ASHOK LEYLAND
Koi Manzil Door Nahin

July 20, 2026

National Stock Exchange of India Limited
Exchange Plaza
C-1, Block G, Bandra Kurla Complex
Bandra (E), Mumbai - 400 051

Through: NEAPS

Symbol: ASHOKLEY

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Through: BSE Listing Centre

Scrip Code: 500477

Dear Sir/Madam,

Submission of Annual Report for the year 2025-26

The Seventy Seventh Annual General Meeting (77th AGM) of the Company is scheduled to be held through Video Conferencing ("**VC**")/ Other Audio-Visual Means ("**OAVM")** on **Friday, August 14, 2026** at **02.30 p.m.**

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report for the Financial Year 2025-26 along with AGM Notice sent to the shareholders.

Kindly take the above on record.

Thanking you,

Yours faithfully,
for Ashok Leyland Limited
NATARAJAN
RAMANATH
AN

Digitally signed by NATARAJAN RAMANATHAN
DN: c=IN, o=Personal,
pseudonym=0nzpbvxsyel691f3c45wk8j27iaoqtmr,
2.5.4.20=22ebdb00708268080062bd623ed12444603631a4a2c6396a6569847037804046,
postalCode=600061, st=Tamil Nadu,
serialNumber=e6c7e692a309c6eac78562d9913f554c20235b2382a57b04952b55db37396323,
cn=NATARAJAN RAMANATHAN
Date: 2026.07.20 16:47:19 +05'30'

N Ramanathan
Company Secretary

Encl.: a/a

ASHOK LEYLAND

Koi Manzil Door Nahin

SPRINT TO VISION

ANNUAL REPORT 2026

HINDUJA GROUP

FORWARD-LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to fully appreciate our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set our anticipated results based on management plans and assumptions. We have tried, where possible to identify such statements by using such words as 'anticipate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance.

We cannot, of course, guarantee that these forward-looking statement will be realized, although we believe we have been prudent in our assumptions. Achievement of results is subject to risks, uncertainties, or potentially inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

* * * * *

IN LOVING MEMORY OF
GOPICHAND PARMANAND HINDUJA
1941 – 2025

Gopichand P. Hinduja was a visionary leader who built institutions. His leadership, values, and conviction in the possibility of long-term growth played a significant role in evolving and building Ashok Leyland's legacy.

"Next to Impossible is only Possible" was a philosophy GP - Gopichand P. Hinduja lived by and inspired others to embrace. With this belief, along with his clarity of vision, and strategic foresightedness, the Hinduja Group successfully led the landmark acquisition of Ashok Leyland and transformed the company into a world-class commercial vehicle (CV) manufacturer and a symbol of Indian engineering excellence.

To us, and all our colleagues, GP is remembered as an outstanding business statesman whose leadership helped establish the foundation of Ashok Leyland. Under his stewardship and guidance, Ashok Leyland evolved outside the boundaries and became a partner of choice for mobility, growth, and nation building.

He successfully shifted the CV maker away from legacy structures, steering it into one of the most profitable, highly celebrated turnaround stories in Indian corporate history.

GP firmly believed that businesses must be built on trust, purpose, and responsibility. His commitment to values-led leadership and sustainable progress was reflected in every milestone of Ashok Leyland's journey. The principles he championed continue to serve as a compass for the organization as it navigates the future.

The legacy GP left behind of responsible growth; developing sustainably; along with leading by using an emphasis on values is felt through each milestone accomplished by Ashok Leyland. His vision to create institutions that built up trust and remain relevant to society will continue to serve as an inspiration for us as an organization.

What distinguished GP was not just his business sense, but also his humility, conviction, and deep commitment to values-led leadership qualities. He was a leader who led with dedication while still being grounded in his core values which earned him tremendous respect and admiration from people throughout all industries and communities worldwide.

His charisma and ability to connect with people earned him the trust, respect, and admiration of colleagues, partners, and communities across the world, resulting in strong and enduring relationships.

As we honour GP's life and legacy, we want to reaffirm our commitment towards the principles he represented: integrity, ethics, vision, and a steadfast commitment to building institutions that create lasting impact. His impact will continue to inspire Ashok Leyland's journey for many generations to come, forever being woven into the fabric of **Ashok Leyland.**

CHAIRMAN'S MESSAGE

Dear Shareholders,

FY26 was a year of record performance for Ashok Leyland, and the fourth consecutive year of growth in revenue and profit. Against a backdrop of global economic uncertainty and shifting trade patterns, your Company delivered revenue of ₹ 44,007 crores, up 14% year on year. EBITDA reached ₹ 5,732 crores at a margin of 13.0%, a threshold we had set for ourselves, which we have now firmly achieved. Profit After Tax grew to ₹ 3,566 crores, up 8% over FY25. Net cash strengthened to ₹ 5,899 crores, giving the Company the financial flexibility to pursue the opportunities ahead with confidence.

You will be happy to note that three years ago, Ashok Leyland was operating with net debt and navigating a market that had not yet returned to its pre-pandemic volumes. Today we are strongly cash positive, with an all-time high sales volume, a product portfolio that is meaningfully broader and superior, and a set of adjacent businesses that contribute both earnings and resilience. The progress has been deliberate, and with a clear direction.

Performance Across Businesses

Total commercial vehicle volumes reached 220,437 units in FY26, the highest in the Company's history, surpassing the previous peak of 197,366 units set in FY19. In the Medium and Heavy Commercial Vehicle segment, we recorded strong volume growth in line with an industry that expanded 12% for the full year, with our domestic market share at 30.8%. In buses, we retained our leadership position with a market share of 34.1%, building on the record 21,249 MHCV buses delivered in FY25. This is the third consecutive year in which Ashok Leyland has topped the FADA Dealer Satisfaction Survey, a recognition we value most.

In Light Commercial Vehicles, domestic volume of 74,322 units for the full year was the highest ever recorded in that segment, with our VAHAN market share rising 80 basis points year on year to 12.7%.

These achievements reflect a deliberate strategy of premiumisation that has been central to our financial performance over the past three years and that we intend to extend further. Premiumisation not as a pricing exercise but as an engineering commitment to building vehicles that deliver a demonstrably superior total cost of ownership and value to customers. In MHCV, we relaunched two established nameplates along these lines, the HIPPO tractor and the TAURUS tipper with 320 and 360 HP engines, both reengineered from the ground up for demanding duty cycles. In the Multi-Axle Vehicle segment, new trucks with an improved 280 HP powertrain were introduced with driveline aggregates designed for better turnaround and lower cost per kilometre. In LCV, the new 4.1-tonne Bada Dost set a fresh payload benchmark in its class. Our network of service and sales touchpoints now stands at 2,104, with more than 45% of additions during the year concentrated in North and East India, regions where we see meaningful headroom for growth. During the year, we appointed over 2,300 Ashok Leyland Trained Technicians through our ALTT programme, a deliberate investment in raising the capability and consistency of our aftersales network at scale.

Exports reached a historic high of 18,082 units, growing 19% over FY25 and building on the 29% growth recorded the year before. Our key markets in the GCC and Africa have delivered volume growth in double digits, and we extended our international network into four new countries during the year. We have set an ambitious medium-term target of 25,000 export units — a figure that reflects both our confidence in the global demand for Indian-engineered commercial vehicles and the structural investments we have made to serve international customers. Phoenix, our most recent LCV launch, is designed specifically for export markets for conditions that demand durability, service accessibility, and superior operating economics. We have further extended our presence in the Gulf region through a new wholly owned subsidiary in Saudi Arabia — a local assembly operation for buses, trucks, and commercial mobility solutions. This move positions us directly alongside customers in a key region, enabling us to respond to local product requirements faster, and reduce lead times for commercial fleets aligning with Saudi Vision 2030. Our MOU with PT Pindad of Indonesia for the joint development of electric buses and defence vehicles is a decisive step in our entry into ASEAN markets, broadening the geography of our international ambitions beyond the Middle East, SAARC and Africa. Building a strong, diversified international business is central to our vision of becoming one of the world's top 10 commercial vehicle manufacturers, and FY26 marked meaningful progress toward that goal.

Our Defence business grew 20% year on year in FY26. Ashok Leyland is well positioned as a credible partner to the Indian Armed Forces across tactical and logistics vehicle categories under the Make in India and Aatmanirbhar Bharat frameworks. The defence order book and pipeline remain healthy across our broader product range.

The Power Solutions Business delivered revenues exceeding ₹ 1,000 crores for the second consecutive year, growing approximately 18.8% year on year, and has established itself as a consistent and profitable contributor to the portfolio.

Quality benchmarked to global standards is the foundation of our premiumisation strategy. It is embedded in the engineering specifications we set, the supplier qualification processes we apply, the service standards we expect from our network, and the way we benchmark our workshops against the best in the automotive industry. Material cost is managed with rigour through value engineering, localisation, procurement discipline, and supply-base optimisation. This cost leadership allows us to price premium products competitively, invest consistently in research and development, and protect margins through input-cost cycles. Quality and cost discipline remain core operating priorities, and we will continue to invest in both.

CHAIRMAN'S MESSAGE

Technology, Electrification and Artificial Intelligence

The commercial vehicle industry is undergoing the most consequential transformation in its history. Electrification is gaining traction in buses and urban logistics, while alternative fuels such as LNG and hydrogen are becoming more relevant for long-haul applications. Artificial Intelligence is no longer an experimental technology in our sector — it has become a foundational operating tool. Across the global trucking industry, AI-driven predictive maintenance and advanced safety systems are today delivering double-digit gains in vehicle uptime and a 40% reduction in heavy-duty collisions. For fleet operators, this translates directly into lower total cost of ownership, which is the metric that ultimately drives our customers' purchasing decisions. We believe that the manufacturers who embed AI most deeply into both their products and their operations will hold a durable competitive advantage.

Our approach is clear: invest where technology delivers measurable customer benefit and remain agile as market needs to evolve. We will selectively pursue strategic alliances in propulsion systems, powertrain electronics, and safety technologies. These partnerships will combine Ashok Leyland's vehicle integration capability and market knowledge with the specialised technology depth of global leaders, helping us accelerate our product roadmap and keep the portfolio future ready.

In electric mobility, FY26 brought concrete proof of commercial viability. Our EV subsidiary, Switch Mobility India, achieved net profitability during the year, a milestone that validates the economics of the business. Switch India delivered 1,530 electric buses during the year, a 238% increase year on year, and 1,600 electric LCVs, up 56%. It holds market leadership in both electric buses and the 2 to 4 tonne electric LCV segment. OHM Mobility, our Electric Mobility as a Service subsidiary, now operates a fleet of over 1,400 electric buses across Indian cities, giving us visibility into real-world fleet operating economics that feeds directly back into our product development process. During the fourth quarter, we broke ground on a greenfield battery pack manufacturing facility at Pillaipakkam near Chennai. Indigenous battery manufacturing is an important step towards building an electric vehicle business that is commercially competitive over time, reducing dependence on imported components and giving us greater control over a critical part of the cost structure. With this view, a year ago we had started three centres of eV excellence within our R&D function – first focusing on motor (propulsion system), the second focussing on batteries and the third focussing on software for electric and autonomous vehicles (electronics and safety technologies).

Alongside electrification, we are advancing LNG and hydrogen vehicles, and our portfolio of vehicles running on non-diesel fuels already spans two models of light electric trucks, three models of MHCV electric trucks, and multiple electric bus configurations, alongside CNG and LNG options. Technology leadership is an explicit strategic objective in all these alternatives. The goal is to bring the total cost of ownership of alternative-fuel vehicles to a level where the choice for the customer is straightforward.

The quieter, but equally consequential change within Ashok Leyland, is the deepening integration of AI-driven intelligence into our operations and our products. Our Uptime Solution Centre, which uses live diagnostics and predictive maintenance algorithms to monitor over 170,000 connected vehicles in the field, has matured into a sophisticated operation that measurably improves fleet availability for our customers. The connected vehicle data we gather — processing close to a terabyte of data every day across more than 25 million kilometres of tracked vehicle operation — feeds directly into product development, creating a closed loop between what operators experience on the road and what our engineers design at the drawing board. We are deploying AI across manufacturing quality control, supply chain optimisation, and aftersales response, achieving a fourfold reduction in processing costs in certain workflows and meaningfully faster response times across our service network. We have also invested in embedding analytical capability directly into production. The governing criterion for each AI application is simple: does it improve outcomes for our customers and our business?

Our financial services businesses continued to strengthen their contribution to the Group. Hinduja Leyland Finance expanded its Assets Under Management by 24% year on year to approximately ₹ 59,000 crores and delivered Profit After Tax of ₹ 491 crores, up 20%. Hinduja Housing Finance grew its Assets Under Management by 15% to approximately ₹ 16,000 crores, with Profit After Tax of ₹ 387 crores. Together, these businesses make a meaningful contribution to the Group's consolidated performance.

Sustainability, CSR and Our Stakeholders

Our sustainability commitments are part of how we run the business. On the environmental side, we have achieved 77% renewable energy status across our operations, up from 69% in FY25, with our Tamil Nadu plants now operating at 91% renewable energy. We hold Zero Waste to Landfill certification at Platinum level across our manufacturing sites, and all our plants maintain zero liquid discharge systems. Since FY19, we have reduced our operational carbon emissions by over 61%. We have planted approximately 7.3 lakh trees cumulatively, sequestering an estimated 8,929 tonnes of CO2 equivalent annually. Our Dow Jones Sustainability Index ESG score places us in the global top 2% among industrial engineering and electrical equipment companies. We are committed to carbon neutral operations by 2030 and Net Zero by 2048, in line with the Science Based Targets initiative, and we are on track.

