

4.1 Income taxes relating to continuing operations		
a) Income tax recognised in profit or loss	March 31, 2020	March 31, 2019
	₹ Lakhs	₹ Lakhs
Current tax		
In respect of the current year	-	758.69
	-	758.69
Deferred tax		
In respect of the current year	101.29	12.41
	101.29	12.41
Total income tax expense recognised in the current year relating to continuing operations	101.29	771.10
b) Income tax recognised in other comprehensive income	March 31, 2020	March 31, 2019
	₹ Lakhs	₹ Lakhs
Current tax	-	9.41
Total income tax recognised in other comprehensive income	-	9.41
c) The income tax expense for the year can be reconciled to the accounting profit as follows:	March 31, 2020	March 31, 2019
	₹ Lakhs	₹ Lakhs
Profit/(loss) before tax from continuing operations and OCI	(808.31)	3,440.87
Income tax expense calculated at 34.944% (2018-19: 34.944%)	-	1,202.38
Effect of income that is exempt from taxation	-	(2.51)
Effect of expenses that are not deductible in determining taxable profit	-	(388.48)
Effect of deductible temporary differences	101.29	(30.88)
Income tax expense recognised in profit or loss (relating to continuing operations)	101.29	780.51
The tax rate used for the reconciliations above is the corporate tax rate of 34.944% (for the year 2019-20) and 34.944% (for the year 2018-19) payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.		
d) Deferred tax balances	March 31, 2020	March 31, 2019
	₹ Lakhs	₹ Lakhs
Deferred tax assets	456.66	99.47
(Deferred tax liabilities)	(323.37)	(67.47)
Deferred tax assets - Net	133.29	32.00
Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.		

Movement of deferred tax expense during the year ended March 2019-20 (₹ Lakhs)					
	Opening balance	Recognised in profit or loss	Recognised in Other equity	Utilisation of unused tax credits	Closing balance
Deferred tax (liabilities)/assets in relation to:					
(i) Property, plant, and equipment and Intangible Assets	(67.47)	(27.07)	-	-	(94.54)
(ii) Right of use of asset net of Lease Liability	-	(17.64)	49.88	-	32.24
(iii) Expenditure allowed upon payments	22.34	9.13			31.47
(iv) Other temporary differences	77.10	50.79			127.89
(v) unabsorbed depreciation	-	36.19			36.19
	31.97	51.40	49.88	-	133.26
Movement of deferred tax expense during the year ended March 2018-19 (₹ Lakhs)					
	Opening balance	Recognised in profit or loss	Recognised in Other equity	Utilisation of unused tax credits	Closing balance
Deferred tax (liabilities)/assets in relation to:					
(i) Property, plant, and equipment and Intangible Assets	(73.17)	5.70			(67.47)
(ii) Expenditure allowed upon payments	18.41	3.93			22.34
(iii) Other temporary differences	42.77	34.33			77.10
(iv) Unused tax Losses (Including Unab Dep)	56.37			(56.37)	-
	44.38	43.96	-	(56.37)	31.97
e) Unrecognised deductible temporary differences, unused tax losses and unused tax credits-nil					

4.2 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, 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 total expense recognised in profit or loss of Rs.87.14 lakhs (for the year ended March 31, 2019: Rs.111.95 lakhs) out of which Rs. 5.80 lakhs (for the year ended March 31, 2019 : Rs.9.85 lakhs) represents payable by the Company.

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 to 30 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 Company gratuity scheme administered by the SBI Life Insurance Company Limited.

Company's liability towards gratuity (funded), other retirement benefits and compensated absences are actuarially determined at each reporting date using the projected unit credit method.

