Albonair GmbH

Balance sheet as at March 31, 2019

Particulars	Note No.	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	1.643,69	1.771,97
Capital work-in-progress	1.1	1.388,39	1.253,81
Intangible assets	1.2	8.581,33	6.349,67
Intangible assets under development	1.2	-	-
Financial Assets			
Other non-current assets	1.8	40,85	55,93
		11.664,26	9.431,38
Current assets			
Inventories	1.9	4.337,33	3.977,69
Financial Assets			
(ii) Trade Receivables	1.11	5.522,81	6.658,44
(iii) Cash and cash equivalents	1.12A	1.138,42	553,37
(iv) Bank balances other than (iii) above	1.12B		-
(vi) Other financial assets	1.14	0,09	(0,44)
Other current assets	1.15	661,79	705,58
		11.660,44	11.894,84
TOTAL ASSETS		23.314,69	21.326,21
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	1.17	36.807,66	36.807,66
Other Equity	1.18	(33.537,13)	(33.507,47)
		3.270,53	3.300,19
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1.19	388,36	404,04
(ii) Other financial liabilities	1.20	38,30	63,88
Provisions	1.21	3.508,43	3.702,44
		3.935,09	4.170,36
Current liabilities			
Financial liabilities			
(i) Borrowings	1.24	7.809,68	6.569,21
(ii) Trade payables	1.25	4.080,15	4.430,88
MSME			
Other than MSME			
(iii) Other financial liabilities	1.26	1.286,76	1.052,45
Other current liabilities	1.27	2.932,48	1.803,12
Provisions	1.28	-	-
Current tax liabilities (net)			
		16.109,07	13.855,66
TOTAL EQUITY AND LIABILITIES		23.314,69	21.326,21

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

Albonair GmbH

Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Note No.	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
Income			
Revenue from operations	2.1	43,637.58	35,177.00
Other income	2.2	318.05	1,145.09
Total Income		43,955.63	36,322.09
Expenses			
Cost of materials consumed	2.3	30,085.92	26,577.54
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.5	(577.42)	(280.89)
Excise duty on sale of goods			
Employee benefits expense	2.6	7,105.40	5,492.98
Finance costs	2.7	228.09	223.16
Depreciation and amortisation expense	2.8	1,114.27	831.93
Other expenses	2.9	6,043.62	3,089.64
Total Expenses		43,999.88	35,946.26
Profit before exchange gain on swap contracts, exceptional items and tax		(44.25)	376.83
Exchange gain on swap contracts			
Profit before exceptional items and tax		(44.25)	376.83
Exceptional items	2.10		
Profit before tax		(44.25)	376.83
Tax expense:			
Current tax			
Deferred tax			
Profit for the year		(44.25)	376.83
Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans			
(ii) Income tax relating to items that will not be reclassified to Profit or Loss			
B (i) Items that will be reclassified to Profit or Loss			
Translation gain/loss		14.59	311.96
(ii) Income tax relating to items that will be reclassified to Profit or Loss			
Total Other Comprehensive Income		14.59	311.96
Total Comprehensive Income for the year		(29.66)	688.79
Earnings per share (Face value Re.1 each) -			
-Basic (in Rs.)			
-Diluted (in Rs.)			
[Refer Note 3.3]			

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

Albonair GmbH

Statement of Cash flows for the year ended March 31, 2019

Particulars		March 31, 2019 Rs. Lakhs	March 31, 2018 Rs. Lakhs
Cash flow from operating activities			
Profit for the year		(44,25)	376,83
Adjustments for :			
Income tax expense			
Prepaid lease rentals			
Depreciation, amortisation and impairment		1.114,27	831,94
Share based payment cost			
Impairment loss allowance, write off on trade receivable/ advances (net)		20,93	10,82
Impairment loss/(reversal) in the value of investments		-	
Impairment loss allowance on loans (including interest)			
Translation difference on conversion of loan to equity in subsidiary			
Provision for obligations			
Foreign exchange loss/ (gain)		3,53	16,98
Exchange gain on swap contracts			
Profit on sale of Property,plant and equipment (PPE) and intangible assets - net		-	
Profit on sale of investments - net		-	
Net (gain) / loss arising on financial asset mandatorily measured at FVTPL			
Finance costs		228,09	223,15
Interest income		(17,60)	
Dividend income			
Operating profit before working capital changes		1.305,07	1.457,71
Adjustments for changes in :			
Trade receivables		1.111,16	(3.670,87)
Inventories		(359,44)	(733,77)
Non-current and current financial assets		(0,53)	
Other non-current and current assets		58,87	(314,74)
Related party advances/receivables (net)			
Trade payables		(350,73)	4.737,27
Non-current and current financial liabilities		208,73	
Other non-current and current liabilities		1.129,36	
Other non-current and current provisions		(194,01)	
Cash generated from operations		1.603,42	17,91
Income tax paid (net of refund)			
Net cash flow from operating activities	[A]	2.908,49	1.475,62
Cash flow from investing activities			
Purchase of PPE and intangible assets		(3.876,94)	(4.367,10)
Proceeds on sale of PPE and intangible assets		106,46	
Purchase of non-current investments		-	
Sale proceeds of non-current investments		-	
Purchase of / sale proceeds from current investments (net)			
Maturity of other bank deposits			
Inter corporate deposits - given			
Inter corporate deposits - repaid			
Loans and advances given to related parties		-	
'Loans and advances repaid to related parties			
Interest received		17,60	
Dividend received			
Net cash (used in) investing activities	[B]	(3.752,89)	(4.367,10)
Cash flow from financing activities			
Proceeds from issue of equity shares (including securities premium)			
Proceeds from non-current borrowings		-	57,57
Repayments of non-current borrowings		(15,68)	
Payments relating to swap contracts on non-current borowings			
Proceeds from current borrowings		1.240,47	3.076,96
Repayments of current borrowings		-	
Interest paid		(228,09)	(223,15)
Dividend paid and tax thereon			
Net cash (used in) financing activities	[C]	996,70	2.911,39
Net cash inflow / (Outflow)	[A+B+C]	152,20	19,90
Opening cash and cash equivalents		553,39	221,52
Add - Pursuant to business combination			
Exchange fluctuation on foreign currency bank balances		432,84	311,96
Closing cash and cash equivalents [Refer Note 1.12A to the standalone financial statements]		1.138,43	553,39

Notes:

1. Outstanding loan given to Subsidiary aggregating to Rs.xxx Lakhs has been converted into investments in equity instruments during the year.
2. Share application money paid aggregating Rs.xxx Lakhs has been converted into investments in equity instruments in the previous year.

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

Albonair GmbH
Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital

Rs. Lakhs

Balance at the beginning of April 1, 2017	Changes in equity share capital during the year	Balance at the end of March 31, 2018	Changes in equity share capital during the year	Balance at the end of March 31, 2019
36.807,66	-	36.807,66	-	36.807,66

B. Other Equity

Rs. Lakhs

Particulars	Shares Pending Allotment	Reserves and Surplus								Items of Other Comprehensive Income	Total
		Capital Reserve	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	Share Options Outstanding Account	General Reserve	Foreign currency monetary item translation difference	Retained Earnings	Effective portion of Cash Flow Hedges	
Balance at the beginning of April 1, 2017								(1.448,35)	(32.746,91)		(34.195,26)
Profit for the year									375,83		375,83
Other comprehensive income								311,96			311,96
Total Comprehensive Income for the year								(1.136,39)	(32.371,08)		(33.507,47)
Exchange difference on translation of outstanding loan balances								-			
Exchange difference amortised											
Transfer to retained earnings											
Transactions with owners:											
Dividend including tax thereon											
Recognition of share based payments											
Taken over pursuant to business combination											
Consequent to business combination									-		
Balance at the end of March 31, 2018								(1.136,39)	(32.371,08)		(33.507,47)
Profit for the year									(44,25)		(44,25)
Other comprehensive income								14,59			14,59
Total Comprehensive Income for the year	-	-	-	-	-	-	-	14,59	(44,25)		(29,66)
Exchange difference on translation of outstanding loan balances											
Exchange difference amortised											
Transfer to retained earnings											
Transactions with owners:											
Allotment of Share Capital pursuant to business combination											
Dividends including tax thereon											
Transfer to general reserve pursuant to exercise of ESOP											
Recognition of share based payments											
On issue of shares											
Balance at the end of March 31, 2019	-	-	-	-	-	-	-	(1.121,80)	(32.415,33)	-	(33.537,13)