Our CSR programmes, the Road to School and Road to Livelihood initiatives, collectively reach approximately 6.3 lakh students across more than 2,500 government schools in seven states of Tamil Nadu, Karnataka, Rajasthan, Maharashtra, Uttar Pradesh, Assam, and Jammu and Kashmir. Independent assessments have recorded a 25 to 30% improvement in literacy and numeracy among participating students, and the gross enrolment ratio of Road to Livelihood students into higher education stands at 85%, against a national average of 29%. We are committed to expanding reach toward our stated target of one million student beneficiaries. Ashok Leyland received the SIAM award for CSR in FY26, adding to prior recognitions from ASSOCHAM and the Government of Tamil Nadu.

None of the results we report would be possible without our employees across the country and internationally. Our sincere appreciation goes to each one of them. The strength of our people agenda is increasingly visible in measurable outcomes. The Company received the CII National HR Excellence Award for Significant Achievement in HR Excellence, an external validation of the maturity of our people processes. The role of our dealers, suppliers, and service partners who are the final and most visible expression of the Ashok Leyland brand to the customer in delivering the quality of experience that our products promise is something we recognise, invest in, and are grateful for.

CHAIRMAN’S MESSAGE

The Road Ahead

Globally, industries have now come to learn that they will need to operate in an environment of greater uncertainty and growing challenges across multiple areas. Environmental concerns remain high for society at a time when many parts of the globe face record high temperatures. The growing weaponisation of trade means that our industry will need operations that are supported by resilient supply chains. Global economic headwinds will require that we redouble our efforts to deliver to our customers products that offer better productivity and efficiency. At the same time, the ever-faster pace of technological evolution has implications for the auto industry in domains such as vehicle safety, connected vehicles and fleet productivity. The many initiatives we have launched over the past year squarely address these imperatives.

As we enter FY27, I believe we do so from a position of strength, and with a clear understanding of the conditions we are navigating. The structural demand drivers for commercial vehicles in India remain intact. Infrastructure investment continues at scale, the formalisation of logistics networks is deepening, and the shift toward higher-payload, more productive vehicle configurations plays directly to the premiumised product and solutions portfolio we have been building. Defence indigenisation is creating durable opportunities for suppliers with established capability and track records. The India-EU trade agreement and the anticipated trade pact with the United States open important doors for Indian exporters, and we are positioned to benefit from both. We are watching, with appropriate caution, the impact of global economic uncertainty, commodity price movements, and the sensitivity of fleet operator economics to fuel prices, and we are managing our cost base accordingly.

Our strategic priorities for the year ahead are an extension of what has driven our progress to date. We will continue to invest in premiumisation, in products that earn their price through superior engineering and lower lifetime cost for the operator. We will deepen our international presence through a combination of organic growth, local assembly operations in key markets, and the selective partnerships that the Group’s “Partnership for Growth” philosophy supports — with a clear ambition to reach 25,000 export units in the near term and to be counted among the world’s top commercial vehicle manufacturers. We will advance our electrification and alternative-fuel capabilities, with technology and cost leadership as explicit objectives. We will continue to embed AI across our products and operations wherever it creates measurable advantage for our customers. And we will maintain the financial discipline that has taken us from net debt to a net cash position of nearly ₹ 6,000 crores, because a strong balance sheet is what makes it possible to pursue all these objectives simultaneously and patiently.

Ashok Leyland has strengthened steadily and materially over the last several years. Our balance sheet, product portfolio, market positions, and the depth of our management team are, by every measure, the strongest they have been in the Company’s history. Our vision to become one of the world’s top 10 commercial vehicle manufacturers is the organising principle behind the choices we make today, and the progress of FY26 has moved us some steps closer to it. I am confident that the foundations we have laid and the priorities we have set will continue to serve our shareholders, our customers, and all our stakeholders well in the years ahead. To each of them, I extend my sincere thanks for the trust they place in this Company.

Yours sincerely,

Dheeraj G Hinduja
Chairman

Ashok Leyland Limited
22 June 2026

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dheeraj G Hinduja, Executive Chairman

Sanjay K Asher

Saugata Gupta

Shom Ashok Hinduja

Dr. V Sumantran

Thomas Dauner

Sven Christoph Ennerst

Sridharan Kesavan

Geeta Mathur

Shenu Agarwal, Managing Director & Chief Executive Officer

K M Balaji, Whole-Time Director & Chief Financial Officer
(appointed w.e.f. May 28, 2026)

COMPANY SECRETARY

N Ramanathan

SENIOR MANAGEMENT

Ajay Pratap Singh
Alfred Nixon Mendez
Alok Verma
Amandeep Singh
Amar H Shah
S Ganesh Mani
Gayatri Vyas Dadheech
Jasmeet Singh Bhatia
Raja Radhakrishnan
Rajesh Mani
Sanjeev Kumar
Dr. N Saravanan
G Vinod

STATUTORY AUDITOR

Price Waterhouse & Co Chartered Accountants LLP

COST AUDITOR

Geeyes & Co

SECRETARIAL AUDITOR

B Chandra & Associates

BANKERS

Axis Bank Limited
Bank of Baroda
Central Bank of India
Citi Bank N A
DBS Bank Limited
Federal Bank Limited
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
Standard Chartered Bank
State Bank of India
MUFG Bank Limited
Yes Bank Limited

REGISTERED OFFICE

No.1, Sardar Patel Road, Guindy, Chennai- 600 032

CORPORATE IDENTIFICATION NUMBER

L34101TN1948PLC000105

PLANTS

Tamil Nadu - Ennore (Chennai), Sriperumbudur (Foundry), G P Hinduja Centre for Technology and Innovation, Vellivoyalchavadi (Technical Centre) and Hosur, Maharashtra – Bhandara, Rajasthan – Alwar, Uttarakhand – Pantnagar, Andhra Pradesh – Vijayawada and Uttar Pradesh – Lucknow

WEBSITE

www.ashokleyland.com

REGISTRAR AND SHARE TRANSFER AGENT

Integrated Registry Management Services Private Limited
2nd Floor, Kences Towers
1 Ramakrishna Street, North Usman Road
T. Nagar, Chennai-600 017
Tel- +91 44 28140801/03
Email: einward@integratedindia.in

A HISTORICAL PERSPECTIVE OF THE COMPANY

As per Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015

₹ in crores

Particulars	2016-17	2017-18**	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Sales Volume										
Vehicles (numbers)	1,45,066	1,74,873	1,97,366	1,25,200	1,00,725	1,28,326	1,92,205	1,94,555	1,95,097	2,20,437
Engines (numbers)	16,491	18,751	21,859	20,359	23,923	20,944	22,925	32,374	32,930	36,351
Spare parts and others	1,694	1,950	1,880	1,766	1,703	2,033	2,578	3,469	3,978	4,450
Revenue (Gross sales)	**21,453**	**26,633**	**29,055**	**17,467**	**15,301**	**21,688**	**36,144**	**38,367**	**38,753**	**44,007**
Profit before tax	**1,330**	**2,386**	**2,497**	**362**	**(412)**	**528**	**2,110**	**3,792**	**4,348**	**4,814**
Profit after tax	**1,223**	**1,718**	**1,983**	**240**	**(314)**	**542**	**1,380**	**2,618**	**3,303**	**3,566**
Assets										
Property, Plant and Equipment, CWIP, Right-of-use asset, Goodwill, Tangible and Intangible Assets	5,177	5,971	6,272	7,398	7,422	6,795	6,437	6,153	6,270	6,869
Investments	2,002	2,451	2,637	2,720	3,069	3,522	3,892	5,311	5,654	6,559
Trade Receivables#	-	-	-	1	-	-	1	1	-	-
Loans and Other Financial assets	182	60	73	102	58	69	97	65	575	128
Income tax asset and other non-current assets	579	791	1,056	746	450	441	461	419	694	376
Non-Current Assets	**7,940**	**9,273**	**10,038**	**10,967**	**10,999**	**10,827**	**10,888**	**11,949**	**13,193**	**13,932**
Inventories	2,631	1,758	2,685	1,238	2,142	2,075	2,775	3,191	2,958	3,486
Investments	877	3,155	-	-	-	1,298	2,771	249	3,019	4,120
Trade Receivables	1,064	945	2,505	1,188	2,816	3,096	4,062	3,570	2,887	2,950
Cash and Bank balances	912	1,042	1,374	1,322	823	1,047	501	3,438	2,706	2,977
Loans and Other Financial assets	211	414	487	926	829	996	582	337	118	243
Other current assets (including Contract assets)	282	749	1,135	749	841	931	941	813	621	886
Current assets	**5,977**	**8,063**	**8,186**	**5,423**	**7,451**	**9,443**	**11,632**	**11,598**	**12,309**	**14,662**
Assets classified as held for sale	123	-	-	-	-	64	72	66	24	-
Total	**14,040**	**17,336**	**18,224**	**16,390**	**18,450**	**20,334**	**22,592**	**23,612**	**25,526**	**28,594**
Financed by										
Equity Share capital	285	293	294	294	294	294	294	294	294	587
Other Equity	5,841	6,953	8,039	6,970	6,683	7,043	8,132	8,517	11,225	12,526
Equity	**6,126**	**7,246**	**8,333**	**7,264**	**6,977**	**7,337**	**8,426**	**8,811**	**11,519**	**13,113**
Borrowings, Lease liabilities and other financial liabilities	1,194	514	333	1,431	2,625	2,914	1,820	1,182	946	558
Deferred tax liability - Net	127	298	249	265	171	144	504	556	548	536
Other Non-current liabilities and provisions (including Contract liabilities)	172	459	520	431	403	391	769	1,008	1,082	1,060
Non-current liabilities	**1,493**	**1,271**	**1,102**	**2,127**	**3,199**	**3,449**	**3,093**	**2,746**	**2,576**	**2,154**
Borrowings, Lease liabilities and other financial liabilities	2,172	1,894	1,700	2,651	1,951	1,369	2,367	3,602	1,759	2,014
Trade payables	3,117	4,888	5,019	3,037	5,165	6,875	7,175	6,305	7,305	8,329
Other current liabilities and provisions (incl.Current Tax liabilities-net and Contract liabilities)	1,132	2,037	2,070	1,310	1,158	1,292	1,520	2,131	2,362	2,984
Current liabilities	**6,421**	**8,819**	**8,789**	**6,998**	**8,274**	**9,536**	**11,062**	**12,038**	**11,426**	**13,327**
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	12	11	17	5	-
Total	**14,040**	**17,336**	**18,224**	**16,390**	**18,450**	**20,334**	**22,592**	**23,612**	**25,526**	**28,594**
Basic Earnings Per Share (₹)	4.24	5.87	6.76	0.82	(1.07)	1.85	4.70	8.92	5.62*	6.07*
Dividend per share (₹) (Face value ₹ 1 each)	1.56	2.43	3.10	0.50@	0.60	1.00	2.60	4.95@	6.25@	3.50@*
Employees (numbers)	11,906	11,865	12,133	11,463	10,758	10,101	9,603	9,607	9,695	9,891

Contract asset and Contract liabilities is applicable from 2018-19.
Right-of-use asset and Lease liabilities is applicable from 2019-20.
@Interim dividend declared by the Board during the year.
* Post Bonus issue
**Pursuant to amalgamation of three wholly owned subsidiaries of the Company with the Company from April 1, 2017.
Amount is below rounding-off norms adopted by the group.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Seventy Seventh Annual General Meeting ('AGM') of Ashok Leyland Limited will be held on Friday, August 14, 2026 at 2.30 P.M. IST through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt:

   a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and the Auditors thereon; and

   b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026 together with the Report of Auditors thereon.

2. To confirm the 1st Interim dividend of ₹ 1 per equity share and the 2nd interim dividend of ₹ 2.50 per equity share and consider the same as final dividend for the financial year ended March 31, 2026.

3. To appoint a Director in place of Mr. Shom Ashok Hinduja (DIN: 07128441) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED** that pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the remuneration payable to Messers. Geeyes & Co., Cost & Management Accountants, (Firm Registration No. 000044), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost accounting records of the Company for the financial year ended March 31, 2026, amounting to ₹ 9,00,000/- (Rupees Nine lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified."

5. **To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED** that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof), consent of the Company be and is hereby accorded for payment of a sum not exceeding one percent (1%) per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, in addition to the sitting fees for attending the meeting(s) of the Board of Directors of the Company or any Committee thereof be paid to the Non-Executive Directors of the Company in such amounts or proportions and in such manner as may be decided by the Nomination and Remuneration Committee/Board of Directors and such payments shall be made in respect of the profits of the Company each year, for a period of five years, commencing from the financial year 2026-27."

6. **To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED** that based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company ('Board') and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force), Mr. Dheeraj G Hinduja (DIN: 00133410) be and is hereby reappointed as the Executive Chairman (Whole-time) of the Company, liable to retire by rotation, for a period of three years commencing from November 26, 2026 to November 25, 2029 on remuneration as set out below:

A. FIXED COMPENSATION

Basic Salary, Perquisites, Allowances, Retiral benefits, etc., ₹ 15.50 crores per annum with liberty to the Nomination and Remuneration Committee and the Board to alter and vary the terms and conditions of the compensation in such manner as may be agreed between the Company and Mr. Dheeraj G Hinduja.

B. ANNUAL PERFORMANCE PAY/COMMISSION

In addition, ₹ 17.50 crores per annum as Annual Performance Pay and Commission which shall be based on the Company's performance and contributions made by Mr. Dheeraj G Hinduja. The final payment shall be decided by the Nomination and Remuneration Committee and the Board of Directors.

C. OTHERS

- In addition to the above, Mr. Dheeraj G Hinduja will be entitled to other perquisites and allowances as may be mutually agreed.
- For calculating the perquisites and allowances, the same shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost incurred by the Company in providing the same.
- Will not be entitled to any sitting fees for attending meetings of the Board or Committees thereof.
- Will be subject to all other service conditions as applicable to any other employee of the Company.

D. OVERALL REMUNERATION

The Nomination and Remuneration Committee and/or Board as it may in its absolute discretion deem fit, revise the remuneration payable to Mr. Dheeraj G Hinduja, during any financial year, during the currency of his tenure of office, in such manner as may be agreed to between the Nomination and Remuneration Committee/Board and Mr. Dheeraj G Hinduja, subject to the condition that the remuneration by way of salary, annual performance pay, perquisites, allowances and other benefits, shall be within the limits as permissible under Section 197, read with Schedule V of the Act.

E. MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits, or its profits are inadequate, the Company will pay to Mr. Dheeraj G Hinduja the above as remuneration subject to such limits and approvals as may be applicable.

RESOLVED FURTHER that for the purpose of giving effect to the foregoing resolutions, the Nomination and Remuneration Committee / or the Board of Directors be and are hereby authorised to do all such acts, matters, deeds and things, as they may in its absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company, and settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

7. **To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

“**RESOLVED** that pursuant to the recommendation of the Nomination and Remuneration Committee, applicable provisions of the Companies Act, 2013, (“Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. K M Balaji, (DIN: 08064743), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 28, 2026, in terms of Section 161 of the Act and in respect of whom the Company has received a notice in writing from a member as required under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Act including the relevant Rules as applicable (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Act, and pursuant to the recommendation of the Nomination and Remuneration Committee and Board, Mr. K M Balaji be is hereby appointed as Whole-time Director (“WTD”) and designated as “Whole-time Director and Chief Financial Officer” of the Company for a period of two years from May 28, 2026 to May 27, 2028, on the following terms and conditions:

A. Fixed Compensation

Basic Salary, Perquisites, Allowances, Retiral benefits, etc.: ₹ 3.85 crores per annum with liberty to the Nomination and Remuneration Committee and the Board of Directors to alter and vary the terms and conditions of the compensation in such manner as may be agreed between the Company and the WTD. The annual increments will be decided and approved by the Nomination and Remuneration Committee and the Board of Directors based on his and the Company’s performance.

B. Annual Performance Pay/Commission

In addition, ₹ 1.65 crores per annum as Annual Performance Pay and Commission which shall be based on the Company’s performance and contributions made by the WTD, as may be decided by the Nomination and Remuneration Committee and the Board of Directors.

C. Others

a) Perquisites, allowances, insurance, retiral benefits including Gratuity and Provident Fund, etc., shall be as per the Policy of the Company.

b) Club fee as per Company Policy in force, as applicable to the Senior Management personnel of the Company.

c) For the purpose of calculating the perquisites and allowances, these shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost incurred by the Company in providing such perquisites and allowances.

d) No sitting fee for meetings of the Board or Committees thereof attended by him during his tenure as WTD.

D. Overall Remuneration

The Nomination and Remuneration Committee and/or Board may revise the remuneration payable to WTD, during any financial year, during currency of the tenure of office, in such manner as may be agreed to between the Nomination and Remuneration Committee/Board of Directors and WTD, subject to the condition that the remuneration by way of salary, perquisites, annual performance pay, commission, allowances and other benefits, shall be within the limits permissible under Section 197 read with Schedule V of the Act.

E. Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits, or its profits are inadequate, the Company will pay to WTD the above as remuneration subject to such limits and approvals as may be applicable.

RESOLVED FURTHER THAT for the purpose of giving effect to foregoing resolutions, the Nomination and Remuneration Committee and/or the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as they may in its absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company and settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

By Order of the Board

Chennai
May 28, 2026

N Ramanathan
Company Secretary

Registered Office:
1, Sardar Patel Road, Guindy
Chennai - 600 032
CIN: L34101TN1948PLC000105
Tel: +91 44 2220 6000; Fax: +91 44 2220 6001
E-mail: secretarial@ashokleyland.com
Website: www.ashokleyland.com

NOTES:

1. The Board of Directors had declared an interim dividend of ₹ 1/- per share on November 12, 2025, which was paid to the shareholders on December 9, 2025. Further, the Board of Directors had declared the 2nd interim dividend of ₹ 2.50 per share on May 28, 2026, which will be paid to the shareholders on or before June 26, 2026. With this, a total dividend of ₹ 3.50 per share has been declared for the year. The Board of Directors have not recommended any final dividend.

2. The Ministry of Corporate Affairs (‘MCA’) has vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020, December 28, 2022, September 25, 2023, September 19, 2024 and General

NOTICE TO SHAREHOLDERS

Circular No. 03/2025 dated September 22, 2025 (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC/OAVM. The deemed venue for the 77th AGM shall be the registered office of the Company.

3. The relevant Explanatory Statement pursuant to Section 102 of the Act, setting out material facts in respect of businesses under item nos. 4 to 7 of the Notice, is annexed hereto. Details pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking appointment / re-appointment at this AGM are also annexed.

4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. Institutional/Corporate Shareholders (i.e., other than Individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG format) of its Board or governing body resolution/authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said resolution/authorisation shall be sent to the Scrutinizer by e-mail at their registered e-mail address to scrutiniserbc@gmail.com with a copy marked to evoting@nsdl.co.in.

6. Members are requested to note that, dividends if not encashed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). Further, shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more are also liable to be transferred to the IEPF Authority. In view of this, Members/claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. The Members/claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

7. In compliance with the MCA Circulars, and SEBI Listing Regulations, Notice of the AGM along with the Annual Report for the FY 2025-26 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for the FY 2025-26 is also available on the Company's website www.ashokleyland.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL – www.evoting.nsdl.com.

8. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before August 4, 2026 through e-mail to secretarial@ashokleyland.com. The same will be replied by the Company suitably.

9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available, electronically, for inspection by the Members during the AGM. Members seeking to inspect such documents can send an e-mail to secretarial@ashokleyland.com.

10. Members holding shares in dematerialized mode, are requested to update their records such as tax residential status, permanent account number (PAN), registered email addresses, mobile numbers and other details with their relevant depositories through their depository participants. Members holding shares in physical mode are requested to furnish details to the Company's Registrar and Share Transfer Agent ('RTA').

11. Members are requested to note that SEBI vide circular dated November 3, 2021 and subsequent circulars has mandated that Members holding shares in physical mode are required to update the following with the Company/RTA: PAN; KYC details containing address, mobile number, e-mail address, bank account details; Nomination details. Also, pursuant to the above SEBI Circulars, with effect from April 01, 2024, in case of non-updation of PAN and KYC details except "choice of nomination", the shareholders holding shares in physical form shall be eligible for the following only after furnishing KYC details:

    (i) to lodge grievance or avail any service request from the RTA

    (ii) to receive any payment of dividend through electronic mode in respect of shares held in the folio in physical form.

    Further, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025, notified on November 18, 2025, dividends shall be processed only in electronic mode, and issuance of dividend warrants or cheques has been discontinued accordingly shareholders holding shares in dematerialized form are also requested to update their bank details with DPs.

12. Members holding shares in physical mode, who have not registered their above particulars are requested to register the same with the Company/RTA in the prescribed Forms i.e. ISR-1, ISR-2, ISR-3 or SH-13 / SH-14 at the earliest. Any clarifications in this regard may be addressed to the RTA at einward@integratedindia.in.

13. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 72 of the Act, read with the Rules made thereunder are requested to send the prescribed Form SH-13 to the Corporate/Registered Office of the Company. Any change or cancellation of the nomination already made shall be effective by submitting Form SH-14. Form SH-13 and Form SH-14 are available on the Company's website in the Investors Section for download.

14. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number, ECS mandate, nominations, power of attorney, bank account details, etc., to their Depository Participant(s), in case shares are held by them in electronic form and to Integrated Registry Management Services Private Limited ('RTA'), 'Kences Towers', 2nd Floor, No. 1, Ramakrishna Street,

North Usman Road, T Nagar, Chennai - 600 017, in case shares are held by them in physical form.

15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company/RTA for consolidation into a single folio.

16. As per Regulation 40 of SEBI Listing Regulations, all requests for transfer of securities including transmission and transposition, issue of duplicate share certificate; claim from unclaimed suspense account; renewal/exchange of share certificate; endorsement; sub-division/splitting of share certificate; consolidation of share certificates/folios shall be processed only in dematerialized form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

17. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM, i.e., Friday, August 14, 2026.

18. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

19. SEBI, vide its Circular No. HO/38/13/11(2)2026MIRSDPoD/I/3750/2026 dated January 30, 2026, has opened a one year special window from February 5, 2026 to February 4, 2027 to facilitate transfer and dematerialisation of physical securities which were sold or purchased prior to April 1, 2019 but could not be transferred earlier due to documentation or procedural deficiencies. The window is also available for transfer requests earlier submitted and rejected, returned or not attended to. Fresh transfers of physical securities executed on or after April 1, 2019 are not permitted. All eligible requests processed under this window shall result in transfer cum dematerialisation only, and no physical share certificates will be issued. The securities shall be credited directly in dematerialised form to the transferee's demat account after due verification and shall be subject to a mandatory lock-in of one year from the date of registration of transfer, during which they cannot be transferred, pledged or lien marked. Any such transfer shall be lodged / re-lodged with the Company's RTA (Tel: +91 44 2814 0801 / 03; Email: einward@integratedindia.in).

20. The Investor Education and Protection Fund Authority ("IEPFA"), Ministry of Corporate Affairs, has launched the Second 100 Days Campaign titled "Saksham Niveshak", effective from April 1, 2026 to July 9, 2026, pursuant to its directive dated March 27, 2026. The campaign aims to reach out to shareholders whose dividends have remained unpaid or unclaimed and to facilitate timely compliancebased updation before such amounts are transferred to the IEPF. The campaign focuses on creating awareness among shareholders to update their KYC details, including PAN, bank account details, contact information, specimen signature and nomination, and to claim any unpaid or unclaimed dividends in a timely manner. Shareholders who wish to claim their shares / dividend from the IEPFA may approach the Company's RTA for necessary assistance and submission of the prescribed forms.

21. Voting and joining AGM through electronic means:

    (i) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and Regulation 44 of the SEBI Listing Regulations, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM.

    For this purpose, the Company has entered into an agreement with National Securities Depository Limited ('NSDL') for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

    (ii) The 'cut-off date' for determining the eligibility for voting through electronic voting system is fixed as Friday, August 7, 2026. The remote e-voting period commences on Tuesday, August 11, 2026 at 9.00 a.m. IST and ends on Thursday, August 13, 2026 at 5.00 p.m. IST. During this period, a person whose name is recorded in the Register of Members or in the Register of Beneficiary Owners maintained by the Depositories, as on the cut-off date, i.e., Friday, August 7, 2026 shall be entitled to avail the facility of remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

The details of the process and manner for remote e-voting and voting during the AGM are explained below:

Step 1: Access to NSDL e-voting system

Step 2: Cast your vote electronically on NSDL e-voting system

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

NOTICE TO SHAREHOLDERS

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	i. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. ii. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. iii. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iv. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. v. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutiniserbc@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 or contact Amit Vishal, Vice President, or Pallavi Mhatre, Deputy Vice President, National Securities Depository Ltd., at the designated email IDs: evoting@nsdl.co.in or AmitV@nsdl.co.in or pallavid@nsdl.co.in to get your grievances on e-voting addressed.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to einward@integratedindia.in.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to einward@integratedindia.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for '**Access to NSDL e-voting system'**. The link for VC/OAVM will be available in 'Shareholder/Member login' where the EVEN of the Company will be displayed. After successful login, Members will be able to see the link of 'VC/OAVM' placed under the tab **'Join General meeting'** against the Company's name. On clicking this link, Members will be able to attend the AGM. Please note that Members who do not have the User ID and Password for e-voting or have forgotten the User ID/Password may retrieve the same by following the remote e-voting instructions mentioned above in the notice, to avoid last minute rush.

2. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

3. Members may join the Meeting through Laptops, Smartphones and Tablets. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer, MS Edge or Firefox. Please note that participants connecting from Smartphones or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

4. Members who would like to express their views or ask questions during the AGM need to pre-register themselves as a Speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at secretarial@ashokleyland.com from August 5, 2026 (9:00 a.m. IST) to August 8, 2026 (5:00 p.m. IST). Those Members who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM:

1. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/shareholders, who will be present at the AGM through VC/OAVM facility and have not cast their vote on the Resolution(s) through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

3. Members who have cast their vote through remote e-voting prior to the AGM will be eligible to attend the AGM. However, they shall not be entitled to cast their vote again.

4. The details of the persons who may be contacted for any grievances connected with the facility for e-voting during the AGM shall be the same as mentioned for remote e-voting.

OTHER GUIDELINES FOR MEMBERS:

1. Any person holding shares in physical form and non-individual shareholders who acquires shares of the Company and becomes a Member after the Company sends the Notice by e-mail and thereafter holds shares as on the cut-off date i.e., August 7, 2026, may obtain the User ID and password by sending a request to einward@integratedindia.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com. Individual shareholders holding securities in demat mode, who acquire shares of the Company and becomes a Member after the Company sends the Notice by e-mail and thereafter holds shares as on the cut-off date i.e., August 7, 2026, may follow the steps mentioned in the e-voting instructions.

   A person who is not a Member as on the cut-off date is requested to treat this Notice for information purpose only.

2. The Company has appointed B Chandra & Associates, Practising Company Secretaries (Firm Reg. No. P2017TN065700), Chennai, as the Scrutinizer to scrutinize the voting during the meeting and the remote e-voting process, in a fair and transparent manner.

3. The Scrutinizer shall after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

4. As per Regulation 44 of the SEBI Listing Regulations, the results of the e-voting are to be submitted to the Stock Exchanges within two working days of the conclusion of the AGM. The results declared along with Scrutinizer's report will be placed on the Company's website www.ashokleyland.com and the website of NSDL www.evoting.nsdl.com. The results will also be communicated to the Stock Exchanges.

Explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('the Act')

As required under Section 102 of the Act, the following Explanatory Statement sets out all material facts relating to the businesses mentioned under Item Nos. 4 to 7 of the accompanying notice.