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

Gratuity		
The principal assumptions used for the purposes of the actuarial valuations were as follows.		
	March 31, 2020	March 31, 2019
	Rs. Lakhs	Rs. Lakhs
Discount rate(s)	6.55%	7.48%
Expected rate(s) of salary increase	5.00%	5.00%
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.		
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
	March 31, 2020	March 31, 2019
	Rs. Lakhs	Rs. Lakhs
Current service cost	15.84	22.89
Net interest expense	(0.14)	1.95
Components of defined benefit costs recognised in profit or loss	15.70	24.84
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	(1.08)
Actuarial (gains)/losses arising from changes in financial assumptions	6.25	(8.08)
Actuarial (gains)/losses arising from experience adjustments	(18.43)	7.10
Return on plan assets (excluding amounts included in net interest expense)	(3.00)	(24.87)
Components of defined benefit costs recognised in other comprehensive income	(15.19)	(26.93)
Total	0.51	(2.09)
The above current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss excluding full and final settlement cases.		
The remeasurement of the net defined benefit liability is included in other comprehensive income.		
The amount included in the statement of financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:		
	March 31, 2020	March 31, 2019
	Rs. Lakhs	Rs. Lakhs
Present value of defined benefit obligation	90.36	107.36
Fair value of plan assets	91.94	109.45
Net liability arising from defined benefit obligation	(1.58)	(2.09)
Funded	(1.58)	(2.09)
Unfunded	-	-
Total	(1.58)	(2.09)
The above provisions are reflected under "Other Current Assets" as at Mar'20 (Refer Note no 1.12) and 'Current Financial Liabilities - Others as at Mar'19 [Refer notes 1.18] and		
Movements in the present value of the defined benefit obligation in the current year were as follows:		
	March 31, 2020	March 31, 2019
	Rs. Lakhs	Rs. Lakhs
Opening defined benefit obligation	107.36	84.37
Current service cost	15.85	22.89
Interest cost	6.15	6.16
Actuarial (gains)/losses arising from changes in demographic assumptions	-	(1.08)
Actuarial (gains)/losses arising from changes in financial assumptions	6.25	(8.08)
Actuarial (gains)/losses arising from experience adjustments	(18.43)	7.10
Benefits paid	(26.80)	(4.00)
Closing defined benefit obligation	90.38	107.36
Movements in the fair value of the plan assets in the current year were as follows:		
	March 31, 2020	March 31, 2019
	Rs. Lakhs	Rs. Lakhs
Opening fair value of plan assets	109.45	32.31
Interest Income	-	-
Return on plan assets (excluding amounts included in net interest expense)	6.29	4.21
Contributions	-	52.06
Benefits paid	(26.80)	(4.00)
Others	3.00	24.87
Closing fair value of plan assets	91.94	109.45
The Company funds the cost of the gratuity expected to be earned on a yearly basis to SBI Life Insurance Company Limited, which manages the plan assets.		
The actual return on plan assets was Rs.9.30 lakhs (2018-19: Rs.29.08 lakhs).		
Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.		
If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by Rs.3.45 lakhs (increase by Rs.3.70 lakhs) [as at March 31, 2019: decrease by Rs.3.81 lakhs]		
If the expected salary increases (decreases) by 0.50%, the defined benefit obligation would increase by Rs.3.57 lakhs (decrease by Rs.3.36 lakhs) [as at March 31, 2019: increase by Rs.4.20 lakhs]		
If the life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by Rs.0.02 lakhs [as at March 31, 2019: increase by Rs.0.04 lakhs]		
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 the 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 Rs.20.40 Lakhs contribution (as at March 31, 2019: NIL) to the defined benefit plans during the next financial year.		
The average duration of the benefit obligation as at March 31, 2020 is 7.96 years (as at March 31, 2019: 8.74 years).		