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

Alboair GmbH

Notes annexed to and forming part of the standalone financial statements

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Rs. Lakhs

DESCRIPTION	GROSS CARRYING AMOUNT (COST)							DEPRECIATION / AMORTISATION						NET CARRYING AMOUNT
Property, plant and equipment (PPE)	01.04.2018	Exchange rate difference	Additions	Disposals	Adjustments (Refer Note 8)	Exchange rate difference	31.03.2019	Upto 31.03.2018	Exchange rate difference	Charge during the year	Disposals	Exchange rate difference	Upto 31.03.2019	Upto 31.03.2019
Freehold land														
Buildings Buildings given on lease														
Plant and equipment Plant and equipment given on lease	3.766,92	(148,28)	530,44	153,15	-	(15,05)	3.980,87	2.189,28	(85,17)	472,58	47,70	(16,95)	2.512,04	1.468,83
	3.766,92	(148,28)	530,44	153,15	-	(15,05)	3.980,87	2.189,28	(85,17)	472,58	47,70	(16,95)	2.512,04	1.468,83
Furniture and fittings Furniture and fittings given on lease	563,70	(21,97)	25,84	-	-	(1,03)	566,54	466,55	(20,38)	37,69	-	(1,50)	482,35	84,19
	563,70	(21,97)	25,84	-	-	(1,03)	568,54	466,55	(20,38)	37,69	-	(1,50)	482,35	84,19
Vehicles														
Aircraft given on lease														
Office Equipment Office Equipment given on lease	513,93	(20,86)	42,60	-	-	(1,70)	533,97	416,75	(14,26)	42,50	-	(1,70)	443,30	90,67
	513,93	(20,86)	42,60	-	-	(1,70)	533,97	416,75	(14,26)	42,50	-	(1,70)	443,30	90,67
TOTAL	4.844,56	(191,11)	598,87	153,15	-	(17,78)	5.081,37	3.072,58	(119,81)	552,77	47,70	(20,15)	3.437,69	1.643,69

Capital work-in-progress	1.388,39

Alboneir GmbH

Notes annexed to and forming part of the standalone financial statements

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Rs. Lakhs

DESCRIPTION	GROSS CARRYING AMOUNT (COST)							DEPRECIATION / AMORTISATION							NET CARRYING AMOUNT
Property, plant and equipment (PPE)	01.04.2017	Exchange rate difference	Additions	Acquisition through Business Combination	Disposals	Exchange rate difference	31.03.2018	Upto 31.03.2017	Exchange rate difference	Charge during the year	Disposals		Exchange rate difference	Upto 31.03.2018	31.03.2018
Freehold land															
Buildings Buildings given on lease															
Plant and equipment Plant and equipment given on lease	1.936,05	1.318,05	488,74		6,65	30,73	3.766,92	696,85	1.112,21	388,96	3,52	(29,49)	25,27	2.189,28	1.577,64
	1.936,05	1.318,05	488,74	-	6,65	30,73	3.766,92	696,85	1.112,21	388,96	3,52	(29,49)	25,27	2.189,28	1.577,64
Furniture and fittings Furniture and fittings given on lease	136,90	370,65	52,64			3,31	563,70	66,09	358,62	36,92	-		2,62	464,25	99,45
	136,90	370,65	52,64	-	-	3,31	563,70	66,09	358,62	36,92	-		2,62	464,25	99,45
Vehicles							-						2,30	2,30	(2,30)
Aircraft given on lease															
Office Equipment Office Equipment given on lease	463,15	(8,36)	57,69			1,45	513,93	449,35	(74,92)	41,67			0,63	416,75	97,18
	463,15	(8,36)	57,69	-	-	1,45	513,93	449,35	(74,92)	41,67	-		0,63	416,75	97,18
TOTAL	2.536,10	1.680,34	599,27	-	6,65	35,49	4.844,66	1.211,29	1.395,91	467,55	3,52		30,84	3.072,58	1.771,97

Capital work-in-progress	1.253,81

Albonair GmbH

Notes annexed to and forming part of the standalone financial statements

1.2 INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

Rs. Lakhs

DESCRIPTION	GROSS CARRYING AMOUNT (COST)							DEPRECIATION / AMORTISATION						NET CARRYING AMOUNT
Intangible assets	01.04.2018	Exchange rate difference	Additions	Adjustments	Disposals	Exchange rate difference	31.03.2019	Upto 31.03.2018	Exchange rate difference	Charge during the year	Disposals	Exchange rate difference	Upto 31.03.2019	31.03.2019
Computer software - Developed - Acquired	2.731,64	(106,01)	794,36			(31,70)	3.388,29	2.574,56	(99,91)	146,14		(5,83)	2.614,96	773,34
Others Technical knowhow - Developed - Acquired	6.865,63	(266,36)	2.348,13			93,63	8.853,71	673,05	(26,11)	415,35		(16,57)	1.045,72	7.807,99
TOTAL	9.597,27	(372,37)	3.142,49	-	-	(125,39)	12.242,00	3.247,61	(126,02)	561,49	-	(22,40)	3.660,68	8.581,33

Intangible assets under development			

Albonair GmbH

Notes annexed to and forming part of the standalone financial statements

1.2 INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

Rs. Lakhs

DESCRIPTION	GROSS CARRYING AMOUNT (COST)						DEPRECIATION / AMORTISATION						NET CARRYING AMOUNT
Intangible assets	01.04.2017	Exchange rate difference	Additions	Disposals	Exchange rate difference	31.03.2018	Upto 31.03.2017	Exchange rate difference	Charge during the year	Disposals	Exchange rate difference	Upto 31.03.2018	31.03.2018
Computer software - Developed - Acquired	2.339,23	344,76	44,49		3,16	2.731,64	134,71	2.304,50	126,37		8,97	2.574,56	157,09
Others Technical knowhow - Developed - Acquired	3.195,34	723,18	2.751,71		195,40	6.865,63	193,76	224,38	236,01		16,90	673,05	6.192,58
TOTAL	5.534,57	1.067,94	2.796,20	-	198,56	9.597,27	328,47	2.528,89	364,38	-	25,87	3.247,61	6.349,67

Intangible assets under development		

	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
1.8 OTHER NON-CURRENT ASSETS		
(Unsecured, considered good unless otherwise stated)		
ii. Other advances (includes prepaid expenses, etc.)	40,85	55,93
	40,85	55,93
	40,85	55,93

1.9 INVENTORIES	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
(a) Raw materials and components	2.656,26	2.440,99
(b) Work-in-progress	197,62	232,59
(c) Finished goods	1.483,45	1.304,31
	4.337,33	3.977,89
	4.337,33	3.977,89

2. Amount of inventories recognised as an expense and write down of inventories during the year are 29,508.497 Rs. lakhs (2017-18: 25,308.654 Rs. lakhs).

1.11 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
Trade receivables		
Considered good, secured	-	
Related parties (Refer Note 3.8)	-	
Others	-	
Considered good, Unsecured	-	
Related parties (Refer Note 3.8)	368,37	1.531,45
Others	5.199,15	5.152,59
Significant increase in credit risk	-	
Related parties (Refer Note 3.8)	-	
Others	-	
Credit impaired	-	
Related parties (Refer Note 3.8)	-	
Others	-	
	5.567,52	6.684,04
Less: Allowance for doubtful debts	44,71	25,61
	5.522,81	6.658,44

Notes :

1. Movement in Allowance for doubtful debts is as follows:

Particulars	March 2019	March 2018
Opening	25,61	23,08
Add: Pursuant to business combination		
Add: Additions	19,11	2,52
Less: Utilisations / Reversals		
Closing	44,71	25,61

2. These are carried at amortised cost.

	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
1,12 A. CASH AND CASH EQUIVALENTS		
i) Balance with banks:	1.137,36	552,64
iii) Cash and stamps on hand	1,06	0,73
	1.138,42	553,37
1,12 B. BANK BALANCES OTHER THAN (A) ABOVE		
	-	-

* 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, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
1.14 CURRENT FINANCIAL ASSETS - OTHERS (Unsecured, considered good unless otherwise stated)		
a) Interest accrued :		
- Loans to related parties (Refer Note 3.8)	-	
Considered good	-	
Considered doubtful	-	
Less:Allowance for doubtful amount	-	
- Others	0,09	(0,44)
	0,09	(0,44)

Of the Employee advances above
Due from Directors / Officers

Notes:

1. These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss / other comprehensive income.

	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
1.15 OTHER CURRENT ASSETS		
(Unsecured, considered good unless otherwise stated)		
a) Prepayments under operating leases	1,51	-
	1,51	-
d) Balances with customs, port trust, central excise etc.		
Considered good	495,87	532,38
Considered doubtful	-	
	495,87	532,38
Less: Allowance for doubtful amounts #	-	
	495,87	532,38
(e) Others*	164,41	173,19
	661,79	705,58
* Include:		
- Input tax credit recoverable		
- Value Added Tax / Sales Tax	147,52	138,46
- Service tax		
- Entry tax		
- Sales tax paid under protest		
- Prepaid expenses	16,88	34,73

	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
1.17 EQUITY SHARE CAPITAL		
Authorised		
51,955,000 EUR (March 2018: 51,995,000 EUR) Equity shares of Rs. 1 each	36,807,66	36,807,66
	36,807,66	36,807,66
	36,807,66	36,807,66

1.18 OTHER EQUITY	Note	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
Foreign currency item translation difference	I		
[Refer Note 3.8.1 to the Financial Statements]			
Balance as at the beginning of the year		(1.136,39)	(1.448,35)
Add: Exchange difference		14,59	311,96
Foreign Currency Translation Difference	H	(1.121,80)	(1.136,39)
Retained Earnings	I, J	(32.415,33)	(32.371,08)
		(33.537,13)	(33.507,47)

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

1.19 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
a) Secured borrowings		
I. Debentures	-	
II. Loan from others	388,36	404,04
b) Unsecured borrowings		
I. External commercial borrowings from banks	-	
II. Interest free sales tax loans	-	
	388,36	404,04

		As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
1.20	NON-CURRENT - OTHER FINANCIAL LIABILITIES		
	a) Capital creditors	-	
	b) Derivatives not designated in hedging relationship	-	
	c) Others	38,30	63,88
		38,30	63,88

Note:

These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss.