Item No. 4

Pursuant to the provisions of Section 148 of the Act and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost accounting records of the applicable products of the Company. As per the said Rules, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. The Board of Directors of the Company at their meeting held on May 23, 2025 had considered and approved the appointment of Messers Geeyes & Co., Cost Accountants (Registration No. 000044) as the Cost Auditors of the Company for the FY 2025-26 on a remuneration of ₹ 9,00,000/- (Rupees Nine lakhs only) plus applicable taxes and out of pocket expenses incurred by them in connection with the audit.

None of the Directors or Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Ordinary Resolution as set out in Item No. 4 of this Notice for approval / ratification by the Members of the Company.

Item No. 5

The Members of the Company at the Seventy Second AGM held on September 8, 2021, had approved payment of commission to Non-Executive Directors (NEDs) of the Company up to one percent per annum of the net profits of the Company for a period of five years commencing from FY 2021-22 in addition to the sitting fees.

The NEDs, bring with them extensive experience, expertise and independent judgment, which contribute significantly to the effective and balanced functioning of the Board and its Committees. They play a crucial role in providing objective oversight and strategic direction, strengthening corporate governance practices, safeguarding the interests of stakeholders and enhancing long-term stakeholder value.

The compensation payable to the NEDs of companies should be adequate to attract professionals to take up these positions. Hence, in terms of Section 197 of the the Act, to appropriately compensate the NEDs for their time, active participation in Board and Committee meetings and their overall contribution and in recognition of the valuable guidance, strategic direction and oversight provided by the NEDs, it is proposed to continue with the payment of commission to the NEDs of the Company for each of the five consecutive financial years commencing April 1, 2026, not exceeding one percent (1%) per annum for all of them put together of the net profits of the Company computed in accordance with the provisions of the Act. The quantum of the commission payable to each of the NEDs varies from year to year, which shall be decided by the Nomination and Remuneration Committee and the Board of Directors, based on factors such as attendance, level of participation, contribution to Board deliberations, and the performance of the Company.

The proposed payment of commission is as per the terms of Section 197 of the the Act, and is in line with the applicable legal provisions and prevailing industry practices. All the Directors, except Executive Chairman, MD & CEO, WTD & CFO and Key Managerial Personnel or their respective relatives, are concerned or interested, financial or otherwise, in the aforesaid resolution. The Board recommends the Ordinary Resolution as set out in Item No. 5 of this Notice for the approval of the Members of the Company.

Item No. 6

Mr. Dheeraj G Hinduja (DIN: 00133410) was appointed as the Executive Chairman (Whole-time) of the Company for an initial term of three years from November 26, 2021 to November 25, 2024 and for a further period of two years from November 26, 2024 to November 25, 2026.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on May 28, 2026 had re-appointed Mr. Dheeraj G Hinduja (DIN: 00133410) as the Executive Chairman (Whole-time) of the Company, liable to retire by rotation, for a period of three years from November 26, 2026 to November 25, 2029, subject to the approval of the Members at this AGM and regulatory approvals, if any.

As Executive Chairman (Whole-time), Mr. Dheeraj G Hinduja is responsible for providing strategic oversight, direction and leadership to the Company. He works closely with the management team in driving key business initiatives, and is actively involved in long-term planning, capital allocation / investment decisions and leadership development. He also plays a crucial role in strengthening stakeholder relationships, including customers, investors and global partners.

He was appointed as the Executive Chairman (Whole-time) in November 2021 and during that year, he successfully navigated and led the

Company through the difficult phase of post COVID recovery. During the last five years, under his leadership, the Company has grown significantly in terms of revenue, profitability, market capitalisation, domestic, exports and defence businesses, product portfolio including alternative fuel technologies and electric mobility and has achieved several key milestones including net cash position which has overall resulted in enhanced stakeholder value.

Considering Mr. Dheeraj G Hinduja's highly enriching association with the Company, his business acumen, leadership par excellence, experience, expertise, Industry understanding, his contributions over the years to the Company and the Board, the Nomination & Remuneration Committee and the Board is of the view that it would be in the best interest of the Company to continue his appointment as the Executive Chairman of the Company for a period of three years from November 26, 2026 to November 25, 2029. A brief profile of Mr. Dheeraj G Hinduja is provided in Table annexed to the Notice.

Required consent and disclosure forms have been received from Mr. Dheeraj G Hinduja.

The terms contained in the resolution shall constitute the written memorandum setting out the terms of appointment.

Except Mr. Dheeraj G Hinduja and his relatives (as defined in Companies Act, 2013), none of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution. The Board recommends the Ordinary Resolution as set out in Item No. 6 of this Notice for approval by the Members of the Company.

Item No. 7

Mr. K M Balaji (DIN: 08064743) has been associated with the Company for over three decades, having commenced his career with the Company as an Internal Audit Executive. Over the years, he has held various key positions across the finance function and has gained extensive experience in financial planning, budgeting, treasury, taxation, internal controls, and strategic finance.

He was appointed as the Chief Financial Officer (CFO) and Key Managerial Personnel of the Company with effect from June 1, 2024 and has since been actively involved in overseeing the financial strategy of the Company.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on May 28, 2026 appointed Mr. K M Balaji (DIN: 08064743) as an Additional Director. Further, considering his rich experience and deep understanding of the Company's financial and operational aspects, he has been appointed as a Whole-time Director ("WTD") of the Company being designated as a Whole-Time Director & Chief Financial Officer ('WTD & CFO') for a period of two years from May 28, 2026 to May 27, 2028, subject to the approval of the Members at this AGM and regulatory approvals, if any.

Appointment of Mr. K M Balaji on the Board is expected to strengthen the financial oversight, governance framework, better integration of financial & business strategies thereby enhancing the overall effectiveness of the decision-making process

Mr. K M Balaji brings with him rich and varied experience of over 32 years in all areas of finance, along with his proven track record, deep domain expertise, leadership capabilities and long-standing association with the Company, the Nomination and Remuneration Committee and the Board of Directors are of the view that it would be in the best interest of the Company to appoint him as a WTD & CFO. Mr. K M Balaji would continue to be the Key Managerial Personnel of the Company.

The Board is of the opinion that Mr. K M Balaji possesses requisite skills, experience and knowledge relevant to the Company's business and it would be of immense benefit to the Company to have his association with the Company as WTD & CFO of the Company. A brief profile of Mr. K M Balaji is provided in Table annexed to the Notice.

Required consent and disclosure forms have been received from Mr. K M Balaji.

The terms contained in the resolution shall constitute the written memorandum setting out the terms of appointment.

Except Mr. K M Balaji and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution. The Board recommends the Ordinary Resolution as set out in Item No. 7 of this Notice for approval by the Members of the Company.

By Order of the Board

N Ramanathan
Company Secretary

Chennai
May 28, 2026

Registered Office:
1, Sardar Patel Road, Guindy, Chennai - 600 032
CIN: L34101TN1948PLC000105
Tel: +91 44 2220 6000; Fax: +91 44 2220 6001
E-mail: secretarial@ashokleyland.com
Website: www.ashokleyland.com

ANNEXURE TO THE NOTICE

DISCLOSURE UNDER REG. 36(3) OF SEBI LISTING REGULATIONS AND CLAUSE 1.2.5 OF SECRETARIAL STANDARDS ON GENERAL MEETINGS

Name of the Director	Mr. Shom Ashok Hinduja	Mr. Dheeraj G Hinduja	Mr. K M Balaji
DIN	07128441	00133410	08064743
Date of Birth and Age	October 29, 1990; 35 years	July 27, 1971; 54 years	May 26, 1969; 57 years
Date of Appointment	November 12, 2021	September 03, 1996	May 28, 2026
Qualifications	B.A. in Sustainable Development and an M.S. in Sustainability Management from Columbia University, NY	B.Sc. (Hons) degree in Economics & History from the University College, London, 1993 and Masters in Business Administration with specialisation in Project Management from the Imperial College, London University, 1994.	Fellow Member of Institute of Chartered Accountants of India and has completed Management Certifications at: Harvard Business School Boston (Advanced Management Program - AMP 206), IIM Ahmedabad, Kellogg School of Management Chicago and Indian School of Business Hyderabad.
Experience (including expertise in specific functional area) / Brief Resume	Mr. Shom is the President - Alternative Energy and Sustainability Initiatives, at the Hinduja Group, he has shaped the Group's strategy in the Power sector through Hinduja Renewables by moving away from fossil fuel-based power plants. Under his leadership, the company has achieved a capacity of nearly 3 GW. Hinduja Renewables is also actively exploring opportunities in Energy storage, Pumped Storage and Green Hydrogen. As Chairman of Ohm Global Mobility Private Limited, Mr. Shom has been instrumental in launching the E-MaaS (e-Mobility as a Solution) business to bring down the high cost of acquisition of commercial EVs through a pay-per-Km model. He has helped shape Gulf Oil Lubricants India Limited's foray into charging infrastructure development to keep the company abreast of the green mobility trends.	Mr. Dheeraj G Hinduja is a third-generation member of the Hinduja Family, which owns and controls the Hinduja Group, with diversified business interests all over the world. Employing over 2,00,000 people, the Hinduja Group's portfolio includes businesses in Automotive, Energy, Infrastructure, Finance & Banking, IT & ITES, Media, Healthcare etc. Mr. Dheeraj has over 30 years of experience at strategic and leadership levels across the spectrum of businesses. An entrepreneur representing a global business conglomerate, his areas of expertise include multi-sectoral global business portfolio strategies, building and transforming organizations, attracting and nurturing best-in-class Boards and Management talents, creating world-class CSR interventions, etc.	Mr. K M Balaji has held a distinguished career with the Company spanning more than 32 years. Mr. K M Balaji started his career as an Internal Audit Executive and has gained considerable experience in all areas of finance covering Treasury, Investor Relations, Pricing and Product Cost Engineering, Budgets and budgetary controls, MIS, Costing, Business Finance, Indirect Taxes, Sales Finance, Product Development Finance, Centralised Receivables, Payables, insurance etc., Mr. K M Balaji brought increased focus on pricing, commodity cost management, centralized cost controls, working capital and capital expenditure management thereby improving the cash position and break even significantly. He has been managing the investor relations for the company for more than two decades and is also involved in the evaluation of all M&A proposals.

Name of the Director	Mr. Shom Ashok Hinduja	Mr. Dheeraj G Hinduja	Mr. K M Balaji
	At early stage of his career Mr. Shom, worked at KPMG, New York, as part of their M&A team.	He is associated with many business sectors including Automotive, Finance, Power, Information Technology, etc. He also provides Social Sector leadership in Education and Healthcare.	Mr. K M Balaji has also handled many assignments including QIP (documentation), enterprise valuation for stake sales, passing on of tax cuts to customers during GST introduction etc., He was also positioned as Finance Head in a Bus assembly plant in Leeds United Kingdom for about a year. During 2025-26, Mr. K M Balaji has been awarded 1. CFO of the year for Turnaround – Large Corporate Category in ETCFO Awards 2026. 2. CA Business Leader for Large Corporates Manufacturing 2025 by Institute of Chartered Accountants of India (ICAI). 3. CII Leading CFO of the year – Excellence in Turnaround 2024-25. He is currently a Member of the Tamil Nadu State Council (TNSC) of Confederation of Indian Industry (CII) 2026-27 and he is also the Chairman of CFO Forum of TNSC of CII. He also holds directorship in many of the associate companies.
Board Membership of other Companies as on date of the Notice	1. Hinduja Renewables Energy Private Limited* 2. Gulf Oil Lubricants India Limited (Listed) 3. Ohm Global Mobility Private Limited* 4. IndusInd Nippon Life Insurance Company Limited	1. Hinduja Tech Limited* 2. Hinduja Housing Finance Limited* 3. Hinduja Leyland Finance Limited* 4. Hinduja Automotive Limited (UK)* 5. Gro Digital Platforms Limited* 6. Switch Mobility Automotive Limited*	1. Hinduja Leyland Finance Limited 2. Ashok Leyland Foundation 3. Ashok Leyland Saudi Comapny, Saudi Arabia* 4. Ashok Leyland (UAE) LLC, UAE*

Name of the Director	Mr. Shom Ashok Hinduja	Mr. Dheeraj G Hinduja	Mr. K M Balaji
Chairmanship(s)/Membership(s) of Committees of other Companies as on date of the Notice	1. Gulf Oil Lubricants India Limited a. Risk Management Committee – Member 2. IndusInd Nippon Life Insurance Company Limited a. Nomination and Remuneration Committee – Member	1. Hinduja Tech Limited a. Nomination and Remuneration Committee – Member b. Corporate Social Responsibility Committee – Chairman 2. Hinduja Leyland Finance Limited a. Nomination and Remuneration Committee -Member b. Corporate Social Responsibility Committee – Chairman c. Risk Management Committee – Member 3. Gro Digital Platforms Limited a. Nomination and Remuneration Committee – Member 4. Switch Mobility Automotive Limited a. Nomination and Remuneration Committee – Member 5. Hinduja Housing Finance Limited a. Nomination and Remuneration Committee – Member b. Corporate Social Responsibility Committee – Chairman c. Risk Management Committee – Member	1. Hinduja Leyland Finance Limited a. Stakeholders Relationship Committee – Member b. Corporate Social Responsibility Committee – Member
Number of shares held in the Company (self and as a beneficial owner)	Nil	Nil	Nil
Remuneration proposed to be paid	Sitting fees and such amount of commission as may be decided by the Nomination and Remuneration Committee / Board.	As mentioned in the Resolution	As mentioned in the Resolution
Remuneration last drawn	Refer Corporate Governance Report	Refer Corporate Governance Report	NA
Terms and conditions of appointment	As mentioned in the resolution.	As mentioned in the resolution.	As mentioned in the resolution.
Relationship with other Directors or KMP of the Company	Nil	Nil	Nil
Number of meetings of the Board attended	Refer Corporate Governance Report	Refer Corporate Governance Report	NA
Listed entities from which the Director has resigned in the past three years	Nil	Nil	Nil

*Chairman of the Board

BOARD'S REPORT

To the Members,

PERFORMANCE / OPERATIONS

Your Directors are pleased to present the Annual Report of Ashok Leyland Limited ("AL"/"the Company") together with the Audited Financial Statements for the financial year ended March 31, 2026.

