83)	(1.67)
		1.58%	0.01	(8.18)	(2.58)	(7.83)	(1.67)

No material non-controlling interest.

3.11 Details of all borrowings:

	As at March 31, 2023			Particulars of Redemption / Repayment	As at March 31, 2022		
	Non-current March 31, 2023	Current Maturities March 31, 2023	Total March 31, 2023		Non-current Rs. Crores	Current Maturities Rs. Crores	Total Rs. Crores
a. Secured borrowings:							
i. Term loans:							
HDFC Bank	254.49		254.49	3 years (2 yrs moratorium, repayable in two equal half yearly instalments) 29.11.24		249.01	249.01
ICICI Term loan	234.89		234.89	180 to be repaid by 31 Mar 2025; rest due by 28 Sept 29			-
Barclays		304.94	304.94	One year 25.07.2023			-
ICICI Working Capital Utilisation		30.49	30.49	Annual rollover 3.6.23	29.84		29.84
Bank of Baroda	59.43		59.43	Payable in equal monthly instalments commencing 1 April 2024.			-
	<u>548.81</u>	<u>335.43</u>	<u>884.24</u>		<u>29.84</u>	<u>249.01</u>	<u>278.85</u>
ii. Non-Convertible Debentures (NCD)							
b. Unsecured borrowings:							
i.	As at March 31, 2023				As at March 31, 2022		
	Non-current March 31, 2023	Current Maturities March 31, 2023	Total March 31, 2023	Particulars of Redemption / Repayr	Non-current March 31, 2022	Current Maturities March 31, 2022	Total March 31, 2022
Citibank RTA Working Capital Loan		250.05	250.05	6 month rollover - 11.7.23		244.66	244.66
Ashok Leyland Limited		200.00	200.00	Mar 24			-
ICICI CC Loan		9.89	9.89	On demand			-
Preference shares	260.13	41.04	301.17	20 years from Issue			-
Citibank Short Term Loan		20.33	20.33	Maturity date Oct 6, 2023		19.89	19.89
HAL Working capital		85.89	85.89	30 June 2023			-
	<u>260.13</u>	<u>607.20</u>	<u>867.33</u>			<u>284.55</u>	<u>264.55</u>

The above loans carry varying rates of interest with the maximum rate of interest going up to 3.33% (as at March 31, 2022: 3.3%) per annum. The weighted average rate of interest of these loans is around 3.20% (2022: 2.53%) per annum. Interest-bearing bank loans and overdrafts are recorded initially at their fair value, net of direct transaction costs. Such instruments are subsequently carried at their amortised cost and finance charges, including premiums payable on settlement or redemptions, are recognised in the income statement over the term of the instrument using an effective interest rate

Notes annexed to and forming part of the standalone financial statements

	As at March 31, 2023		Particulars of Redemption / Repayment	As at March 31, 2022	
	Non Current March 31, 2023	Current Maturities March 31, 2023		Non Current March 31, 2022	Current Maturities March 31, 2022
Total					
March 31, 2023					
Total					
March 31, 2022					

ii.	Interest free sales tax loans				
	Programme II				

ii. Interest free sales tax loans
Programme II

Notes annexed to and forming part of the standalone financial statements

3.13 Other Information (including foreign currency transactions)	Year ended March 31, 2023	Year ended March 31, 2022
March 31, 2022	March 31, 2022	
3.13.1 Auditors' remuneration Included under selling and administration expenses - net [Refer Note 2.7]		
i) For financial audit	2.04	2.29
ii) For other services - limited review, certification work, etc.	0.78	
iii) For reimbursement of expenses	0.31	
3.13.2 Total research and development costs charged to the Statement of Profit and Loss (including amount shown under Note 2.7)	14.62	6.97

3.14a The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company. The amount of principal and Interest outstanding is given below:

Particulars	Rs. Crores	
	March 2023	March 2022
i) Principal amount paid after appointed date during the year	-	-
ii) Amount of interest due and payable for the delayed payment of Principal amount	-	-
iii) Principal amount remaining unpaid as at year end (over due)	0.31	0.12
iv) Principal amount remaining unpaid as at year end (not due)	0.18	-
v) Interest due and payable on principal amount unpaid as at the year end	-	-
vi) Total amount of Interest accrued and unpaid as at year end	0.02	-
vii) Further interest remaining due and payable for earlier years	-	-

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the certain provisions of the Code will come into effect and the rules thereunder has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

The financial statements have been prepared on a Going Concern basis which assumes that the Company will continue to be able to meet its liabilities as they fall due for the foreseeable future. The Company incurred a net loss of Rs.582.79 Crores for the year ended 31st March 2023 (2022: Rs. 360.52 Crores) and its current liabilities exceeded current assets by Rs. 605.63 Crores (2022: Rs.573.26 Crores). Based on the business plans of the Company, sale of Electric Vehicle buses which will be effective from 2023, cash flow forecasts for a period of 12 months from the date of approval of these financial statements, considering the commitment for financial support by Parent entity, the financial statements have been prepared on a going concern basis.

Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 which are listed as below:

Company Name	CIN	Rs. Crores
		Closing balance
SAIRAM ENTERPRISES PVT. LTD	U65991TN1992PTC023937	-
SUVARNA ENTERPRISES PRIVATE LIMITED	U01111KA1998PTC023318	-
AARGEE EQUIPMENTS PVT. LTD.	U29199TZ1997PTC008143	-

The Company had transactions with the above companies during the year which was incurred before those companies being struck off.

(i) The Company has 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:

- (a) 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
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

There are no benami properties held by the Company under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder

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

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous 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).

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

The Company has acquired electric vehicle business of M/s. Ashok Lyeland Limited, based on Business Transfer Arrangement (BTA) dated November 22, 2021 with effective date from October 01, 2021*. The Business combination is in line with Company's strategic intent to focus on Electric Vehicle manufacturing / fleet Business.

The details of the assets and liabilities taken over as a part of the BTA are as follows:

	Rs. Crores
Assets	
Non-current assets	
Property, plant and equipment	8.10
Capital Work in progress	0.39
Other intangible Assets	114.93
Other Non- Current Asset	0.01
Current assets	
Inventories	41.49
Trade receivables	0.41
Other Current Assets	0.24
Total (A)	165.57
Non-current liabilities	0.70
Current liabilities	
Trade Payables	11.88
Other Current Liabilities	8.87
Total (B)	21.45
Net assets taken over (C) = (A)-(B)	144.12
Consideration payable by the Company (D)	240.20
Excess Consideration Paid over and above the Net Assets taken Over (D)-(C) (Refer 1.14)	96.09

3.16 Goodwill

	As at March 31, 2023	As at March 31, 2022
	Rs. Crores	Rs. Crores
Gross Goodwill at the beginning / end of the year	-	-
Accumulated impairment at the beginning / end of the year	-	-
Carrying amount of Goodwill	-	-

3.17 Financial Ratios

Ratios	FY 2022-2023	FY 2021-2022	% of Change
Debt equity ratio	(2.58)	(1.90)	36%
Debt service coverage ratio	4.94	4.36	13%
Current ratio	0.60	0.49	24%
Trade receivable turnover ratio	1.81	3.69	-51%
Inventory turnover ratio	0.71	1.20	-41%
Trade payable turnover ratio	1.31	2.89	-55%
Net capital turnover ratio	(0.37)	(0.43)	-14%
Return on capital employed (%)	26%	37%	-31%
Return on equity (%)	213%	229%	-7%
Net profit margin %	(2.62)	(1.48)	78%

Ratios	Numerator	Denominator
Debt equity ratio (in times)	Gross total borrowings (before deducting un-amortised loan raising expense)	Equity share capital + Other equity
Debt service coverage ratio (in times)	Profit / (loss) before exceptional items and tax + Finance costs + Depreciation and amortisation expense – Tax expense	Interest paid + Lease payments + Principal repayments for long term borrowings
Current ratio (in times)	Current assets	Current liabilities
Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivable
Inventory turnover ratio (in times)	(Cost of materials and services consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress)	Average inventory
Trade payable turnover ratio (in times)	Purchases + other expenses - service and product warranties	Average trade payable
Net capital turnover ratio (in times)	Revenue from operations	Working capital
Return on capital employed (%)	Profit / (Loss) before exceptional items and tax, Finance costs and Other income	(Equity share capital + Other equity) - Goodwill - Other intangible assets - Intangible asset under development + Deferred tax Liabilities(net) + Gross Borrowings
Return on equity (%)	Profit / (Loss) after tax	Average total equity
Net profit margin (%)	Profit / (Loss) after tax	Revenue from operations

3.18 The Company does not have any transactions with struck off companies under Companies Act, 2013 or Companies Act, 1956, during the year.

Notes annexed to and forming part of the standalone financial statements

- 3.19 The Company has not advanced or loaned or invested funds to any other person or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

- 3.20 No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

- 3.21 The Company has complied with the number of layers prescribed under the Companies Act.

- 3.22 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

- 3.23 The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

- 3.24 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the certain provisions of the Code will come into effect and the rules thereunder has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

- 3.25 The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

- 3.26 The figures for the previous year have been reclassified / regrouped wherever necessary including for amendments relating to Schedule III of the Companies Act, 2013 for better understanding and comparability.