Break up of Others upto 90% of value		
- Investment grant by German authorities	38,3	63,88

		As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
1.21	NON-CURRENT PROVISIONS		
	a) Provision for employee benefits		
	i. Compensated absences	-	
	ii. Others including post retirement benefits	-	
	b) Others		
	i. Product warranties	3.411,34	3.702,44
	ii. Others (including litigation matters)	97,10	-
		3.508,43	3.702,44

Note:

Movement in Provision for product warranties is as follows :

	March 2019	March 2018
Opening	3.702,44	2.921,54
Add: Additions (net of utilisations)	(291,10)	780,90
Closing	3.411,34	3.702,44

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 24 months.

Movement in Provision for others (including litigation matters) is as follows :

	March 2019	March 2018
Opening	-	-
Add: Additions	97,10	-
Less: Utilisations / Reversals		
Closing	97,10	-

1.24 CURRENT FINANCIAL LIABILITIES - BORROWINGS	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
Secured borrowings		
Loans from banks	-	-
(includes cash credit, packing credit, etc)	-	
Short term loans from banks	7.809,68	6.569,21
	7.809,68	6.569,21

Note:

1. These are carried at amortised cost.

2. Commercial paper - maximum balance outstanding during the year is Rs.xxx Lakhs (March 2018: Rs.xxx Lakhs).

3. Net debt reconciliation:

	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
Cash and cash equivalents	1.138,42	553,37
Liquid investments		
Current borrowings	(7.809,68)	(6.569,21)
Non-current borrowings	(388,36)	(404,04)
Derivative Asset / (Liability)		
Net debt	(7.059,62)	(6.419,88)

	Other assets		Liabilities from financing activities			Total
	cash and bank overdraft	Liquid investments	Non-current borrowings	Current borrowings	Derivative Asset / (Liability)	
Net debt as at March 31, 2018	553,37		(404,04)	(6.569,21)		(6.419,88)
Cash flows	581,52			(1.240,47)		(658,95)
Foreign exchange adjustments	3,53		15,68			19,20
Profit / (loss) on sale of liquid investments (net)						-
Interest expense	159,29		38,11	58,54		255,95
Interest paid	(159,29)		(38,11)	(58,54)		(255,95)
Other non-cash movements						
- Fair value adjustments						-
Net debt as at March 31, 2019	1.138,42	-	(388,36)	(7.809,68)	-	(7.059,62)

Note:

Non-current borrowings and interest expense is gross of impact on account of effective interest rate changes.

1.25	CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
	Trade payables - including acceptances		
	Total outstanding dues of micro enterprises and small enterprises [Refer Note 3.15]		
	Total outstanding dues of creditors other than micro enterprises and small enterprises	4.080,15	4.430,88
		4.080,15	4.430,88

Note:

These are carried at amortised cost.

1.26 CURRENT - OTHER FINANCIAL LIABILITIES	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
b) Interest accrued but not due on borrowings	76,82	60,46
d) Employee benefits	-	
i) Others *	1.209,94	991,99
	1.286,76	1.052,45
* Include:		
Accrued expenses / liabilities	1.209,94	991,99

		As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
1.27	OTHER CURRENT LIABILITIES		
	a) Income received in advance	-	
	b) Advance from customers	2.932,48	1.803,12
	c) Statutory liabilities	-	
		2.932,48	1.803,12

		As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
1.28	CURRENT PROVISIONS		
	a) Provision for employee benefits		
	i. Compensated absences	-	
	ii. Others including post retirement benefits	-	
	b) Others		
	i. Product warranties	-	
	ii. Obligations	-	
	iii. Others (including litigation matters)	-	
		-	-

Albonair GmbH

Notes annexed to and forming part of the standalone financial statements

2.1 REVENUE FROM OPERATIONS

	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
a) Sale of products		
- Commercial vehicles		
Manufactured	3,341.34	545.09
Traded	9.12	51.43
- Engines and gensets	40,287.12	34,580.48
- Ferrous castings and patterns		
- Spare parts and others		
	43,637.58	35,177.00

Albonair GmbH

Notes annexed to and forming part of the standalone financial statements

2.2 OTHER INCOME

	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
a) Interest income from		
i. Loans to related parties (Refer Note 3.8)	17.50	-
ii. Others		
	17.50	-
d) Other non-operating income		
i. Profit on sale of Property, Plant and Equipment (net)		
ii. Foreign exchange gain (net)	(3.53)	15.98
iii. Net gain / (loss) arising on financial asset mandatorily measured at FVTPL		
iv. Others *	304.08	1,129.11
	300.55	1,145.09
	318.05	1,145.09

* Include:		
Capitalized R&D costs (third party and internal)	0.00	903.29
Subsequent price adjustments by suppliers (related to previous year deliveries)	242.31	112.91

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Notes annexed to and forming part of the standalone financial statements

	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
2.3 COST OF MATERIALS CONSUMED		
b) Plates, sheets, bars, steel tubes and angles	29,475.72	25,444.72
c) Tyres, tubes and flaps		
d) Finished and other items	804.19	310.45
	30,279.91	25,755.17
Less: Cash discount earned	193.99	177.63
	30,085.92	25,577.54

Notes annexed to and forming part of the standalone financial statements

2.5 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
Changes in inventories		
- Finished goods and stock-in-trade	(577.42)	(268.89)
- Work-in-progress	-	
Net change	**(577.42)**	**(268.89)**

Albonair GmbH

Notes annexed to and forming part of the standalone financial statements

2.6 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
a) Salaries and wages	6,643.58	5,437.52
b) Contribution to provident and other funds	128.38	74.70
c) Share based payments costs*		
d) Staff welfare expenses	1,333.43	980.77
	8,105.40	6,492.98
Less: Expenses capitalised		
	8,105.40	6,492.98

* For share options given by the Company to employees under employee stock option plan (Refer Note 3.4).

Albonair GmbH

Notes annexed to and forming part of the standalone financial statements

		Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
2.7	FINANCE COSTS		
	Interest expense	228.09	223.15
	Less: Expenses capitalised		
		228.09	223.15

Albonair GmbH

Notes annexed to and forming part of the standalone financial statements

2.8 DEPRECIATION AND AMORTISATION EXPENSE

		Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
A) Property, plant and equipment			
(i) Buildings		-	-
(ii) Plant and equipment		472.58	388.96
(iii) Furniture and fittings		37.69	36.92
(iv) Vehicles		-	-
(v) Office equipment		42.50	41.67
(vi) Assets given on lease			
- Buildings		-	-
- Plant and equipment		-	-
- Aircraft		-	-
- Furniture and fittings		-	-
	(A)	552.77	467.55
B) Intangible assets			
(i) Computer software			
- Developed		-	-
- Acquired		146.14	126.37
(ii) Technical knowhow			
- Developed		415.35	238.01
- Acquired		-	-
	(B)	561.49	364.38
	(A + B)	1114.27	831.93

Albonair GmbH

Notes annexed to and forming part of the standalone financial statements

2.9 OTHER EXPENSES

	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
(a) Consumption of stores and tools	9.84	8.28
(b) Power and fuel	96.76	81.97
(c) Rent	589.42	514.62
(d) Repairs and maintenance		
- Buildings	10.42	5.84
- Plant and machinery	59.37	34.00
(e) Insurance	227.92	173.61
(f) Rates and taxes, excluding taxes on income	25.72	14.44
(g) Research and development	122.53	227.21
(h) Service and product warranties	2,289.66	385.01
(i) Packing and forwarding charges	282.61	175.72
(j) Selling and administration expenses - net	2,779.59	1,357.67
(k) Annual maintenance contracts	52.99	100.36
(l) Impairment loss allowance / write off on trade receivable (net)	20.93	
(J) Impairment loss allowance / write off on advances / grant income receivable (net)		
	6,568.76	3,089.54
Less: Expenses capitalised	1,525.14	
	5,043.62	3,089.54

Note:

Selling and administration expenses include:
- Directors' sitting fees
- Commission to Non Whole-time Directors
- CSR Expenditure (Refer Note 3.17)