FINANCIAL RESULTS **(₹ in crores)**

	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Revenue from operations	44,007.03	38,752.74	56,362.08	48,535.14
Other Income	315.17	250.25	584.82	358.46
Total Income	**44,322.20**	**39,002.99**	**56,946.90**	**48,893.60**
Profit/(Loss) before tax	**4,814.02**	**4,348.29**	**5,154.79**	**4,596.33**
Less: Tax expenses/(Credit)	1,248.49	1,045.00	1,433.81	1,213.54
Profit/(Loss) after tax	**3,565.53**	**3,303.29**	**3,720.98**	**3,382.79**
Balance profit from last year	7,975.20	5,265.04		
Profit available for appropriation	**11,540.73**	**8,568.33**		
Appropriation:				
Dividend paid during the year	(1,835.42)	(587.29)		
Transition adjustment and other adjustment				
Other Comprehensive (Loss)/Income arising from re-measurement of defined benefit plan (net of tax)	(98.23)	(5.84)		
Balance of profit carried to Balance sheet	**9,607.08**	**7,975.20**		
Earnings per share (Face value of ₹ 1/-)				
- Basic (₹)	6.07	5.62	5.91	5.29
- Diluted (₹)	6.07	5.61	5.91	5.28

COMPANY'S PERFORMANCE

The Indian Commercial Vehicle (CV) industry continues to be robust since FY22. Following a flat performance in FY25, the CV Total Industry Volume (TIV) grew significantly in FY26, supported by the implementation of GST 2.0 in the second half of FY26. The lowering of GST rates provided a significant impetus to demand, contributing to a sharp recovery in retail sales. The Medium & Heavy Commercial Vehicle (M&HCV) segment registered strong growth of 11.5% driven primarily by trucks, which grew 15.2%, while the Bus segment declined by 1.9% compared to previous year. The Light Commercial Vehicle (LCV) segment also recorded healthy growth of 14.3% during the year. Commercial vehicle exports grew 18.5% in FY26, reflecting strong demand in international markets.

Your Company sold 1,28,033 M&HCVs in the domestic market, comprising 21,261 buses and 1,06,772 trucks (including Defence vehicles), registering a 11.5% growth over the previous year. LCV sales stood at 74,322 vehicles, reflecting a 14.3% growth yearonyear. Your Company achieved all time high sales volumes and revenues across multiple business verticals, including M&HCV, LCV, International Operations, Spare Parts and the Power Solutions business.

Your Company's sales in the M&HCV Trucks segment increased 15.2% to 1,05,905 units in FY26, compared to 91,960 units in FY25. Key product launches during the year included AVTR 4828 multi-axle vehicles, Hippo 5532 tractor-trailers, and Taurus 320 hp tippers. These launches strengthened the Company's positioning in the high horsepower tipper and tractor categories. The M&HCV Bus segment witnessed a modest decline of 1.9%, with sales of 20,840 units in FY26 versus 21,249 units in FY25, reflecting market normalization after peak demand in FY25. Notable product launches during the year included Garud 13.5M H64V, Sunshine Li, Oyster CNG (School), Oyster ZMax, and Oyster Max. During the year, your Company expanded its network by adding 108 new outlets and 883 service bays, with 40% of new outlets established in the North and East regions. Your Company was ranked No.1 in the Dealer Satisfaction Survey (DSS), No.1 in Sales Satisfaction Index (SSI), and No.2 in Customer Satisfaction Index (CSI) as per independent market surveys. Spare parts revenue reached ₹ 4,450 crores in FY26, registering a 12% growth over FY25.

In the LCV segment, your Company achieved highest ever sales of 74,322 units, representing 14.3% growth year on year. Vahan market share in 0-7.5 Tonne Cargo segments reached an all time high of 12.7%, an improvement of 80 basis points over FY25. Your Company expanded its footprint in the 2–4 Tonne segment with the launch of the BADA DOST XL series, increasing the addressable LCV market to about 56%. Your Company strengthened its position as the No. 2 player in the 2–4T segment, while remaining focused on profitable growth, best in industry SSI/CSI, and best in class warranty and service retention. In the LCV business, your Company added 107 new touchpoints, taking the total dealer network to 945 touchpoints.

In International Operations, your Company delivered highest ever sales of 18,082 units, reflecting 18.5% growth over FY25. Growth was driven by strong demand across key regions. The Company sharpened its focus on the GCC markets, strengthening manufacturing capabilities at the RAK plant, which achieved its highestever production levels. Regional growth was supported by improved spare parts availability, expanded network touchpoints, capability building, and customer diversification. Political instability in Bangladesh and forex challenges in Nigeria impacted TIV in these markets.

In South Africa, a strategic partnership with the Hallmark Group enabled the addition of 30 new touchpoints, significantly enhancing dealer coverage. During the year, the Company initiated EV portfolio trials in select international markets and entered a strategic partnership with PT Pindad (Indonesia) for EV bus assembly and deployment under Trans Jakarta, taking first major steps towards its ASEAN growth strategy.

In Power Solutions Business, your Company has registered 10% growth, achieving all time high sales of 36,351 engines, driven primarily by improved performance in industrial and agricultural segments. The Powergen segment remained stable, with sustained market demand. Year-to-date Ashok Leyland volumes grew 10%, supported by network expansion and new corporate orders.

Building on the record-breaking momentum of FY25, your Company is poised to deliver another year of strong financial performance in FY26, recording its highest-ever revenues, EBITDA, and profitability. Revenue from operations grew 14% year-on-year to ₹ 44,007 crore, while Operating PBT (excluding exceptional items) rose 22% to ₹ 5,163 crore. Profit After Tax registered a robust 8% increase to ₹ 3,566 crore, supported by EBITDA of ₹ 5,732 crores at a margin of 13.0%, up from 12.7% in FY25. This margin expansion reflects your Company's continued focus on new product launch, cost optimisation, and operational efficiencies. Your Company achieved a significant turnaround in its debt position, closing the year with a net cash surplus of ₹ 5,899 crore, underscoring strong cash generation and providing ample financial flexibility to fund future growth, R&D, and investments in alternative fuel and electric mobility initiatives.

Detailed performance highlights are covered in the Management Discussion and Analysis Report, attached as **Annexure F** to this Report. During the year, there has been no change in the nature of the business of the Company.

SHARE CAPITAL

Bonus issue:

The Board of Directors, at their meeting held on May 23, 2025, recommended a bonus issue of equity shares in the ratio of 1:1 i.e., one bonus equity share of face value ₹ 1 each for every one fully paid-up equity share of the Company held on July 16, 2025 being the record date. This was approved by the shareholders through postal ballot on July 6, 2025. Accordingly, the Company allotted 2,93,65,27,276 bonus equity shares on July 17, 2025 to shareholders whose names appeared in the register of members as on the record date.

ESOP:

During the year under review, the Nomination and Remuneration Committee had allotted 8,00,000 equity shares (including Bonus shares as applicable) of face value ₹ 1/- each upon exercise of stock options granted under Ashok Leyland Employees Stock Option Plan 2016.

Consequent to the above allotments, the paid-up equity share capital of the Company as on March 31, 2026 stands at ₹ 5,87,38,54,552/- divided into 5,87,38,54,552 equity shares of ₹ 1/- each.

DIVIDEND

The Board of Directors at their meeting held on November 12, 2025 had declared an interim dividend of ₹ 1/- per equity share for the financial year ended March 31, 2026 involving an outflow of ₹ 587.38 crores. Further, the Board of Directors at their meeting held on May 28, 2026 declared a second interim dividend of ₹ 2.50/- per equity share for the financial year ended March 31, 2026 involving an outflow of ₹ 1,468.46 crores.

With this, for the FY2025-26 the Company has paid two interim dividends aggregating to ₹ 3.50/- per share of face value ₹ 1/- each.

Having regard to the facts and circumstances, the interim dividends be considered as final dividend.

The Dividend Distribution Policy, formulated in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), is hosted on the Company's website at the link provided on page no. 68 of this Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

TRANSFER TO RESERVES

Your Company does not propose to transfer any amount to the General reserve out of the profits available for appropriation.

FINANCE –

Long term funding

(a) **Non-Convertible Debentures (NCDs)**

During the year under review, your Company did not issue any fresh Non-Convertible Debentures (NCDs), nor were any NCDs redeemed during the year.

(b) **Rupee Term Loans**

During the year, a fresh rupee term loan of ₹ 103 crores was availed. Your Company repaid ₹ 329.31 crores on the scheduled due dates, in accordance with the repayment schedule and loan agreement terms.

(c) **External Commercial Borrowings (ECBs)**

During the year under review, your Company did not raise any fresh ECBs. Your Company repaid ₹ 50.29 crores on the scheduled due dates, in accordance with the repayment schedule and loan agreement terms.

As at March 31, 2026, long term borrowings stood at ₹ 1,002.04 crores as against ₹ 1,286.11 crores on March 31, 2025. Details pertaining to the credit rating of the debt instruments are provided in the Corporate Governance report.

HUMAN RESOURCES

At Ashok Leyland, the Human Resources function continued to enable business momentum by building a resilient, inclusive, and future-ready workforce, anchored in the Company's values and strategic priorities. Our people agenda in FY26 was guided by five core pillars: Strengthening Culture and Values, Building a Robust Leadership Pipeline, Creating a Future-Ready Talent Ecosystem, Advancing Diversity, Equity and Inclusion, and Accelerating Digital HR and ER Transformation to deliver a superior employee experience and operational agility.

Key initiatives:

As part of the continued rollout of The AL Way, purposeful efforts were undertaken to deepen the adoption of values and strengthen organizational culture across all levels. Purpose and Values were cascaded across associate levels through structured workshops and gamified digital learning. Insights from the Hinduja One Voice (HOV) survey were actively translated into targeted interventions at organization and manager levels. A Pulse Survey conducted in January 2026 reflected positive movement on key dimensions such as development, wellbeing, progress, and intent to stay.

In Diversity, Equity and Inclusion (‘DEI’) the Company achieved further progress with gender diversity increasing to 9.67%. DEI goals are now business owned, supported through strengthened governance and leadership accountability. A Diversity Council comprising senior leaders and an external expert was institutionalized to guide sustained progress. Diversity hiring remained a strong lever, with 50% representation in campus hires, alongside continued efforts to build inclusive mindsets and enable diverse talent to thrive.

On the talent and learning front, Learning & Development interventions expanded significantly during the year. Over 3.08 lakh learning hours were recorded, covering 91% of executives, through structured capability building journeys across levels. Programs spanned frontline and functional capability building, competency based learning, early career development, and leadership readiness. Measurement frameworks were embedded to track learning effectiveness and business impact.

Leadership development and succession planning remained a key priority. The Business Leadership Program (BLP) development journey for 24 high potential leaders continued with strategic, high-impact projects, reviewed periodically by the leadership team to build enterprise level capability and prepare future CXO talent. The Emerging Leaders Program (ELP) 2026–27 was launched with a cohort of 30 senior executives on a one year development journey. Additionally, a coaching led development approach for key business leaders was initiated for senior management, supported by self assessments, 360 degree feedback, manager inputs, and clearly defined development goals, reviewed through the Talent Review process.

Early career talent pipelines were strengthened with redesigned GET and DET learning journeys, including deeper product, manufacturing, and field immersions to enhance role readiness and build longterm capability aligned to business needs.

In line with the focus on agility, transparency, and simplification, Performance Management processes were further strengthened with high levels of governance and completion. Digitization efforts progressed with the launch of the Company intranet, “Engage,” including chatbot enablement, enhancing communication, access to information, and employee experience. Live dashboards and analytics continued to support datadriven decision making.

Industrial Relations and blue-collar workforce strategy delivered strong outcomes during the year. Longterm wage settlements were successfully concluded at six of seven plants, supported by structured engagement and ER capabilitybuilding initiatives for union leadership. These interventions enabled the highestever uniform productivity improvement of 15% across key plants resulting in record production achievements. Large scale manpower mobilization, cost optimization initiatives, work force flexibility models, and expanded skill development through Nalanda Learning Centre further enhanced operational resilience and efficiency.

During the year, Ashok Leyland’s HR transformation journey also received external validation through the 16th CII National HR Excellence Award 2025–26, where the Company was placed in “Significant Achievement in HR Excellence.” The feedback report provides further insights to accelerate our HR excellence journey and strengthen our people processes in line with global benchmarks.

The Company’s proactive and progressive ER practices, productivity interventions, and people initiatives received national and regional recognition from NIPM, EFSI, AIOE, and NDTV, underscoring the maturity and strength of Ashok Leyland’s people and industrial relations framework.

EMPLOYEE HEALTH & SAFETY (EHS)

Your Company continued to strengthen its commitment to building a robust and sustainable safety culture through a structured, proactive, and data-driven approach. Recognising that long-term safety performance is driven by behaviours as much as systems, the Behaviour-Based Safety (BBS) programme remained a key pillar of the Company’s occupational health and safety strategy, focusing on influencing safe actions, enhancing risk awareness, and embedding a preventive mindset across operations.

As part of this commitment, the Company further expanded BBS capacity building initiatives across manufacturing and support functions. Structured engagement programmes and targeted training interventions were implemented to reinforce safe work practices and encourage proactive identification of unsafe acts and conditions. These initiatives have contributed to strengthening frontline vigilance and shared ownership of workplace safety.

During the year, the Safety Ambassador Programme was formally launched across all units, supported by clearly defined role guidelines and expectations. Safety Ambassadors were identified at shop floor and operational levels to act as safety champions, enabling peer to peer engagement and reinforcing inclusive safety ownership across both employees and service providers. This initiative has enhanced on ground intervention capabilities and strengthened the role of the workforce in sustaining safe behaviours.