Compensated Balances		
The principal assumptions used for the purposes of the actuarial valuations were as follows.		
	March 31, 2020	March 31, 2019
	Rs. Lakhs	Rs. Lakhs
Discount rate(s)	6.55%	7.48%
Expected rate(s) of salary increase	5.00%	5.00%
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.		
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
	March 31, 2020	March 31, 2019
	Rs. Lakhs	Rs. Lakhs
Current service cost	9.02	9.26
Net interest expense	4.15	3.87
Recognition of (Gain)/Losses - Other Long term benefits	(20.10)	
Components of defined benefit costs recognised in profit or loss	(6.93)	13.13
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	0.65
Actuarial (gains)/losses arising from changes in financial assumptions	3.50	(3.11)
Actuarial (gains)/losses arising from experience adjustments	(23.60)	7.90
Return on plan assets (excluding amounts included in net interest expense)	-	-
Components of defined benefit costs recognised in profit or loss	(20.10)	5.44
Total	(27.03)	18.57
The above current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss		
The amount included in the statement of financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:		
	March 31, 2020	March 31, 2019
	Rs. Lakhs	Rs. Lakhs
Present value of defined benefit obligation	52.87	66.91
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	52.87	66.91
Funded	-	-
Unfunded	52.87	66.91
Total	52.87	66.91
The above provisions are reflected under 'Provisions' [Refer notes 1.15 and 1.20].		
<u>Movements in the present value of the defined benefit obligation in the current year were as follows:</u>		
	March 31, 2020	March 31, 2019
	Rs. Lakhs	Rs. Lakhs
Opening defined benefit obligation	66.91	55.13
Current service cost	9.02	9.26
Interest cost	4.15	3.87
Actuarial (gains)/losses arising from changes in demographic assumptions	-	0.65
Actuarial (gains)/losses arising from changes in financial assumptions	3.50	(3.11)
Actuarial (gains)/losses arising from experience adjustments	(23.60)	7.90
Benefits paid	(7.11)	(6.79)
Closing defined benefit obligation	52.87	66.91
<u>Movements in the fair value of the plan assets in the current year were as follows:</u>		
	March 31, 2020	March 31, 2019
	Rs. Lakhs	Rs. Lakhs
Opening fair value of plan assets	-	-
Interest income	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-
Contributions	-	-
Benefits paid	-	-
Others	-	-
Closing fair value of plan assets	-	-
Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.		
If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by Rs.1.90 lakhs (Increase by Rs. 2.04 Lakhs) [as at March 31, 2019: decrease by Rs.1.49 lakhs].		
If the expected salary increases (decreases) by 0.50%, the defined benefit obligation would increase by Rs.1.90 lakhs (Decrease by Rs.1.76 lakhs) [as at March 31, 2019: increase by Rs. 0.85 lakhs].		
If the life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by Rs.0.01 lakhs [as at March 31, 2019: decrease by Rs.0.02 lakhs]		
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 the 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 average duration of the benefit obligation as at March 31, 2020 is 7.96 years (as at March 31, 2019: 8.74 years).		

4.3 Earnings per share	Year ended March 31, 2020	Year ended March 31, 2019
	Rs.	Rs.
Basic earnings per share		
From continuing operations	(23.81)	89.89
Total basic earnings per share	(23.81)	89.89
Diluted earnings per share		
From continuing operations	(23.81)	89.89
Total diluted earnings per share	(23.81)	89.89
Basic earnings per share		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows.		
	Year ended March 31, 2020 ₹ Lakhs	Year ended March 31, 2019 ₹ Lakhs
Profit/(loss) for the year attributable to owners of the Company	(707.01)	2,669.77
Adjustments	-	-
Earnings used in the calculation of basic earnings per share	(707.01)	2,669.77
	Year ended March 31, 2020 Nos.	Year ended March 31, 2019 Nos.
Weighted average number of ordinary shares for the purposes of basic earnings per share	29,69,999	29,69,999
	As At March 31, 2020 Nos.	As At March 31, 2019 Nos.
Weighted average number of ordinary shares used in the calculation of basic earnings per share	29,69,999	29,69,999
Adjustments	-	-
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	29,69,999	29,69,999

4.4 Financial Instruments

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns 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 operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, non-convertible debt securities, and other long-term/short-term borrowings. The Company is required to comply with certain covenants under the arrangements executed for its borrowings and the Company has complied with all such covenants.

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

Gearing Ratio:

	March 31, 2020	₹ Lakhs March 31, 2019
Debt (Including Lease Liability)	1,882.02	8,080.17
Total equity	2,549.75	5,783.90
Net debt to total equity ratio	0.74	1.40

Categories of Financial Instruments:

	March 31, 2020	₹ Lakhs March 31, 2019
Financial assets		
<u>a. Measured at amortised cost:</u>		
Cash and bank balances	451.89	3,751.46
Trade Receivables	1,459.65	6,476.46
Investments	1.61	1.61
Loans and advances	331.15	346.47
Others	26.73	28.64
Financial liabilities		
<u>a. Measured at amortised cost:</u>		
Borrowings	1,100.00	8,080.17
Trade Payables	305.25	6,826.11
Lease Liabilities	782.02	-
Others	294.98	333.71