Albonair GmbH

Notes annexed to and forming part of the standalone financial statements

2.10 EXCEPTIONAL ITEMS

	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
a) Impairment reversal / (loss) in the value of investments		
b) Impairment reversal / (loss) allowance on loans (including interest)		
c) Provision for obligations		
d) Effect of translation difference on conversion of loan to equity instrument in subsidiary		
e) (Loss) on sale of investments		

Albonair Consolidated

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*

	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
Current tax		
In respect of the current year		
Deferred tax		
In respect of the current year		
Adjustments to deferred tax attributable to changes in tax rates and laws		
Total income tax expense recognised in profit or loss		

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

	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
Profit before tax	(44,25)	375,83
Income tax rate		
Income tax expense		
Effect of income that is exempt from taxation		
Effect of income that is taxed at lower rate		
Effect of tax losses and tax offsets recognised upon amalgamation		
Effect of previously unrecognised and unused tax losses and deductible temporary differences	44,25	(375,83)
Effect of different tax rates of branches operating in overseas jurisdictions		
Effect of concessions and other allowances (including tax holiday and weighted deduction for research and development expenditure)		
Effect of exceptional items, disallowances and reversals –net		
Effect on deferred tax balances due to the change in income tax rate from financial year 2017-18 at 34.608% to financial year 2018-19 at 34.944%		
Income tax expense recognised in profit or loss	-	-

3.1.3 *Income tax recognised in other comprehensive income*

	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Fair value remeasurement of hedging instruments entered into for cash flow hedges		
Remeasurement of defined benefit obligation		
Arising on income and expenses reclassified from equity to profit or loss:		
Relating to cash flow hedges		
Total income tax recognised in other comprehensive income		

3.1.4 Analysis of deferred tax assets / liabilities:

Rs. Lakhs

March 31, 2019	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Utilisation of unused tax credits	Closing balance
Deferred tax (liabilities)/assets in relation to:					
PPE and intangible assets					
Voluntary retirement scheme compensation					
Expenditure allowed upon payments					
Unused tax credit (MAT credit entitlement)					
Cash flow hedges					
Other temporary differences					

March 31, 2018	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Utilisation of unused tax credits	Closing balance
Deferred tax (liabilities)/assets in relation to:					
PPE and intangible assets					
Voluntary retirement scheme compensation					
Expenditure allowed upon payments					
Unused tax credit (MAT credit entitlement)					
Cash flow hedges					
Other temporary differences					

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.

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

		Rs. Lakhs
	As at March 31, 2019	As at March 31, 2018
- Unused tax losses (capital)	43.141,50	40.745,05

Note:

1. No time limit for unused tax losses in Germany

3.2 Retirement benefit plans

3.2.1 *Defined contribution plans*

Eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution 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 the statutory rate of interest declared by the Central Government and there have been no shortfalls on this account. To the extent of interest rate guarantee it is classifed as defined benefit plan. The Company also has a superannuation plan.

The total expense recognised in profit or loss of 0.00 Rs. lakhs (2017-2018: 0.00 Rs. lakhs) represents contribution paid/ payable to these plans by the Company at rates specified in the plan.

3.2.2 *Defined benefit plans*

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, 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 to a funded gratuity scheme administered by the Life Insurance Corporation of India.

Company's liability towards gratuity (funded), provident fund (interest guarantee), other retirement benefits and compensated absences are actuarially determined at the end of each semi-annual 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.

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, 2019	As at March 31, 2018
Gratuity		
Discount rate		
Expected rate of salary increase		
Average Longevity at retirement age - past service		
Average Longevity at retirement age - future service		
Attrition rate		
Compensated absences		
Discount rate		
Expected rate of salary increase		
Attrition rate		
Other defined benefit plans		
Discount rate		

The estimates of future salary increases, considered in actuarial valuation, take account of 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, 2019	Year ended March 31, 2018
	Rs.Lakhs	Rs.Lakhs
Gratuity		
Current service cost		
Net interest expense / (income)		
Components of defined benefit costs recognised in profit or loss		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain)/loss arising from changes in financial assumptions		
Actuarial (gain)/loss arising from experience adjustments		
Actuarial gain/(loss) on plan assets		
Components of defined benefit costs recognised in other comprehensive income		
Total		
Compensated absences and other defined benefit plans		
Current service cost		
Net interest expense		
Actuarial (gain)/loss arising from changes in financial assumptions		
Actuarial (gain)/loss arising from experience adjustments		
Components of defined benefit costs recognised in profit or loss		

The current service cost and the net interest expense for the year are included in "contribution to provident and other funds" under employee benefits expense in profit or loss (Refer Note 2.6)

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, 2019	As at March 31, 2018
Gratuity	Rs.Lakhs	Rs.Lakhs
Present value of defined benefit obligation		
Fair value of plan assets		
Net liability arising from defined benefit obligation (funded) *		
Compensated absences and other defined benefit plans		
Present value of defined benefit obligation		
Fair value of plan assets		
Net liability arising from defined benefit obligation (unfunded)		

* Excludes Rs.xxx lakhs (March 2018: Rs.xx lakhs) relating to liability for retiring employees for the current year.

Gratuity is reflected in "Accrued gratuity" under other current liabilities and compensated absences is reflected in "Provision for employee benefits" under provisions. (Refer Notes 1.21,1.27 and 1.28)

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, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
Gratuity		
Opening defined benefit obligation		
Pursuant to business combination		
Current service cost		
Interest cost		
Actuarial (gain)/loss arising from changes in financial assumptions		
Actuarial (gain)/loss arising from experience adjustments		
Benefits paid		
Closing defined benefit obligation		
Compensated absences and other defined benefit plans		
Opening defined benefit obligation		
Pursuant to business combination		
Current service cost		
Interest cost		
Actuarial (gain)/loss arising from changes in financial assumptions		
Actuarial (gain)/loss arising from experience adjustments		
Benefits paid		
Closing defined benefit obligation		

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

	Year ended March 31, 2019	Year ended March 31, 2018
Gratuity		
Opening fair value of plan assets		
Pursuant to business combination		
Interest on plan assets		
Remeasurements due to Actual return on plan assets less interest on plan assets		
Contributions		
Benefits paid		
Closing fair value of plan assets		

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.xxx lakhs (2017-18: Rs.xxx lakhs).

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, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
Gratuity		
If the discount rate is 50 basis points higher/lower, the defined benefit obligation would:		
decrease by		
increase by		
If the expected salary increases/decreases by 50 basis points, the defined benefit obligation would:		
increase by		
decrease by		
Compensated absences		
If the discount rate is 50 basis points higher/lower, the defined benefit obligation would:		
decrease by		
increase by		
If the expected salary increases/decreases by 50 basis points, the defined benefit obligation would:		
increase by		
decrease by		

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of 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.

The Company expects to make a contribution of Rs.xxx lakhs (March 2018: Rs.xxx lakhs) to the defined benefit plans (gratuity - funded) during the next financial year.

The average duration of the benefit obligation (gratuity) is xx years (March 2018: xxx years).

3.2 **Retirement benefit plans continued...**

3.2.9 **Provident Fund Trust - actuarial valuation of interest guarantee :**

Ashok Leyland has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. The administered rates are determined annually predominantly considering the social rather than the economic factors and in most cases, the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by the Actuarial Society of India and based on the assumptions provided below, there is no shortfall as at March 31, 2019 and March 31, 2018 respectively.

Fund and plan asset position are as follows: Rs. Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Plan asset at the end of the year		
Present value of benefit obligation at the end of the year		
Asset recognized in Balance Sheet		

The plan assets are primarily invested in government securities

Assumptions for present value obligation of the interest rate guarantee:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate		
Remaining term to maturity of portfolio (years)		
Expected guaranteed interest rate (%)		
First year		
Thereafter		
Attrition rate		

Significant actuarial assumption for the determination of the defined obligation is discount rate. 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, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
Present value of benefit obligation at the end of the year - interest gurantee only		
If the discount rate is 50 basis points higher/lower, the defined benefit obligation would:		
decrease by		
increase by		

3,3 Earnings per share

	Year ended March 31, 2019 Rs.	Year ended March 31, 2018 Rs.
Basic earnings per share		
Diluted earnings per share		
Face value per share		

3.3.1 Basic earnings per share

	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
Profit for the year attributable to equity shareholders		

	Year ended March 31, 2019 Nos.	Year ended March 31, 2018 Nos.
Weighted average number of equity shares used in the calculation of basic earnings per share		

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, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
Profit for the year attributable to equity shareholders		

	Year ended March 31, 2019 Nos.	Year ended March 31, 2018 Nos.
Weighted average number of equity shares used in the calculation of basic earnings per share		
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		

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. 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 and prior year:

Option series	Number	Grant date	Expiry date	Exercise price Rs.	Fair value at grant date Rs.
ESOP 1 (Refer Note below)					
ESOP 2 (Refer Note below) *					
ESOP 3 (Refer Note below)					

* The vesting conditions of ESOP 2 have been modified during the year. The incremental fair value on account of the same is noted to be nil.