The Company’s Operational Excellence initiative, Manthan, which was introduced with the vision of achieving Zero Harm, continued to demonstrate positive progress. During FY26, the Programme contributed to a 23% reduction in occupational injuries compared to FY25, reflecting the effectiveness of systematic risk elimination, behaviour reinforcement, and leadership engagement. To support sustained awareness and consistency, the Company continued to implement monthly risk prevention themes, enabling focused safety communication on critical risk areas. These themes were reinforced through daily EHS communications disseminated in multiple languages across all manufacturing locations, executive level EHS e learning modules to enhance leadership awareness, and targeted training programmes aligned to the identified risk themes.

The Company’s sustained focus on strengthening EHS maturity was recognised through external benchmarking and industry awards during the year. One manufacturing plant was conferred the Gold Category award and declared a Sectoral Topper for EHS Process Maturity Excellence by the Confederation of Indian Industry (CII). In addition, Ashok Leyland received multiple CII EHS awards during FY26, including Gold, Silver, and Special Category recognitions, underscoring the Company’s continued progress and benchmarking against industry best practices.

Through continued emphasis on behavioural safety, structured governance, leadership engagement, and external benchmarking, Ashok Leyland remains committed to enhancing workplace safety and employee well-being, while supporting operational resilience and long-term value creation aligned with corporate sustainability and ESG objectives.

CORPORATE GOVERNANCE

Your Company is committed to maintaining the highest standards of Corporate Governance. All Directors and Senior Management personnel have confirmed in writing their compliance with, and adherence to, the Code of Conduct adopted by the Company.

The Annual Report of the Company contains a certificate by the Managing Director and Chief Executive Officer (MD & CEO) in terms of SEBI Listing Regulations on the compliance declarations received from the Directors and the Senior Management personnel and is attached as Annexure. The Corporate Governance Report is attached as **Annexure C** to this Report.

The Company has obtained a certificate from a Practising Company Secretary confirming compliance with the Corporate Governance requirements, as per SEBI Listing Regulations. The certificate in this regard is attached as **Annexure D** to this Report.

The certification from MD & CEO / Chief Financial Officer as required under the SEBI Listing Regulations is attached as **Annexure G** to this Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Your Company's sustainability journey reflects a commitment to responsible growth, anchored in its ESG vision and embedded within its core strategy. With targets of achieving carbon neutrality in operations and 100% renewable energy use by 2030, and net-zero emissions by 2048, sustainability remains a key driver of value creation, underpinned by a Net Zero road map across four strategic streams.

Renewable energy adoption has strengthened, with utilization reaching 77% in FY26, up from 69% in FY25, with 85% envisaged by FY27. Water stewardship has advanced, with rainwater utilization at 19%, and a commitment to 80% water self-reliance by 2030. Your Company has been certified Water Positive, with 68% recycling and groundwater dependency below 50%, reflecting continued commitment to Zero Liquid Discharge. Zero Waste to Landfill certification has been maintained, plastic neutrality sustained under EPR commitments, and biodiversity and climate risk assessments undertaken to identify, quantify, and manage emerging environmental risks. Your Company has achieved best-in-class energy, emissions and water intensity among peers through energy audits, ENCON projects, RE adoption, and sustainable water initiatives.

In sustainable mobility, your Company is advancing green technologies across battery electric and hydrogen platforms. Deployment of BOSS BEV (Battery Electric Vehicle) Haulage and AVTR BEV 55T vehicles has enabled on-road validation covering over 30 lakh km, while hydrogen fuel cell buses are progressing towards commercial adoption, reinforcing a multi-fuel decarbonisation approach. Life-cycle assessments for the 12m diesel and electric bus have been conducted to quantify lifecycle emissions. Under the AL HARIT initiative, your Company has established its first Registered Vehicle Scrappage Facility in Ahmedabad, advancing its circular economy agenda. Your Company is also advancing the remanufacturing of used and end-of-life engines to OEM product standards, with 5,610 engines reconditioned for lifecycle extension, available across India through authorised Ashok Leyland channel partners. Internally generated scrap is channelled through foundry operations, achieving 87.5% recycling and reinforcing closed-loop material circularity.

On the social front, the Road to School program has cumulatively benefited over 6.26 lakh students across 13 states, marking a significant milestone towards the goal of impacting 1 million children. Employee volunteering has been strengthened through a formal policy framework. Gender diversity stands at 9.67%, with 50% fresh hiring achieved at the campuses. Driver skilling initiatives have trained over 3 lakh drivers, enabling placements for over 6,700 individuals. The Re-AL platform has onboarded over 13,000 users and listed 8,400 vehicles cumulatively, enhancing transparency in the pre-owned vehicle ecosystem.

Sustainability reporting is supported by BRSR reasonable assurance by M/s DNV Business Assurance India Private Limited ('DNV'). Supply chain engagement has been strengthened through quantified ESG scoring, capacity building, target setting, and independent assessment by CII Ecoedge, accelerating value chain decarbonization. Participation in AutoCAST reinforces commitment to low-emission materials.

The company's ESG performance is positively recognized by DJSI and NSE ESG assessments, and ranked 3rd in the India's Most Sustainable Companies by Businessworld. Through collaboration with Smart Freight Centre, LeadIT, and C40, your Company continues to shape the sustainable mobility ecosystem — reinforcing the conviction that responsible business is, and will remain, a source of enduring competitive advantage.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As stipulated under Regulation 34 of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as **Annexure J** to this Report and is available in the website of the Company at www.ashokleyland.com.

Further, as per SEBI Listing Requirements, your Company had taken reasonable assurance of the BRSR Core indicators from DNV third-party Independent Assurance provider and the same is hosted on the website of the Company in the link as provided in on page no. 68 of this Annual Report

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013 ("the Act") and SEBI Listing Regulations, the Consolidated Financial Statements prepared in accordance with the Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India, is attached to this report.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has 39 Subsidiaries, 6 Associates and 4 Joint Ventures as on March 31, 2026. Hinduja Leyland Finance Limited ("HLFL") is a material subsidiary of the Company.

During the year, the Company had invested a sum of ₹ 370.58 crores in Optare Plc., UK, thereby increasing its stake to 93.28%, ₹ 5.70 crores in equity shares of Vishwa Buses and Coaches Limited, a wholly-owned subsidiary and ₹ 10 crores in Gro Digital Platforms Limited.

The Audit Committee and Board of Directors of HLFL and NDL Ventures Limited (NDL), at their respective meetings held on November 25, 2025, had approved a Scheme of Merger by Absorption under Sections 230 to 232 of the Act, for the merger of HLFL with NDL with a share exchange ratio of 25 equity shares of NDL for every 10 equity shares of HLF and conversion of NCD of HLF into NCD of NDL on similar terms and conditions.

During FY 2025-26, the Scheme received the no-objection certificate from the Reserve Bank of India and approval from the Competition Commission of India. HLFL has also received No Objection/ No Adverse Remarks from BSE and NSE for the Scheme of Merger. The Scheme would be filed with the National Company Law Tribunal, Mumbai and with other applicable regulatory authorities for approvals.

During the year, Ashok Leyland UAE LLC (AL UAE), a wholly owned subsidiary of the Company has incorporated a wholly owned subsidiary (One Person Company) in the Kingdom of Saudi Arabia in the name "Ashok Leyland Saudi Company" and has made an investment of 5,00,000 Saudi Riyal (SAR) towards the initial share capital subscription.

Switch Mobility Limited, UK ('Switch UK'), a step-down subsidiary of the Company, has discontinued its manufacturing and assembly activities at its Sherburn facility during the year. Switch UK continues to provide aftermarket and service support for the existing vehicle parc through its other facilities. During the year, Optare Plc. UK, a subsidiary had purchased 1.01% stake of Switch UK from Dana Ltd., thereby increasing its direct holding in Switch UK to 99.57%. Consequently, Optare Plc. UK along with Hinduja Automotive Limited, UK, now holds 100% in Switch UK.

During the year, Ashok Leyland West Africa S.A., a step-down subsidiary of the Company, was voluntarily liquidated and, accordingly, ceased to be a step-down subsidiary of the Company.

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies is provided in the notes to the consolidated financial statements. Pursuant to the provisions of Section 129(3) of the Act, read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries, associates and joint ventures in Form AOC-1 is attached to the financial statements of the Company. Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of the subsidiaries are available on the website in the link as provided in on page no. 68 of this Annual Report.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website in the link as provided in on page no. 68 of this Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Based on the recommendations / approvals by the Nomination and Remuneration Committee, the Board of Directors and the shareholders, the following Directors were appointed to the Board:

- Mr. Sven Christoph Ennerst (DIN: 10942860) as Independent Director for a term of five years from June 1, 2025.
- Ms. Geeta Mathur (DIN: 02139552) as Independent Director for a term of five years from August 25, 2025.
- Mr. Sridharan Kesavan (DIN:00051976) as Independent Director for a term of three years from August 25, 2025.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 28, 2026 have re-appointed Mr. Dheeraj G Hinduja (DIN: 00133410) as Executive Chairman, liable to retire by rotation, for a period of three years with effect from November 26, 2026, subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) and other regulatory approvals. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 28, 2026 have appointed Mr. K M Balaji (DIN: 08064743) as an Additional Director in the capacity of Whole-Time Director and designated as Whole-Time Director and Chief Financial Officer for a period of two years effective May 28, 2026, subject to the approval of the shareholders at the ensuing AGM. The resolutions seeking approval of the Members for the re-appointment of Mr. Dheeraj G Hinduja and appointment of Mr. K M Balaji has been incorporated in the Notice convening the AGM of the Company along with brief details about them.

During the year under review, Ms. Manisha Girotra (DIN: 00774574) ceased to be an Independent Director with effect from the close of business hours of June 28, 2025, upon completion of her second term as Independent Director. Mr. Jose Maria Alapont (DIN: 07712699) ceased to be an Independent Director with effect from the close of business hours of September 2, 2025, upon his voluntary retirement. Mr. Gopal Mahadevan (DIN: 01746102) ceased to be Director – Strategic Finance and M&A with effect from the close of business hours of May 23, 2026, upon completion of his term. The Board places on record its sincere appreciation for Ms. Manisha Girotra, Mr. Jose Maria Alapont and Mr. Gopal Mahadevan for their contributions to the Company during their term as Directors on the Board of the Company.

Mr. Shom Ashok Hinduja (DIN: 07128441), Director retires by rotation at the forthcoming AGM and being eligible, offers himself for re-appointment. The resolution seeking approval of the Members for his re-appointment has been incorporated in the Notice convening the AGM of the Company along with brief details about him.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and they have registered their names in the Independent Directors' Databank. Further, there has been no change in the circumstances which may affect their status as Independent Director during the year.

In the opinion of the Board, the Independent Directors appointed are persons of high repute, integrity and possess the relevant expertise, experience and proficiency. The terms and conditions of appointment of the Independent Directors are placed on the website in the link as provided in on page no. 68 of this Annual Report.

The Company has disclosed the Director's familiarization programme on its website in the link as provided in on page no. 68 of this Annual Report. During the year, Non-Executive Directors had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for attending meetings of the Company and corporate action entitlements in their capacity as Members of the Company.

Pursuant to the provisions of Section 2(51) and 203 of the Act, as on the date of this report, the Key Managerial Personnel of the Company are Mr. Shenu Agarwal, Managing Director and Chief Executive Officer, Mr. K M Balaji, Whole-Time Director and Chief Financial Officer and Mr. N. Ramanathan, Company Secretary.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) in the preparation of the annual financial statements for the year ended March 31, 2026, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

b) for the financial year ended March 31, 2026, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year ended March 31, 2026;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual financial statements have been prepared on a going concern basis;

e) proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) proper systems devised to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

AUDITORS

Statutory Auditor:

The Board of Directors at their meeting held on May 19, 2022 had appointed M/s. Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E-300009) as the Statutory Auditors of the Company for a second term of 5 (five) consecutive years from the conclusion of 73rd AGM till the conclusion of 78th AGM and was subsequently approved by the Members at the AGM held on July 29, 2022.

The Statutory Auditor's Report to the Members on the standalone and consolidated financial statement for the year ended March 31, 2026 does not contain any qualification, reservation, adverse remark or any disclaimer. During the year, there were no instances of fraud reported by the Statutory Auditors as per Section 143(12) of the Act.

Cost Records and Cost Auditor:

During the year under review, in accordance with Section 148(1) of the Act, the Company has maintained the accounts and cost records, as specified by the Central Government. The Board of Directors had appointed M/s. Geeyes & Co., (Firm Registration No.: 000044), as Cost Auditors of the Company, for conducting the audit of cost records for the financial year ended March 31, 2026. The audit is in progress and the report will be filed with the Ministry of Corporate Affairs within the prescribed period.

The remuneration of the Cost Auditors for the FY 2025-26 is placed before the Members for ratification / approval.

Secretarial Auditor:

The Board of Directors at their meeting held on May 23, 2025 had appointed Ms. B. Chandra (ACS No.: 20879, CP No. 7859), Company Secretary in Practice, Chennai to conduct the Secretarial Audit of the Company for a term of 5 (Five) consecutive years from the conclusion of 76th AGM till the conclusion of 81st AGM of the Company to be held in the Year 2030 with the approval of members at the AGM held on August 14, 2025.

The Secretarial Audit report for the financial year ended March 31, 2026 is attached as **Annexure H** to this Report. The Secretarial Audit report does not contain any qualification, reservation, adverse remark or any disclaimer.

Pursuant to Regulation 24(A) of SEBI Listing Regulations, the Company has obtained annual secretarial compliance report from Ms. B. Chandra, Company Secretary in Practice, Chennai and the same has been submitted to the Stock Exchanges within the prescribed time. The Secretarial Compliance Report also does not contain any qualification, reservation, adverse remark or any disclaimer.

HLFL, a material subsidiary of the Company has obtained Secretarial Audit Report from a Practising Company Secretary and it does not have any qualification or adverse remark. The report is attached as **Annexure K.**

SECRETARIAL STANDARDS

The Board confirms compliance of the provisions of the Secretarial Standards notified by the Institute of Company Secretaries of India (ICSI).