Financial risk management objectives

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

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 interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate. The exposure of companys borrowings to interest rate changes at the end of the reporting period are as follows:

	March 31, 2020	March 31, 2019
	Rs . Lakhs	Rs . Lakhs
Variable rate Borrowings	1,100.00	7,385.14
Fixed rate Borrowings	-	695.03

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding 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 and all other variables were held constant, the Company's profit for the year ended March 31, 2020 would decrease/increase by Rs.2.75 lakhs (March 31, 2019: decrease/increase by Rs.343 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties 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. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjustment is determined to be NIL. The Company makes an allowance for doubtful debts on a case to case basis wherever applicable. 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 where applicable.

The Company does has significant credit risk exposure to the following parties. (Constituting more than 5% & 10% of receivable value for 31st Mar 2020 and 31st Mar 2019)

Period	Parties who constitute more than 5% of receivable
As on 31st Mar'20	Ashok Leyland Limited
As on 31st Mar'19	Ashok Leyland Limited

	₹ Lakhs	
Age of receivables	March 31 2020	March 31 2019
Not - due	-	-
Due within 6 Months	1,153.44	6,011.17
Due later than 6 months	306.21	465.29
Total	1,459.65	6,476.46

The company operates predominantly on cash and carry basis for vehicles and services excepting the cases where local operating team recommend credit for a party based on credit worthiness and approved.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

Liquidity risk management

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 lines from various banks. The Company has obtained fund and non-fund based working capital lines from banks. The Company invests its surplus funds in bank fixed deposit which carry minimal mark to market risks. Where available, there are no restrictions on the amount of undrawn borrowing facilities that are available for operating and capital commitments as at March 31, 2020.

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

₹ lakhs

Particulars	March 31, 2020	March 31, 2019
Expiring within one year (bank overdraft and other facilities)	-	-
Secured	13,400.00	7,114.86
UnSecured	-	-
Total	13,400.00	7,114.86

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables:

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	₹ Lakhs Carrying amount
March 31, 2020				
Trade payables	305.25	-	-	305.25
Lease Liability	256.62	574.86	88.50	919.98
Other financial liabilities	294.98	-	-	294.98
Borrowings (including interest accrued thereon upto the reporting date)	1,100.00	-	-	1,100.00
	1,956.85	574.86	88.50	2,620.21
March 31, 2019				
Trade payables	6,826.11	-	-	6,826.11
Other financial liabilities	333.71	-	-	333.71
Borrowings (including interest accrued thereon upto the reporting date)	8,080.17	-	-	8,080.17
	15,239.99	-	-	15,239.99

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

Management consider that the carrying all amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

4.5 Related party disclosure

a) List of parties having transactions with Gulf Ashley Motor Limited

Name of the Related Party	Relationship
Ashok Leyland Limited	Holding Company
Gulf Oil Lubricants Limited	Fellow Subsidiary to Holding Company
Hinduja Leyland Finance Limited	Fellow Subsidiary
Hinduja Tech Limited	Joint Venture to Holding Company
Global TVS Bus Body Builders Limited	Fellow Subsidiary
Mr.Sandeep Agrawal - Manager and Director	Key Managerial Personnel
Mr.K.C.Sathiyarayanan- Chief Financial Officer	Key Managerial Personnel
Mr.V Ramachandran - Company Secretary	Key Managerial Personnel