Note:

Under ESOP 1, ESOP 2 and ESOP 3, shares vest on varying dates within the expiry date mentioned above with an option life of 5 years after vesting.

3.4.2 Fair value of share options granted during the year

The weighted average fair value of the stock options granted during the financial year is Rs.xxx (2017-18: Rs.xxx). Options were priced using a binomial option pricing model. Where relevant, the expected life used in the model has been adjusted based on Management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility is based on the historical share price volatility.

Inputs into the model:

	ESOP 1	ESOP 2	ESOP 3
Grant date share price			
Exercise price			
Expected volatility			
Option life (Refer Note 3.4.1)			
Dividend yield			
Risk-free interest rate			

3.4.3 Movements in share options during the year

	Year ended March 31, 2018 Numbers	Weighted average exercise price	Year ended March 31, 2017 Numbers	Weighted average exercise price
Opening at the beginning of the year				
Granted during the year				
Exercised during the year				
Balance at the end of the year				

3.4.4 Share options vested but not exercised during the year

Under ESOP 2 - xxx options were vested on xxx. But the same was not exercised during the year.

3.4.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of Rs.xxx (as at March 31, 2018: Rs.xxx) and a weighted average remaining contractual life of xxx years (as at March 31, 2018: xxx years).

3.6 Operating lease arrangements

Company as lessee

Leasing arrangements

Operating leases relate to leases of land and building with lease term ranging from 1 year to 5 years.

Payments recognised as an expense for non cancellable lease

	Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
Rent	589,42	514,62

Non-cancellable operating lease commitments	As at March 31, 2019 Rs. Lakhs	As at March 31, 2018 Rs. Lakhs
Not later than 1 year	524,89	526,49
Later than 1 year but not later than 5 years	1.879,10	768,90
Later than 5 years	666,35	-

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 involvments. 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, 2019	March 31, 2018
Debt (long-term and short-term borrowings including current maturities)	8.198,04	6.973,25
Total Equity	3.270,53	3.300,19
Debt equity ratio	2,51%	2,11%

The Company is required to comply with certain covenants under the Facility Agreements executed for its borrowings and the Company has complied with all such covenants.

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 predictablity 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 is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realizable 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.

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 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, 2019 (all amounts are in equivalent Rs. in lakhs):

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			-	64,03		64,03	64,03
EUR			-			-	-
GBP			-			-	-
JPY			-			-	-
Others *	7,55		7,55	3.803,59		3.803,59	3.796,04

As on March 31, 2018 (all amounts are in equivalent Rs. in lakhs):

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	404,04		404,04	60,93		60,93	(343,11)
EUR			-			-	-
GBP			-	1,76		1,76	1,76
JPY			-			-	-
Others *	1,64		1,64	1.117,00		1.117,00	1.115,35

* Others: CNY

Note - Some of the derivatives reported under this column are not designated in hedging relationships but have been taken to economically hedge the foreign currency exposure.

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 cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

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 financials 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 Lakhs

	USD Impact	
	March 31, 2019	March 31, 2018
Profit or loss	(0,59)	(1,16)
Equity		

	EUR Impact	
	March 31, 2019	March 31, 2018
Profit or loss		
Equity		

	GBP Impact	
	March 31, 2019	March 31, 2018
Profit or loss	0,01	0,02
Equity		

	JPY Impact	
	March 31, 2019	March 31, 2018
Profit or loss		
Equity		

	Impact of other currencies	
	March 31, 2019	March 31, 2018
Profit or loss	(66,62)	16,04
Equity		

3.6 Financial Instruments continued...

The following table details the foreign currency forward contracts outstanding at the end of the reporting period:

Rs. Lakhs

March 31, 2019	Foreign currency		Notional	Fair value	Maturity date	Hedge ratio	Weighted Average rate
Cash flow hedges:							
Buy USD	USD						
Sell USD	USD						
Sell USD - Buy EUR	EUR						
Sell USD - Buy GBP	GBP						
Sell USD - Buy JPY	USD						
Fair value hedges:							
Buy USD	USD						
Sell USD	USD						
Sell USD - Buy EUR	EUR						
Sell USD - Buy GBP	GBP						
Sell USD - Buy JPY	USD						

Rs. Lakhs

March 31, 2018	Foreign currency		Notional	Fair value	Maturity date	Hedge ratio	Weighted Average rate
Cash flow hedges:							
Buy USD	USD						
Sell USD	USD						
Sell USD - Buy EUR	EUR						
Sell USD - Buy GBP	GBP						
Sell USD - Buy JPY	USD						
Fair value hedges:							
Buy USD	USD						
Sell USD	USD						
Sell USD - Buy EUR	EUR						
Sell USD - Buy GBP	GBP						
Sell USD - Buy JPY	USD						

Note:
Included in the balance sheet under 'other financial assets' and 'other financial liabilities'. [Refer Notes 1.14 and 1.26]

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 companys borrowings to interest rate changes at the end of the reporting period are as follows:

	March 31, 2019	March 31, 2018
	Rs . Lakhs	Rs . Lakhs
Variable rate Borrowings	8,198,04	6,973,25
Fixed rate Borrowings *		

* Includes variable rate borrowings subsequently converted to fixed rate borrowings through swap contracts

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 for the year ended March 31, 2019 would decrease/ increase by Rs. 19.72 lakhs (2017-18: decrease/ increase by Rs. 11.92 lakhs). 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 taken cross currency and interest rate swap (CCIRS) contracts for hedging its foreign currency and interest rate risks related to certain external commercial borrowings. This CCIRS contracts are composite contracts for both the foreign currency and interest rate risks and thus the mark-to-market value is determined for both the risks together. The mark-to-market loss as at March 31, 2019 is 0.00 Rs. lakhs (March 31, 2018: 0.00 Rs. lakhs). If the foreign currency movement is 2% higher/ lower and interest rate movement is 200 basis points higher/ lower with all other variables remaining constant, the Company's profit for the year ended March 31, 2018 would approximately decrease/ increase by 0.00 Rs. lakhs (2017-18: decrease/ increase by 0.00 Rs. lakhs).

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 30 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.

The Company makes an allowance for doubtful debts using expected credit loss model and on a case to case basis.

Age analysis of Trade receivables

	As at March 31, 2019			As at March 31, 2018		
	Rs. Lakhs			Rs. Lakhs		
	Gross	Allowance	Net	Gross	Allowance	Net
Not Due	4,469,27		4,469,27	4,949,04		4,949,04
Due less than 6 months	293,48	34,60	258,88	1,043,92	15,09	1,028,83
Due greater than 6 months	804,78	10,11	794,67	691,08	10,52	680,56

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 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, 2019	March 31, 2018
	Rs . Lakhs	Rs . Lakhs
Expiring within one year (bank overdraft and other facilities)	0	1.546,75
- Secured		
- Unsecured		
Total		

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining 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 (including future cash flows).

Rs. Lakhs

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
March 31, 2019				
Trade payables	4.080,15			
Other financial liabilities	1.286,76	38,30		
Borrowings	7.809,68	388,36		
	13.176,59	426,66	-	-
March 31, 2018				
Trade payables	4.430,88			
Other financial liabilities	947,47	63,88		
Borrowings	6.569,21	404,04		
	11.947,56	467,92	-	-

3.6 Financial Instruments continued...

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. Lakhs

	Due in 1st year	Due in 2nd to 5th year	Carrying amount
March 31, 2019			
Currency and interest rate swaps			
Foreign exchange forward contracts			
March 31, 2018			
Currency and interest rate swaps			
Foreign exchange forward contracts			

Albonair Consolidated
Notes annexed to and forming part of the Standalone Financial Statements

3.6 Financial Instruments

3.6.3 Categories of Financial assets and liabilites:

	As at March 31, 2019	As at March 31, 2018
		Rs. Lakhs
Financial assets		
a. Measured at amortised cost:		
Investments		
Cash and cash equivalents		
Other bank balances		
Trade Receivables		
Loans *		
Others		
* net of allowance		
b. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):		
Investments		
Derivatives designated in hedge accounting relationships		
Financial liabilities		
a. Measured at amortised cost:		
Borrowings	388,36	404,04
Trade Payables		
Other financial liabilites	38,30	63,88
b. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):		
Derivatives designated in hedge accounting relationships		
Derivatives not designated in hedge accounting relationships		

3.6 Financial Instruments continued...

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:

Except for the following, the Management considers that the carrying amounts of financial assets and financial liabilities recognised in the standalone financial statements approximate their fair values:

Rs. Lakhs

	March 31, 2019		March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
(i) Financial liabilities held at amortised cost:				
- Debentures				
(ii) Fair value hierarchy (determined in accordance with generally accepted pricing models with the most significant inputs being the market interest rates)				

3.6 Financial Instruments continued...

(B) Financial assets and financial liabilities that are measured at fair value on a recurring basis as at the end of each reporting period:

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values for material financial assets and material financial liabilities have been determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2019	March 31, 2018		
Derivative instruments, i.e. forward foreign currency contracts,currency and interest rate swaps	Assets – 0.00 Rs. lakhs; and Liabilities – 0.00 Rs. lakhs	Assets – 0.00 Rs. lakhs; and Liabilities – 0.00 Rs. lakhs	Level 2	Discounted future cash flows which are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of the Company/ various counterparties. Further, in case of swap contracts, the future estimated cash flows also consider forward interest rates (from observable yield curves at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of the Company/ various counterparties.
Investments in mutual funds	0.00 Rs. lakhs	0.00 Rs. lakhs	Level 1	Net assets value in an active market.