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with section 134(3) of the Act, the Annual Return as at March 31, 2026 is available on the Company's website in the link as provided in page no. 68 of this Annual Report.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and the Rules made thereunder, your Company has constituted an Internal Complaints Committee to consider and resolve all sexual harassment complaints. Your Company has also put in place a policy to ensure a free and fair inquiry process for complaints received from employees, guaranteeing complete anonymity and confidentiality. During the year under review, 5 complaints were received and filed under the POSH Act. All complaints were resolved during the year following due process, and there were no cases pending as on March 31, 2026. No case remained pending for more than 90 days during the year.

DISCLOSURE OF MATERNITY BENEFIT COMPLIANCE

Your Company is compliant with the provisions relating to the Maternity Benefit Act, 1961 for the year under review.

DISCLOSURE UNDER FOREIGN EXCHANGE MANAGEMENT ACT, 1999

Your Company is in compliance with applicable Rules and Regulations of Foreign Exchange Management with regard to Downstream Investments made by it.

BOARD MEETINGS HELD DURING THE YEAR

During the year, 7 (Seven) meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached as **Annexure C** to this Report.

REMUNERATION POLICY

The objective of the Remuneration Policy is to attract, motivate and retain competent individuals that the Company needs, to achieve its strategic and operational objectives, whilst recognising the societal context around remuneration and recognizing the interests of Company's stakeholders.

The Remuneration Policy provides a framework for remuneration of Directors, Key Managerial Personnel, Senior Executives, other employees and workmen.

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act is available on the Company's website in the link as provided in page no. 68 of this Annual Report.

PARTICULARS OF EMPLOYEES

Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act and the Rules framed thereunder is enclosed as **Annexure B** to the Board's Report.

ASHOK LEYLAND EMPLOYEE STOCK OPTION SCHEMES

During the year under review, the Nomination and Remuneration Committee of the Company through Circular Resolutions passed on September 11, 2025 and October 10, 2025, approved the allotment of 8,00,000 equity shares of face value ₹ 1/- each upon exercise of stock options granted under Ashok Leyland Employees Stock Option Plan 2016.

During the year, Nomination and Remuneration Committee has not granted any options to the employees of the Company under the Ashok Leyland Limited Employee Stock Option Plan 2016 (AL ESOP 2016). AL ESOP 2016 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Since none of the vesting conditions were met within the vesting period, there has been no exercise of options under the ESOP Scheme

2018. Hence, based on the recommendation of the Nomination and Remuneration Committee the Board of Directors had forfeited all the options under the ESOP Plan 2018 and had terminated the ESOP Plan 2018 during the year, in accordance with the provisions of the AL ESOP Plan 2018.

Disclosure with respect to AL ESOP Plan 2016 and AL ESOP Plan 2018 of the Company are available on the Company's website in the link as provided in page no. 68 of this Annual Report.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Act and Regulation 17(10) of the SEBI Listing Regulations, the Board of Directors have carried out performance evaluation of their own performance, the Directors individually as well as the evaluation of the working of its Board's Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report attached as **Annexure C** to this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT

The particulars of loans, guarantees and investments under Section 186 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014, for the FY 2025-26 are given in Note 3.8 of the Notes to the standalone financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In compliance with the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions (RPTs) as approved by the Board which is available on the Company's website in the link as provided in page no. 68 of this Annual Report.

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in ordinary course of business and on an arm's length basis and were placed and approved by the Audit Committee. During the FY 2025- 26, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the provisions of the Act. Hence, the disclosure of related party transactions in Form AOC-2 is not applicable.

During the FY 2025-26, there were no materially significant transactions with the related parties, which were in conflict with the interests of the Company and that require an approval of the Members in terms of the SEBI Listing Regulations. Suitable disclosures as required under IND AS 24 have been made in Note 3.8 of the Notes to the standalone financial statements.

During the FY 2025-26, approval of Members was obtained for the material RPTs under SEBI Listing Regulations for RPTs between the Company and (1) TVS Trucks and Buses Private Limited for the FY 2025-26 (2) AML Motors Private Limited for the FY 2025-26 (3) Switch Mobility Automotive Limited for the FY 2025-26 (4) TVS Vehicle Mobility Solution Private Limited for the FY 2026-27 and (5) RPTs between Switch Mobility Automotive Limited and OHM Global Mobility Private Limited for the FY 2025-26

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

The Company's CSR policy is available on the Company's website in the link as provided in page no. 68 of this Annual Report. The composition of the CSR Committee is disclosed in the Corporate Governance Report. The annual report on CSR activities is annexed to this report as **Annexure I**.

During the year under review, the Company spent ₹ 46.55 crores on CSR activities. Further, the Board has taken on record the certificate from the head of Financial Management that CSR spends of the Company for FY 2025-26 have been utilized for the purpose and in the manner approved by the Board of Directors of the Company.

COMMITTEES

As at March 31, 2026, the Company has Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Environmental, Social and Governance Committee, Corporate Social Responsibility Committee, Technology and Investment Committee, Shares Committee, Fund-Raising Committee and Donations and Contributions Committee. Details of the composition of the Board and its Committees are provided in the Corporate Governance Report attached as **Annexure C** to this Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations and in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism / Whistle Blower and the same is available on the Company's website in the link as provided in page no. 68 of this Annual Report.

Among other things, this Policy provides direct access to the Chairman of the Audit Committee. Your Company confirms that no Director or employee has been denied access to the Chairman of the Audit Committee. Brief details about the policy are provided in the Corporate Governance Report attached as **Annexure C** to this Report.

DEPOSITS

Your Company has not accepted any deposit within the meaning of provisions of Chapter V of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014 for the year ended March 31, 2026.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

OTHER CONFIRMATIONS

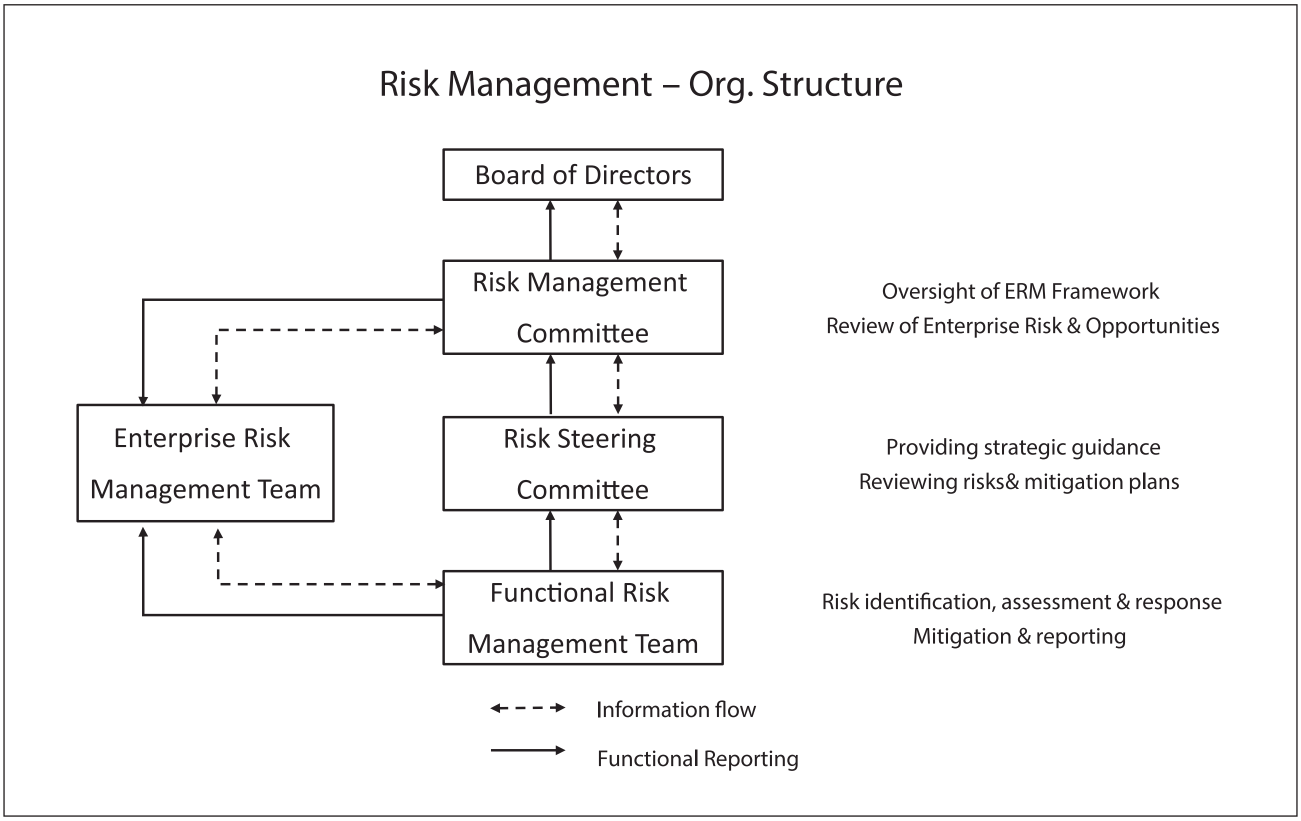
During the year under review:

- there were no applications made/proceedings pending under the Insolvency and Bankruptcy Code, 2016. Further, there are no instances of one-time settlement with any Bank or Financial Institutions.
- disclosures relating to difference between the amount of the valuation in case of one-time settlement is not applicable.
- no shares with differential voting rights or sweat equity shares have been issued.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company maintains robust internal control systems designed to uphold operational integrity. These frameworks ensure a) strict adherence to Company policies b) effective safeguarding of assets and c) the accuracy, completeness and proper authorisation of all transactions prior to execution.

A detailed overview of these internal control measures is provided in the Management Discussion and Analysis report, attached as **Annexure F** to this report.



RISK MANAGEMENT

Your Company has in place a comprehensive Enterprise Risk Management (ERM) framework, in line with the principles of the COSO ERM Framework (2017) and ISO 31000, which supports the identification, assessment, monitoring and mitigation of risks across the organisation and promotes a robust risk management culture. The ERM framework has been further strengthened through benchmarking with established best practices. The implementation and effectiveness of the ERM framework are overseen by the Risk Management Committee of the Board, which periodically reviews the enterprise risks and ensures that appropriate risk mitigation measures are in place. A detailed discussion on the risk management practices and key risks faced by the Company forms part of the Management Discussion and Analysis Report, annexed to this Report as **Annexure F.**

RESEARCH AND DEVELOPMENT, CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Mindful of rising global warming and the advancing Earth Overshoot Day, your Company has taken concrete steps to reduce its environmental footprint across all resource categories — including energy, water, packaging materials such as plastics, wood and carton boxes, and other raw materials — by adopting the 5R principles of Refuse, Reduce, Reuse, Repurpose and Recycle. Your Company has also committed to the Science Based Targets initiative (SBTi), with goals to achieve carbon neutrality in plant operations by 2030 and net zero emissions by 2048.

Information as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are furnished in **Annexure A** to this Report.

ACKNOWLEDGEMENT

Your Board takes this opportunity to thank the Company's employees for their dedicated service and firm commitment to pursuing the goals and Vision of the Company. Your Board also wishes to express its appreciation for the continued support of the Government of India, Governments of various States in India, bankers, financial institutions, customers, dealers and suppliers and also, the valuable assistance and advice received from the joint venture partners, Hinduja Automotive Limited, the Hinduja Group and the Members. We look forward to the continued support of all the partners in our progress.

For and on behalf of the Board of Directors

Chennai
May 28, 2026

Dheeraj G Hinduja
Executive Chairman

ANNEXURE A TO THE BOARD'S REPORT
PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

A. **CONSERVATION OF ENERGY**

a) *Energy Conservation:*

Recognizing the risks associated with climate change, the Company has committed to global sustainability initiatives such as the Science Based Targets initiative (SBTi). In line with these commitments, focused energy reduction initiatives have been undertaken through the formation of a dedicated Energy Cross Functional Team (CFT). The team identifies and implements projects aimed at reducing energy consumption, including adoption of renewable and alternate energy sources, use of green energy, and optimization of power consumption. Energy audits were conducted at the ALFD Ennore and Ennore facilities to identify additional opportunities for energy efficiency improvement.

During the year, 136 energy conservation projects were successfully implemented, delivering annualized energy savings of 15.65 million units. These initiatives resulted in energy cost savings of ₹ 11.85 crores and avoided greenhouse gas emissions of 11,099 tCO_2e. The achievements were driven by a dedicated EHS (Environment, Health and Safety) team, which led multiple initiatives including employee awareness programs, energy audits, power quality audits, and structured brainstorming sessions to identify and implement improvement opportunities.

In addition, the Company invested ₹ 9 crores in energy conservation projects with payback periods of less than 24 months. Most of these projects were completed during the year and are expected to deliver measurable benefits in FY27.