b) List of parties not having transactions with Gulf Ashley Motor Limited

Name of the Related Party	Relationship
Hinduja Automotive Limited, United Kingdom	Holding company of Ashok Leyland Limited
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
Albonair (India) Private Limited	Fellow Subsidiary
Albonair (Taicang) Automotive Technology Co. Ltd, China	Fellow Subsidiary
Albonair GmbH	Fellow Subsidiary
Ashley Powertrain Limited (merged into ALL with effect from April 1, 2018)	Fellow Subsidiary
Ashok Leyland (Chile)	Fellow Subsidiary
Ashok Leyland (Nigeria) Limited	Fellow Subsidiary
Ashok Leyland (UAE) LLC	Fellow Subsidiary
Ashok Leyland (UK) Limited (since liquidated April 10, 2018)	Fellow Subsidiary
Ashok Leyland Technologies Limited (merged into ALL with effect from April 1, 2018)	Fellow Subsidiary
Ashok Leyland Vehicles Limited (merged into ALL with effect from April 1, 2018)	Fellow Subsidiary
Ashok Leyland West Africa Ivory Coast	Fellow Subsidiary
East Lancashire Bus Builders Ltd	Fellow Subsidiary
Hinduja Housing Finance Limited	Fellow Subsidiary
HLF Services Limited	Fellow Subsidiary
Jamesstan Investments Ltd	Fellow Subsidiary
LLC Ashok Leyland Russia	Fellow Subsidiary
Optare (Leeds) Ltd	Fellow Subsidiary
Optare Group Ltd	Fellow Subsidiary
Optare Holdings Ltd	Fellow Subsidiary
Optare Plc, UK	Fellow Subsidiary
Optare UK Ltd	Fellow Subsidiary
Hinduja Auto Components Limited	Fellow Subsidiary
Hinduja Energy India Limited	Fellow Subsidiary
DA Stuart India Private Limited	Fellow Subsidiary
Ashok Leyland John Deere Construction Equipment Company Private Limited	Joint Venture
Ashley Alteams India Limited	Joint Venture to Holding Company
Ashley Aviation Limited	Associate to Holding Company
Ashok Leyland Defence Systems Limited	Associate to Holding Company
Lanka Ashok Leyland PLC	Associate to Holding Company
Mangalam Retail Services Limited	Associate to Holding Company
AL educational trust	Controlled Trusts
Phoenix ARC trust	Controlled Trusts
Employee related trust (provident fund trust, super annuation trust, gratuity trust)	Controlled Trusts

Notes : As per sec 149(6) of Companies Act, 2013 independent directors are not considered as KMP. Also considering the roles & functions of independent director stated under schedule IV of Companies Act 2013 they have not been disclosed as KMP for the purpose of disclosure requirement as per Ind AS 24 Related Party.

4.5 Related party disclosure (Continued)**c) Details of Transactions with Related Parties :**

Name of Related Party	Nature of Transaction	₹ Lakhs	
		2019-20	2018-19
Ashok Leyland Limited	Purchase of Traded Goods (Net of Discount)	32,369.84	87,495.78
	Management Service Expense	58.41	13.17
	Sales and Services (net of excise duties)	1,504.22	1,983.35
	Other Operating Income	1,336.22	658.01
	Trade Receivables	21.26	299.15
	Contract Assets - Unbilled Revenue	54.86	65.76
	Trade and Other payables	241.22	6,483.90
Gulf Oil Lubricants Limited	Purchase of Traded Goods (Net of Discount)	540.44	1,084.48
	Trade and Other payables	18.41	13.26
Hinduja Leyland Finance Limited	Interest paid on borrowings	6.86	-
	Borrowings (Trade Advance)	-	695.03
Hinduja Tech Limited	Receipt of Services	-	5.15
Global TVS Bus Body Builders Limited	Purchase of Traded Goods (Net of Discount)	11.90	-
	Trade and Other payables	-	-

4.6 leases

The Company has adopted IND AS 116 Leases with effect from 1st April, 2019. The lease arrangements subsisting as on that date and eligible for recognition as right of use of asset under IND AS 116 is disclosed in Note no:1.2. All other lease arrangements as on that date were either Low value asset or short term leases and the lease rentals recognised as an expenses in the statement of Profit and loss. The following are the disclosures in terms of IND AS 116 :

4.6.1 Payments recognised as expense for the Non-cancellable lease:

Non-cancellable lease commitments	Rs. Lakhs 31-Mar-20	Rs. Lakhs 31-Mar-19
Maturity analysis of future lease payments :		
Not later than 1 year	256.62	55.00
Later than 1 year but not later than 5 years	574.86	30.00
Later than 5 years	88.50	-

4.6.2 Rental payment for which exemption is availed under IND AS 116

Particulars	Rs. Lakhs 31-Mar-20	Rs. Lakhs 31-Mar-19
Lease asset for low value asset (less than Rs.5 lakhs)	5.56	-
Short term leases	192.08	-