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	March 31, 2019	March 31, 2018				
Investments in unquoted preference shares	Preference shares of: 0 - 0.00 Rs lakhs	Preference shares of: 0 - 0.00 Rs lakhs	Level 3	Income approach – in this approach, the discounted cash flow method used to capture the present value of the expected future economic benefits to be derived from the ownership of these preference shares	The significant inputs were: a) the estimated cash flows from the dividends on these preference shares and the redemption proceeds on maturity; and b) the discount rate to compute the present value of the future expected cash flows	A slight decrease in the estimated cash inflows in isolation would result in a significant decrease in the fair value. (Note 2)
Investments in unquoted equity shares	Equity shares of: 0 - 0.00 Rs lakhs	Equity shares of: 0 - 0.00 Rs lakhs	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these equity instruments	The significant inputs were: a) the estimated cash flows; and b) the discount rate to compute the present value of the future expected cash flows	A slight decrease in the estimated cash inflows in isolation would result in a significant decrease in the fair value. (Note 3)

Notes:

1) There were no transfers between Level 1, 2 and 3 during the year.

2) A 5% increase/ decrease in the WACC or discount rate used would decrease/ increase the fair value of the unquoted preference shares by 0.00 Rs. lakhs / 0.00 Rs. lakhs (as at March 31, 2018: 0.00 Rs. lakhs/ 0.00Rs. lakhs).

3) A 50 basis points increase/ decrease in the WACC or discount rate used would decrease/ increase the fair value of the unquoted equity instruments by 0.00 Rs. lakhs (as at March 31, 2018: 0.00 Rs. lakhs).

A 5% increase/ decrease in the revenue would increase/ decrease the fair value of the unquoted equity instruments by 0.00 Rs. lakhs (as at March 31, 2018: 0.00 Rs. lakhs).

4) Gain / loss recognised in profit or loss included in other income (Refer Note 2.2) arising from fair value measurement of Level 3 financial assets is gain of 0.00 Rs. lakhs (2018: loss of 0.00 Rs lakhs)

Ashok Leyland Limited

Notes annexed to and forming part of the Financial Statements

3.7a Disaggregation of revenue

The disaggregation of revenue based on the geographical location of the customers is given below:

Rs Lakhs

Particulars	Year	In India	Outside India	Total
Revenue from external customers	2019	-	43.637,58	43.637,58

a) Revenue from external customers comprises of income from sale of products, services and other operating revenues.
(Refer Note 2.1)

3.7 IND AS 115 disclosure - will be sent separately

3.8 Related party disclosure

a) List of parties where control exists

Holding company
Hinduja Automotive Limited, United Kingdom
Machen Holdings SA
(Holding Company of Hinduja Automotive Limited, United Kingdom)
Machen Development Corporation, Panama
(Holding Company of Machen Holdings SA)
Amas Holdings SA
(Holding Company of Machen Development Corporation, Panama)

Subsidiaries
Albonair (India) Private Limited
Ashok Leyland Vehicles Limited (formerly Ashok Leyland Nissan Vehicles Limited)................. Merged with Ashok Leyland Limited from 1st April 2017
Ashley Powertrain Limited (formerly Nissan Ashok Leyland Powertrain Limited)...................... Merged with Ashok Leyland Limited from 1st April 2017
Ashok Leyland Technologies Limited (formerly Nissan Ashok Leyland Technologies Limited)...... Merged with Ashok Leyland Limited from 1st April 2017
Albonair GmbH, Germany
- Albonair (Taicang) Automotive Technology Co. Limited., China
Ashok Leyland (Nigeria) Limited
Ashok Leyland (UK) Limited (since liquidated on April 10, 2018)
Gulf Ashley Motor Limited
Optare plc
- Optare UK Limited.
- Optare Group Limited.
- Jamesstan Investments Limited.
- Optare Holdings Limited.
- Optare (Leeds) Limited.
- East Lancashire Bus Builders Limited.
Ashok Leyland (Chile) S.A.
Hinduja Leyland Finance Limited
- Hinduja Housing Finance Limited
HLF Services Limited
Global TVS Bus Body Builders Limited
Ashley Aviation Limited .... From January 2, 2019
Ashok Leyland (UAE) LLC
- LLC Ashok Leyland Russia
- Ashok Leyland West Africa

3.8 Related party disclosure continued...

b) Other related parties

Fellow subsidiaries

Gulf Oil Lubricants India Limited

Hinduja Energy (India) Limited

DA Stuart India Private Limited

Hinduja Foundries Limited....................from April 1, 2016 to September 30, 2016

Associates

Ashley Aviation Limited .... Upto January 1, 2019

Ashok Leyland Defence Systems Limited

Lanka Ashok Leyland PLC

Mangalam Retail Services Limited

Joint Ventures

Ashley Alteams India Limited

Automotive Infotronics Limited ....liquidated on April 5, 2017

Ashok Leyland John Deere Construction Equipment Company Private Limited (Along with Gulf Ashley Motor Limited)

Ashok Leyland Vehicles Limited (formerly Ashok Leyland Nissan Vehicles Limited) ....upto November 25, 2016

Ashley Powertrain Limited (formerly Nissan Ashok Leyland Powertrain Limited) ....upto November 25, 2016

Ashok Leyland Technologies Limited (formerly Nissan Ashok Leyland Technologies Limited) ....upto November 25, 2016

Hinduja Tech Limited

Entities where control exist

Ashok Leyland Educational Trust

Phoenix ARC Trust

Employee related trust (provident fund trust, super annuation trust, gratuity trust, welfare trust, etc)

Key management personnel

Mr. Dheeraj G Hinduja, Chairman

Mr. Vinod K Dasari, CEO and Managing Director

Note:

Transaction with Rajalakshmi Wind Energy Limited (erstwhile Ashok Leyland Wind Energy Limited) has not been disclosed as being with associate since the company does not have significant influence over Rajalakshmi Wind Energy Limited, although the company holds 26% of the equity share capital of Rajalakshmi Wind Energy Limited.

Albonair Consolidated

Notes annexed to and forming part of the Standalone Financial Statements

3.8 Related party disclosure continued...

c) Related Party Transactions - summary

Rs. Lakhs

		Subsidiaries		Fellow Subsidiaries		Associates		Joint Ventures		Holding Company		Entities where control exist		Key Management Personnel		Total	
	Transactions during the year ended March 31	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
1	Purchase of raw materials, components and traded goods (net of GST/ CENVAT / VAT)			11,78	18,08											11,78	18,08
2	Sales and services (net of excise duties/GST)			70,43	1.136,56					1.266,45	1.701,20					1.336,88	2.837,76
3	Other operating income																
4	Other expenditure incurred / (recovered) (net)																
5	Advance / current accounts - net increase / (decrease)																
6	Interest and other income																
7	Purchase of assets																
8	Sale of asset																
9	Dividend payments																
10	Dividend income																
11	Remuneration to key management personnel																
12	Commission and sitting fees to key management personnel																
13	Financial guarantees given																
14	Financial guarantees released																
15	Investments in shares of																
16	Loans/ Advance converted to investment in equity instruments																
17	Loans / advance given																
18	Loans / advance repaid																

3.8 Related party disclosure continued...

Rs. Lakhs

		Subsidiaries		Fellow Subsidiaries		Associates		Joint Ventures		Holding Company		Entities where control exist		Key Management Personnel		Total	
	Balances as on March 31	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
1	Trade receivables			356,11	1.531,45					12,27						368,37	1.531,45
2	Loans (net of provision Rs. Xxx lakhs, as on March 31, 2018 Rs. xxx lakhs)																
3	Other financial and non-financial assets																
4	Trade and other payables			12,33	26,54					391,79						404,11	26,54
5	Share application money																
6	Financial guarantees																

d) Significant Related Party Transactions

Rs. Lakhs

Transactions during the year ended March 31	2019	2018
1 *Purchase of raw materials, components and traded goods (net of GST/ CENVAT / VAT)*		
Albonair India	11,76	16,06
2 *Sales and services (net of excise duties/GST)*		
Albonair India	70,43	1,136,56
Ashok Leyland Limited	1,266,46	1,701,20
3 *Other operating income*		
4 *Other expenditure incurred / (recovered) (net)*		
5 *Advance / current account - net increase / (decrease)*		
6 *Interest and other income*		
7 *Dividend income*		
8 *Dividend payment*		
9 *Investment in shares of*		
10 *Share application money converted to investment in equity instruments*		
11 *Loans / advance given*		
12 *Loans / advance repaid*		
13 *Purchase of assets*		
14 *Financial guarantees released*		
15 *Financial guarantees given*		
16 *Sale of asset*		
17 *Commission and sitting fees to key management personnel*		
18 *Remuneration to key management personnel* *		