4.6.3 Other disclosures

Particulars	Note no.	Rs. Lakhs 31-Mar-20
a.Carrying value of right of use of (ROU) asset	1.2	685.45
b.Depreciation charge for ROU asset	2.6	282.29
c.Interest expense on lease liability	2.5	140.64
d.Total cashflow during the year for leases	CFS	380.91
e.Additions to ROU (Other than upon transition)	1.2	-
f. Lease commitments for short term leases	-	-
g.Lease liability outstanding	BS	782.02

Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants other than that the company cannot provide the leased premises as security for its borrowings etc, nor can it be subleased without the permission of the lessor.

The lease payment are discounted using the company's incremental borrowing rate @8.5% being the rate that the company would have to pay to borrow funds necessary to obtain an asset of similar value to ROU asset in a similar economic environment with similar terms, security and conditions

On transition date, company measured the lease liability at the present value of the remaining lease payments, discounted using the company's incremental borrowing rate at the date of initial application and measured the right to use asset as its carrying amount as if the standard had been applied since the commencement date, but discounted using the company's incremental borrowing rate at the date of initial application. Further, the company has recognised the cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings.

The company has applied modified retrospective approach in adopting the new standard and accordingly, the balances of lease liability and Right of use assets as at March 31, 2020 are not comparable with previous year balances.

Company as lessee

Leasing arrangements

Operating leases relate to leases of land and building with lease term ranging from 11 months to 15 years.

4.7 Contingent liabilities and contingent assets

	March 31, 2020	March 31, 2019
	₹ Lakhs	₹ Lakhs
Contingent liabilities		
Claims against the Company not acknowledged as debts (net)		
Sales tax / VAT*		-
Service Tax	97.61	-
These have been disputed by the Company on account of issues of applicability and classification.		
	97.61	-

Future cash outflows in respect of the above are determinable only on receipt of judgement / decisions pending with various forums / authorities.

* Sales tax / VAT demand of Rs. 557 Lakhs was made in an earlier year but is not considered as contingent liability since the relevant order raising the demand has been remanded to lower authorities for fresh adjudication and hence, no demand subsists as at year end.

4.8 Details of Short Term Borrowings	March 31, 2020	Particulars of Borrowing	March 31, 2019
	₹ Lakhs		₹ Lakhs
- HDFC	1,100.00	Working Capital Deman Loan repayable on demand carry interest rates varying between 7.00% p.a. to 8.45% p.a.	3,100.00
- Federal	-	Cash Credit Facility - Repayable on demand	1,785.14
- Standard Chartered Bank	-	Packing credit facility repayable on demand carry interest rates varying between 7.68% p.a. to 8.67% p.a.	2,500.00
	1,100.00		7,385.14

The above loans are secured by way of hypothecation of inventories aggregating to Rs.427.35 lakhs (2019: Rs.9,349.29 lakhs), Bills receivable, Book Debts and all other movables both present and future of the Company to the extent of Rs.2,025.01 lakhs (2019: Rs.6,476.46 lakhs).The weighted average rate of interest of these loans is around 8.21%.

Details of Short Term Borrowings	March 31, 2020	Particulars of Borrowing	March 31, 2019
	₹ Lakhs		₹ Lakhs
Unsecured Borrowings			
- HLFL	-	Trade Advance - carrying interest rate of 12% per annum from the date of disbursement, if not repaid/adjusted with Delivery Order within 15 days of disbursement.	695.03
	-		695.03

4.9 The Company has not received any intimation from its suppliers regarding the status under the Micro,Small and Medium Enterprise Development Act, 2006 and disclosures, if any,relating to amounts unpaid as at the year end together with interest paid/payable,as required under the said Act, have not been furnished.

4.10 Auditor's Remuneration :	Rs. Lakhs	
	2020	2019
PARTICULARS		
1. for Statutory audit	3.00	3.00
2. for Taxation matters	1.50	1.50
3. for Other services	2.85	0.50

4.11 The company's primary segment as per Ind AS 108 "Operating Segment" is identified as business segment based on nature of products, risk, returns and internal reporting business systems the company is principally engaged in a single business segment viz. sale and service of Commercial Vehicle and sale of Spare Parts.

4.12 Net debt reconciliation

Net debt reconciliation:	Rs. Lakhs	
	As at March 31, 2020	As at March 31, 2019
	Rs.	Rs.
1. Cash and cash equivalents	451.89	3,751.46
2. Current borrowings	(1,100.00)	(8,080.17)
2. Lease Liability	(782.02)	-
Net debt	(1,430.13)	(4,328.71)

	Other assets	Liabilities from financing activities	Liabilities from financing activities	Total
	cash and bank overdraft	Current borrowings	Lease Liability	
Net debt as at March 31, 2019	3,751.46	(8,080.17)	-	(4,328.71)
Opening Lease Liability as at April 1, 2019	-	-	(1,654.74)	(1,654.74)
Cash flows	(3,299.57)	6,980.17	240.27	3,920.87
Interest expense	-	374.74	140.64	515.38
Interest paid	-	(374.74)	(140.64)	(515.38)
Others	-	-	632.45	632.45
Net debt as at March 31, 2020	451.89	(1,100.00)	(782.02)	(1,430.13)

4.13 Revenue from contracts with customers:**(a) Disaggregated revenue information**

Particulars	₹ Lakhs	₹ Lakhs
	March 31, 2020	March 31, 2019
Type of goods and service		
a) Sale of products		
- Commercial Vehicles	46,051.21	93,253.12
- Spare parts	3,517.35	4,781.80
b) Revenue from services	991.50	1,131.51
c) Other operating revenues		
- Commission	11.78	46.57
- Incentives	325.76	581.34
- Scrap sales	35.72	18.56
Less: Commission, rebate and discounts	2,712.43	4,491.30
Total revenue from contract with customers	48,220.90	95,321.60
India	48,220.90	95,321.60
Outside India	-	-
Total revenue from contract with customers	48,220.90	95,321.60

Timing of revenue recognition

Particulars	March 31, 2020	
	At a point in time	Over a period of time
	₹ lakhs	₹ lakhs
- Sale of products and other operating income	49,568.57	-
- Revenue from Services	991.50	-
- Other operating revenue	373.26	-
Less: Rebates and discounts	2,712.43	-
Total revenue from contract with customers	48,220.90	-

Timing of revenue recognition

Particulars	March 31, 2019	
	At a point in time	Over a period of time
	₹ lakhs	₹ lakhs
- Sale of products and other operating income	98,034.92	-
- Revenue from Services	1,131.51	-
- Other operating revenue	646.47	-
Less: Rebates and discounts	4,491.30	-
Total revenue from contract with customers	95,321.60	-

(b) Trade receivables are non-interest bearing and are generally on terms of "Cash and Carry" for Vehicles and the credit period for services rendered are on the basis of credit worthiness of the customers.

(c) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	March 31, 2020	March 31, 2019
	₹ lakhs	₹ lakhs
Revenue as per contracted price		
Adjustments	50,933.32	99,812.89
Rebates and discounts	2,712.43	4,491.30
Revenue from contract with customers	48,220.90	95,321.60

(d) There are no performance obligations remaining unsatisfied as at March 31, 2020.

4.14 Going Concern Assumption

The company has incurred losses due to lower than expected demand in automobile sector. However, during the year, the company has initiated restructuring of its operation to achieve reduction in costs and to enhance the focus on working capital management. Management considers it appropriate to prepare the financial statements on a going concern basis considering the above mentioned factors along with continued operational support from Ashok Leyland Limited.

4.15 In assessing the recoverability of assets, the Company has considered internal and external information up to the date of approval of these financial statements. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of the assets will be recovered. Given the uncertainty caused by COVID 19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of financial statements.A34

4.16 Previous year figures have been regrouped/reclassified wherever necessary to conform to current year classification.

For M.S. Krishnaswami & Rajan
Chartered Accountants
Firm Registration No. : 01554S

For and behalf of the Board

M.S. Murali
Partner
Membership No: 26453
UDIN:

Sandeep Agrawal
Director
DIN: 08148276

Anuj Kathuria
Director
DIN: 05164333

Date: 10/06/2020
Place : Chennai

K.C.Sathiyarayanan
Chief Financial Officer

Ramachandran V
Company Secretary