* excludes contribution for gratuity and compensated absences as the incremental liability has been accounted for by the Company as a whole.

e. Details of advances in the nature of loans (excluding interest accrued)

Rs. Lakhs

Name of the company	March 2019					March 2018				
	Status	Outstanding amount	Maximum loan outstanding during the year	Investment in shares of the Company	Direct investment in shares of subsidiaries of the Company	Status	Outstanding amount	Maximum loan outstanding during the year	Investment in shares of the Company	Direct investment in shares of subsidiaries of the Company
	Subsidiary					Subsidiary				

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

Particulars	Rs. Lakhs As at March 31, 2019	Rs. Lakhs As at March 31, 2018	Purpose
i) Loans outstanding			
ii) Investments (refer Note 1.3)			
iii) Guarantees			
- Optare plc			Guarantees for term loan / working capital
- Ashley Alteams India Limited			Guarantees for term loan
- Albonair GmbH			Guarantees for working capital
- Ashok Leyland Vehicles Limited			Guarantees for term loan / working capital

3.9 Contingent liabilities

	As at March 31, 2019	As at March 31, 2018
	Rs. Lakhs	Rs. Lakhs
a) Claims against the Company not acknowledged as debts (net)		
i) Sales tax / VAT		
ii) Excise duty		
iii) Service Tax		
iv) Customs Duty		
v) Others		
These have been disputed by the Company on account of issues of applicability and classification.		
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.

* net of provision of Rs xxx (as at March 31, 2018: Rs. xxx lakhs).

3.10 Commitments

	As at March 31, 2019	As at March 31, 2018
	Rs. Lakhs	Rs. Lakhs
a) Capital commitments (net of advances) not provided for [including Rs.xxx lakhs (March 2018: Rs.xxx lakhs) in respect of intangible assets]		
b) Uncalled liability on partly paid shares / investments		
c) Other commitments		
i) Financial support given to certain subsidiaries, joint ventures, etc. [Refer Note 3.8(f)(iii)]		
ii) Lock-in commitment in shareholders agreement [Refer Note 1.3]		

The outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved.

3.11 Details of non-current borrowings:

	As at March 31, 2019				As at March 31, 2018		
	Non Current Rs. Lakhs	Current Maturities Rs. Lakhs	Total Rs. Lakhs	Particulars of Redemption / Repayment	Non Current Rs. Lakhs	Current Maturities Rs. Lakhs	Total Rs. Lakhs
a. Secured borrowings:							
i. Debenture series							
ii. Term loans:							

Debentures and term loans (excluding TL - 10 , TL - 9 and TL - 8) aggregating Rs.xxx lakhs (2018: Rs.xxx lakhs) are secured by a first charge on pari-passu basis on all Property, Plant and Equipment (PPE) of the Company aggregating Rs.xxx lakhs (2018: Rs.xxx lakhs) excluding certain immovable properties (residential buildings and certain immovable assets) and movable PPE such as aircraft of the Company.

b. Unsecured borrowings:

i. ECB loans

	As at March 31, 2019				As at March 31, 2018		
	Non Current Rs. Lakhs	Current Maturities Rs. Lakhs	Total Rs. Lakhs	Particulars of Redemption / Repayment	Non Current Rs. Lakhs	Current Maturities Rs. Lakhs	Total Rs. Lakhs
Ashok Leyland Limited	388,36		388,36	April 2020, extension possible	404,04		404,04
	388,36	-	388,36		404,04	-	404,04

		As at March 31, 2019				As at March 31, 2018	
	Non Current Rs. Lakhs	Current Maturities Rs. Lakhs	Total Rs. Lakhs	Particulars of Redemption / Repayment	Non Current Rs. Lakhs	Current Maturities Rs. Lakhs	Total Rs. Lakhs
ii. Interest free sales tax loans							
Programme II							

The above debentures, term loans, external commercial borrowings and loans from others carry varying rates of interest with the maximum rate of interest going upto xxx% (as at March 31, 2018: xxx%) per annum. The weighted average rate of interest of these loans is around xxx% (2017-18 : xxx) per annum.

3.12 Details of current borrowings

Secured borrowings	As at March 31, 2019 Rs. Lakhs	Particulars of Repayment	As at March 31, 2018 Rs. Lakhs
Citi Bank	7,809,68	between April 2019 and March 2020, different drawing dates	6,569,21
	7,809,68		6,569,21

Unsecured borrowings	As at March 31, 2019 Rs. Lakhs	Particulars of Repayment	As at March 31, 2018 Rs. Lakhs

The above loans carry varying rates of interest with the maximum rate of interest going upto 0.75% (as at March 31, 2018: 0.75%) per annum. The weighted average rate of interest of these loans is around 0.75% (2017-18: 0.75%) per annum.

The carrying value of the above borrowings (as reflected in Notes 1.19, 1.24 and 1.26) are measured at amortised cost using effective interest method while the above borrowings represents principal amount outstanding.

		Year ended March 31, 2019 Rs. Lakhs	Year ended March 31, 2018 Rs. Lakhs
3.13	Other information (including foreign currency transactions)		
3.13.1	Information regarding imports (c.i.f)		
	a) Raw materials and components	7.376,27	6.308,15
	b) Trading goods and others		
	c) Spares and tools		
	d) Capital items		
		7.376,27	6.308,15
3.13.2	Expenditure incurred in foreign currency		
	a) Royalty		
	b) Professional and consultation fees		
	c) Interest and commitment charges		
	d) Commission on sales		
	e) Research and development	0,11	0,21
	f) Travel	0,61	-
	g) Other expenses		
	- Freight charges		
	- Product warranty		
	- Packing and forwarding		
	- Others		
		0,72	0,21
3.13.3	Earnings in foreign currency		
	a) Export of goods - FOB value	3.655,02	1.033,68
	b) Interest and dividend		
	c) Others	151,05	913,46
		3.806,07	1.947,14
3.13.4	Auditors' remuneration included under selling and administration expenses - net [Refer Note 2.9]		
	i) For financial audit	41,32	43,71
	ii) For taxation matters		
	iii) For other services - review of accounts, certification work, etc.		
	iv) For reimbursement of expenses		
3.13.5	Total research and development costs charged to the Statement of Profit and Loss (including amount shown under Note 2.9)	2.060,01	1.889,36
3.13.6	Impact of exchange (gain) / loss for the year in the Statement of Profit and Loss due to:		
	a) Translation / settlement (net)	23,42	(10,91)
	b) Amortisation of exchange difference	43,79	(3,99)
	c) Exchange difference on swap contracts		
	d) Depreciation on exchange difference capitalised		

3.14 Accounting for long term monetary items in foreign currency forward contracts

Exchange difference in long term monetary items in foreign currency:

The Company has elected the option under Ind AS 101 'First-time Adoption of Indian Accounting Standards' and has continued the policy adopted for accounting of exchange differences arising from translation of long term foreign currency monetary items recognised in the standalone financial statements upto March 31, 2016. Accordingly, exchange difference on translation or settlement of long term foreign currency monetary items at rates different from those at which they were initially recorded or as at April 1, 2007, in so far as it relates to acquisition of depreciable assets are adjusted to the cost of the assets. In other cases, such exchange differences, arising effective April 1, 2011, are accumulated in "Foreign currency monetary item translation difference" and amortized by recognition as income or expense in each year over the balance term till settlement occurs but not beyond March 31, 2020.

Accordingly,
a) Foreign exchange (gain) / loss relating to acquisition of depreciable assets, capitalised during the year ended March 31, 2019 aggregated Rs. xxx Lakhs (year ended March 31, 2018 Rs.xxx Lakhs).

b) Amortized net exchange difference in respect of long term monetary items relating to other than acquisition of depreciable assets,charged to the statement of profit and loss for the year ended March 31, 2019 is Rs.xxx Lakhs (year ended March 31, 2018 Rs.xxx Lakhs).

c) The un-amortised net exchange difference in respect of long term monetary items relating to other than acquisition of depreciable assets, is a loss of Rs.xxx lakhs as at March 31, 2019 [as at March 31, 2018: loss of Rs.xxx]. These amounts are reflected as part of the "Other Equity".

3.15 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:

Rs. Lakhs

Particulars	March 2019	March 2018
i) Principal amount paid after appointed date during the year		
ii) Interest paid u/s 16 of MSMED Act, 2006		
iii) Amount of interest due and payable for the delayed payment of principal amount		
iv) Principal amount remaining unpaid as at year end (over due)		
v) Principal amount remaining unpaid as at year end (not due)		
vi) Interest due and payable on principal amount unpaid as at the year end		
vii) Total amount of interest accrued and unpaid as at year end		
viii) Further interest remaining due and payable for earlier years		

3.16 Details of eligible expenditure incurred on in-house Research and Development (R & D) facilities:

Rs. lakhs

Particulars	Included in Notes to the Standalone Financial Statements	Approved R&D facilities	
		March 2019	March 2018
(i) Capital expenditure			
(a) Land	1.1 and 1.2		
(b) Buildings			
(c) Capital equipments			
(ii) Revenue expenditure (net)			
(a) Salaries/wages *	2.6		
(b) Material/consumables/spares *	2.3 and 2.9		
(c) Utilities	2.9		
(d) Other expenditure directly related to R&D *	2.9		
(e) Total revenue expenditure (Total of (ii) (a) to (ii) (d))			
(iii) Total R&D expenditure (Total of (i) (c) and (ii) (e))			
(iv) Less: Amount received by R & D facilities	2.1 and 2.9		
(v) Net amount of R & D expenditure (iii) - (iv)			

Notes:

(1) Capital equipment claimed during the year does not include:
a. Expenditure incurred during the year but not capitalized as on March 31, 2019 is Rs. xxx lakhs
b. Expenditure claimed upon incurrence during the previous years but capitalized during the year is Rs. xxx lakhs

(2) Capital equipment claimed upon incurrence during previous years and continues to be in capital work-in-progress is Rs. xxx Lakhs

(3) * Includes an amount in respect of (ii)(a) – Rs. xxx Lakhs (March 2018:Rs. xxx Lakhs); (ii)(b) Rs. xxx (March 2018: Rs.xxx Lakhs) and (ii)(d) Rs. xxx Lakhs (March 2018: Rs. xxx Lakhs) and (iv) Rs. xxx Lakhs (March 2018: xxx) capitalized in books.

3.17 CSR Expenditure:

Rs. Lakhs

Particulars	Year ended March 31,2019	Year ended March 31,2018
(a) Gross amount required to be spent by the company during the year as per Section 135 of the Companies Act, 2013 read with schedule VII		
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset		
(ii) On purposes other than (i) above		

3.18 The figures for the previous year have been reclassified/ regrouped wherever necessary for better understanding and comparability.

Accounting Policies

Albonair GmbH

1. **General information concerning the financial statements**

- Financial statements are prepared in accordance with the accounting standards of the German Commercial Law (Handelsgesetzbuch (HGB)).
- The income statement is based on the total cost method.
- Capitalize of internally generated intangible assets (know-how).

2. **Information on accounting and valuation methods**

- The useful life as basis for the depreciation of fixed assets is settled by the useful life expectancy.
- Write-up maximum for fixed assets, where applicable, are the historical costs.
- Internally generated intangible assets are valued at the production costs incurred in their development less necessary amortization. This item is subject to an annual impairment test.
- Acquired intangible assets are valued at acquisition costs less straight-line amortization.
- Tangible fixed assets are valued at acquisition or production costs less regular depreciation.
- A collective item is formed for additions of assets with acquisition costs of € 150,00 to € 1.000,00. This collective item will be dissolved by one fifth in each fiscal year with the effect of decreasing profits.
- Assets of the financial fixed assets are valued at cost, where applicable, at the lower cost value.
- Raw materials and supplies are generally valued at acquisition or production costs taking into account the strict lower of cost or market principle.
- Work in process and finished products and services are taken into account at production cost.
- Goods for resale are recognized at acquisition costs.
- Reductions in value based on loss-free valuations and for identifiable risks based on long storage periods or reduced technical usability in inventories , where applicable, will be considered.
- Payments received on account of inventories are openly deducted from the inventories
- Receivables and other assets are recognized at their nominal value after deduction of necessary accumulated value adjustments. Receivables and other assets with a remaining term of more than one year are discounted on the basis of term congruent market interests.
- Liquid assets are taken into account at nominal value.
- Accruals are assessed with all identifiable risks and uncertain obligations; the settlement amount is the standard for valuation. Accruals with a remaining term of more than one year are discounted on the basis of term congruent market interests.

- Payables are generally stated at their settlement amount. Payables with a remaining term of more than one year are discounted on the basis of term congruent market interests.
- Transactions in foreign currencies are converted at the foreign exchange spot mean. In respect of receivables, payables and foreign currency holdings, gains and losses from exchange rate fluctuations are taken into account as of the balance sheet date.

3. Fixed assets

3.1 Intangible assets

3.1.1 Internally generated intangible assets

3.1.1.1 Internally generated intangible assets without customer relationship

These internally development projects research new procedures, systems, processes and new generations of our products and materials to improve our array of products (internal know how).

In the case of an intrinsic value and proved future economic benefits documented with suitable calculations and plans, the projects can be capitalized according to § 248 sec. 2 HGB with their development costs. This option is used by Albonair GmbH.

This item is subject to an annual impairment test and will be depreciated straight-line during the lifetime of the future economic benefit.

3.1.1.2 Internally generated intangible assets with customer relationship

For this belong combined development projects with following serial production. As the development time of our product requires up to two years ensuring a system with the defined customer specific requirements, the development part is an essential element in our contracts. Normally for the development costs we receive a reimbursement from the customer as advance payment for the serial delivery.

The development costs can be capitalized according to § 248 sec. 2 HGB. This option is used by Albonair GmbH.

This item is subject to an annual impairment test and will be depreciated time-depending during the contracted lifetime of the serial production. The advance payments for the development will be dissolved quantity-depending during the lifetime of the contracted serial production as off-set entry to the depreciation.

3.1.2 Tooling costs for software

This item includes third party developments for software (e.g. SCR control units). The tooling costs are capitalized with their acquisition costs and are straight-line depreciated over the term of the contract.

3.1.3 Acquired software, concessions, industrial rights and licenses

These items are capitalized with their acquisition costs and are straight-line depreciated based on o useful life of three to five years.

3.2 Tangible fixed assets

3.2.1 Building installations

Building installations are capitalized with their acquisition or production costs and are straight-line depreciated based on o useful life of 3 to 5 years.

3.2.2 Technical equipment and machinery

Technical equipment and machinery are capitalized with their acquisition or production costs and are straight-line depreciated based on o useful life between 2 and 16 years.

3.2.3 Equipment, factory and office equipment

These Items are capitalized with their acquisition or production costs and are straight-line depreciated based on o useful life of 3 to 13 years.

3.2.4 Payments on account and assets under construction

Payments on account are capitalized with their nominal value and assets under construction with their production costs.

4. Financial fixed assets

Financial fixed assets are valued at cost, where applicable, at the lower cost value. Write-up maximum, where applicable, are the historical costs.

5. Inventories

5.1 Raw materials and supplies

Raw materials and supplies are valued at the weighted average value. They are generally valued at acquisition or production costs taking into account the strict lower of cost or market principle. This item has to be determined by an annual inventory account.

5.2 Work in process

This item is capitalized with the acquisition and production costs.

5.3 Semi-finished goods, finished goods and goods for resale

Semi-finished and finished goods are generally valued at production costs, goods for resale at acquisition costs. These items are subject of a loss-free valuation (comparison sale price with acquisition/production costs) and have to be determined by an annual inventory account.

5.4 Payments received on account of orders

Payments on account are capitalized with their nominal value and assets under construction with their production costs. A potential surplus (e.g. payments received > work in process) is considered in balance sheet item advanced payments received.

6. Receivables and other assets

Receivables and other assets are recognized at their nominal value after deduction of necessary accumulated value adjustments. All identifiable individual risks have to be taken into account.
For trade receivables a flat-rate adjustment (current at 1%) to net receivables that are not previously and individually adjusted in terms of their value has to be considered.

7. Liquid assets

Liquid assets are taken into account at nominal value.

8. Prepaid expenses and deferred charges

E.g. insurance expenses, temporal licenses, and so on.

9. Special item for grants

This item includes an investment grant which will be released to profits over the useful life of the subsidized assets.

10. Accruals

All assessable risks existing at the balance sheet date have to be taken into account. The settlement value has to be considered for valuation. Accruals with a remaining term of more than one year have to be discounted.

11. Payments received on account of orders

Please compare with 5.4.

12. Payables

Payables have to be stated at their settlement amount. Payables with a remaining term of more than one year have to be discounted.

13. Leasing

The existing leasing contracts are considered as expenses (no capitalization). New leasing contracts have to be checked for correct accounting.

14. Revenues

Deliveries:

- Realization with delivery date with delivery condition "ex work"
- Realization with transfer of perils with other delivery conditions

Services:

- Realization with finishing of the service (previous invoicing considered as advance payments received)