The Company has realized energy cost savings through power procurement from the Indian Energy Exchange (IEX) while also sourcing approximately 8% of its electricity requirement from green energy through the same platform. In parallel, all manufacturing plants have optimized and maintained power factor levels at or near unity. Few of the Energy conservation projects completed in FY26 are listed below

Plant	Project details	Annualised savings kWh/annum
ALFD Enn	Air hoist to Electric Hoist Upgradation (44nos.)	15,86,667
Ennore	Installation of Air circulators in place of Man coolers 77 nos.	9,84,960
PNR	Compressor waste Heat Recovery-Reduce Propane Consumption	9,41,176
SPU	Furnace Energy Monitoring and Reduction through Melt Manager (Customised).	8,00,000
PNR	Waste heat recovery from Oven and Utilizing in HWG-Paint Shop	5,62,500
Alwar	To replace the old lights with LED lights in shop-01	5,36,504
PNR	BLDC Fan Installation-	5,00,000
ALFD Enn	Portable Compressor 500 CFM for operating individual critical machines	4,79,722
ALFD Enn	Air Demand Controller with Air flow monitoring sensor for Plant-1	3,85,833
ALFD Enn	Air Demand Controller with Air flow monitoring sensor for Plant-2	3,85,833
Ennore	Replacement of old GA160 compressor with Energy efficient compressor	3,80,000
H2	Extending the HVLP screw blower pipe line upto old ETP & STP line and eliminating 5 nos of LOBE blower units	3,76,560
PNR	IEX power procurement for PNR plant	3,52,941
H2	Replacement of compressor into EE Screw compressor with Waste Heat Recovery	3,40,200
PNR	Air consumption reduction by PLC logic modification in Captain Robotic Line.	3,05,882
Ennore	150 ton Voltas chiller condenser coil upgradation	2,80,000
ALFD Enn	Retrofit of APFC Panel & installation of Active Harmonic Filter	2,78,400
ALFD Enn	Low Air pressure line for Core cleaning with Energy efficient guns Plant 1	2,74,444
ALFD Enn	Low Air pressure line for Core cleaning with Energy efficient guns Plant 2	2,74,444
ALFD Enn	Hydraulic motors upgradation to IE3 efficiency (15nos.)	2,38,056
PNR	Replace mechanical drain valves with level sensor-based drain valves in compressed air receiver	2,33,000
Hosur 1	Demand based compressed air management and thereby reduction compressed air	2,25,000
SPU	Shake out dust collector motor 200 kw upgradation from IE1 to IE4 160kw	2,00,000
H2	Reduction of LT voltage level in TR#18,TR#19,TR#6	1,93,550
H2	Replacement of existing 45KW ED-Oven Blower unit with EE-Blower of 22kW each - 2 nos	1,92,000
SPU	Air hoist to electrical hoist replacement	1,80,000
PNR	Replacement of belt driven blowers in AHU's with energy efficient FLP EC+ blowers	1,80,000
SPU	Replacement of inefficient pumps	1,23,380
CPPS	1500t press cushion motor continuous on for 16 hours, energy saving mode can be enabled to reduce power consumption	1,20,450
ALFD Enn	Converting of 20 old (More than 20 years of running & 3 times rewound) motor from IE1 to IE3	1,19,444

ANNEXURE A TO THE BOARD'S REPORT
PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

Plant	Project details	Annualised savings kWh/annum
SPU	Air receiver tank moisture drain valve To be replace the automatic condensate (zero loss drain valves	1,12,000
SPU	Core shop sand pumps sand conveying system currently using compressor air pressure 6 bar plan to introduce low air pressure line to reduce 4 to 5 bar through pressure relief valve	1,12,000
H2	Touch up booth supply AHU selector switch to be given with different ASU volume set parameter, in night supply volume can be reduced only for TC2	1,08,000
ALFD Enn	Converting of Fettling old motor into High efficiency motor - 10 Motors	1,07,500
H2	Lighting Energy : Replacing the shop floor lightings with lower wattage fittings with improved LUX. SMP - 60 NOS (240W into 155W) OTHER SHOPS - 742 NOS (134W into 95W)	1,02,114
Ennore	VFD installation on STP motor	1,02,000
SPU	Installing Airflow monitor in core shooter machine to identify the Ideal time air leakage in machine and running time CFM consumption of machine. Accordingly we can reduce compressor energy.	1,00,000

With all the continuous efforts and endeavor on energy conservation, your Company is moving towards carbon neutral in plant operations and becoming a "Cleaner & Greener" organization.

b) *Renewable Energy:*

In line with its commitment to 100% renewable energy use, the Company has achieved renewable energy penetration of 91% across its Tamil Nadu manufacturing plants and 77% on a panIndia basis. This transition has contributed to a reduction in overall cost of production while delivering significant cuts in greenhouse gas emissions. The Company's Green Energy initiatives resulted in operating cost savings of ₹ 48.58 crores and enabled the avoidance of 1,73,316 $MTCO_2e$ emissions.

Solar power forms a key pillar of this strategy. The Company has installed nearly 25 MW of rooftop solar capacity across its manufacturing units, an 87 MW solar park in Sivagangai District, Tamil Nadu, and 6 MW of ground mounted solar capacity at Sriperumbudur through Hinduja Renewable Private Limited. During FY26, these installations generated 152.87 million units of electricity, accounting for 48% of the total power consumption and resulting in the avoidance of 1,08,539 tCO_2e emissions.

In addition, the Company has an installed wind power capacity of 63 MW. Wind energy contributed approximately 18% of total power consumption, amounting to 56.61 million units, and enabled the avoidance of 40,198 tCO_2e emissions.

The Company also leveraged the availability of green power on the Indian Energy Exchange (IEX), procuring 34.62 million units (11% of total consumption) generated from a mix of wind, solar, hydro, and biomass sources. This initiative further contributed to the avoidance of 24,579 tCO_2e emissions.

c) *Enhancing the greenery towards carbon neutrality*

The Company conducted a detailed assessment of onsite carbon sequestration potential to establish a baseline. Over the years, the Company has successfully sustained healthy growth of approximately 7 lakh trees planted within its premises, contributing positively to carbon sequestration and bio-diversity enhancement. A detailed bio- diversity study was conducted at Hosur units and it was noticed that the Hosur plants are able to provide a safe haven for many endangered species as in IUCN list.

d) *Avoiding ground water*

- Ashok Leyland has been certified as a 'Water Positive' Company by M/s DNV GL.
- The Company has committed to achieving 80% water self-reliance by 2030.
- Investments made in FY24 & FY25 have delivered tangible outcomes, with rainwater utilization increasing from 2% in FY24 to 19% in FY26.
- Ground water consumption has been significantly reduced across all manufacturing units through the implementation of rainwater harvesting systems and other waterefficiency initiatives.
- The Company remains committed to zero liquid discharge (ZLD) across its manufacturing facilities. Currently, 68% of total water consumption is met through recycled water, and groundwater withdrawal is maintained below 50%.

e) *Towards wood-free Plant*

A strategy to eliminate the use of wood in vendor logistics has been developed and is being implemented in a phased manner through the adoption of reusable and recycled steel pallets. Specifically, the elimination of wooden packaging at northern plants and the use of certified wood for imports have supported the Company's transition towards a woodfree logistics ecosystem.

f) *Partnering growth with Vendors*

ESG (Environmental, Social, and Governance) partnering with vendors has become a crucial strategy for AL Value chain, aiming to enhance their sustainability efforts and overall impact. This approach involves collaborating with suppliers and vendors to achieve shared ESG goals, leading to mutual benefits and long-term growth.

By working closely with vendors, we believe we can significantly reduce their environmental footprint. This includes initiatives like reducing carbon emissions, minimizing waste, and promoting sustainable resource use. Engaging vendors in ESG efforts helps in creating a more transparent supply chain. This transparency is essential for tracking and reporting on sustainability metrics, ensuring compliance with regulations, and building trust with stakeholders. 43 suppliers training done by AL team by taking the support of AL ESG experts and showcasing them the best practices implemented at AL Manufacturing units. Also 20 more MSME suppliers were trained with support of WRI team.

ANNEXURE A TO THE BOARD'S REPORT
PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

Started by identifying key 102 suppliers and collected all their BRSR data using digital tool and initial data validations were done by AL experts. With the available data base line identified and targets were set for top contributing supplier partners. Also, physical visits, and assessments were done for those who have the most significant impact and work closely with them to align on sustainability goals.

We also released Supplier Code of Conduct; Green supply Chain Policy & Conflict Mineral Policy approved by the AL Executive management & were disclosed publicly. Screening of suppliers on business relevance based on significance of suppliers as strategic partners, listed and other high business specific and based on commodity specific.

We understand that the ESG partnering with vendors is not just a trend but a strategic imperative for companies aiming to thrive in a sustainable future. We have designed multiple initiatives such as Daily ESG info to suppliers, Safety audits, Physical assessments and Continuous training programs in FY26 to our supplier partners. By fostering collaborative relationships, maintaining transparency, and focusing on long-term goals, we can achieve significant ESG milestones, benefiting both their operations and the broader community.

Awards

Your Company had won laurels from both national and international agencies on EHS. Few are listed below:

- "11th Edition ET NOW The Machinist - Super Shop Floor Awards 2025": Winner in SSF ESG – Large Category: SPU
- 9th CII National Energy Circle Competition 2025 - Best Energy Efficient Organization. 1st Runner up: H2
- 9th National Energy Efficiency Circle Competition 2025 by CII Best case study on Low carbon/carbon neutral Initiative". "Strong Commitment Award – PNR.
- CII National Energy Award – PNR.
- 9th CII National Energy Circle Competition 2025 – SPU 3Awards
- 5 Star Energy Award @ C- Enco 2025 - BHANDARA
- "11th Edition ET NOW The Machinist - Super Shop Floor Awards 2025" for ESG Large Category - CPPS
- Large category in CII National Competitiveness & cluster summit Platinum Award. - CPPS
- 6th CII National Digitech Circle competition 2025 –Platinum Award for Best case study of digitalization for maintenance and energy management – ALFD ENN
- CII - Energy Saving Platinum & Runner Award – ALFD ENN - 1
- QCFICC – Energy saving silver award – ALFD ENN - 3
- QCFICC – Energy saving & renewable power Gold award – ALFD ENN-4
- SEEM Awards – National sustainability award 1 platinum & National energy conservation – 1 platinum – ALFD ENN
- 2 Platinum awards - 1 for SUSTAINABILITY & 1 for Energy conservation – ALFD SPU
- Ennore won the Gold award IAQ Quality Sustainability award 2025
- Hosur 2 won the Green manufacturing excellence award – IMEXI 2025
- Hosur 2, SPU won CII award for energy conservation initiatives.
- Ennore won CII award for carbon reduction initiative.
- ALFD ENN won CII award on circular economy.

B. Technology Absorption

No technology was imported by the Company during the financial year.

C. Research Development

1. Specific areas in which R&D carried out by the company

- ✓ Engines & aggregates
- ✓ Development of Engines for Alternate fuel
- ✓ Development of components for electric powertrain and ADAS
- ✓ Development of in-house software control system
- ✓ Development of new platforms to meet current market demands

2. Benefits Derived

- ✓ Hippo & Taurus - High-performance, heavy-duty truck range designed for mining, infrastructure, and construction launched
- ✓ Garud 15m – India's first front engine multi axle intercity coach for higher passenger capacity launched
- ✓ Dost XL plus – Launched last mile LCV with longer loading span variants for reduced number of trips
- ✓ Fuel Cell City bus – India's first fuel cell city bus introduced for commercial operations at Leh

3. Future plan of action

- ✓ Refinement of existing range of products
- ✓ Venture into next generation platforms for future
- ✓ New feature and aggregate development as part of technology roadmap

4. Expenditure on Research and Development (R&D)

(₹ In crores)

Expenditure on R&D	2025-26	2024-25
Capital	119.13	74.96
Revenue (excluding depreciation)	554.28	483.52
Less: Amount received by R&D facilities	(38.19)	(12.26)
Total	**635.22**	**546.22**
Total R&D expenditure as a % of total turnover	1.44	1.41

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings in foreign currency and expenditure incurred in foreign currency amounts to ₹ 2,709.57 crores and ₹ 656.50 crores respectively. The Company continues its efforts to improve its earnings from exports.

ANNEXURE B TO THE BOARD'S REPORT
PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and percentage increase of each Director and Company Secretary in the financial year:**

S. No.	Name of the Director/ KMP	Ratio to median remuneration	% increase in remuneration in the financial year
1.	Mr. Dheeraj G Hinduja	197.23	8.77
2.	Mr. Sanjay K Asher	8.90	14.65
3.	Mr. Saugata Gupta	8.85	12.34
4.	Mr. Thomas Dauner	8.95	N.A.
5.	Mr. Sven Christoph Ennerst	3.59	N.A.
6.	Dr. V Sumantran	9.32	N.A.
7.	Mr. Sridharan Kesavan	4.20	N.A.
8.	Ms. Geeta Mathur	3.54	N.A.
9.	Mr. Shom Ashok Hinduja	7.37	16.92
10.	Mr. Jose Maria Alapont	6.36	N.A.
11.	Ms. Manisha Girotra	1.42	N.A.
12.	Mr. Gopal Mahadevan, Director – Strategic Finance and M&A	133.47	29.07
13.	Mr. Shenu Agarwal, Managing Director and Chief Executive Officer	115.12	48.27
14.	Mr. K M Balaji, Whole-Time Director and Chief Financial Officer	47.01	57.58
15.	Mr. N Ramanathan, Company Secretary	23.95	57.32

N.A. - Not applicable since their appointment / cessation occurred during FY 2024-25 and FY 2025-26, details of their appointment / cessation are provided elsewhere in this Annual Report.

b. **The median remuneration for the financial year 2025-26:** ₹ 15,83,951.

c. **The Percentage increase/(decrease) in the median remuneration of the employees in the financial year**: 22%

d. **The number of permanent employees on the rolls of Company:** 9,891

e. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

   There are no exceptional circumstances for increase in the managerial remuneration.

f. **Affirmation that the remuneration is as per the remuneration policy of the Company:** The Company affirms that the remuneration is as per the remuneration policy of the Company.

g. Mr. Dheeraj G Hinduja, Chairman of Hinduja Automotive Limited (Holding Company) was in receipt of remuneration on a monthly basis and the same for the period April 1, 2025 to March 31, 2026 was £1,40,000.

h. The Board of Directors of Hinduja Leyland Finance Limited, subsidiary, have approved a Commission (for the FY 2025-26) of ₹ 80 lakhs for Mr. Dheeraj G Hinduja, ₹ 40 lakhs for Mr. Gopal Mahadevan and ₹ 16.67 lakhs for Mr. K M Balaji.

i. The statement containing top ten employees in terms of remuneration drawn and particulars of employees as required under Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the registered office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary and the same will be provided free of cost to the shareholder.

ANNEXURE C TO THE BOARD'S REPORT
REPORT ON CORPORATE GOVERNANCE

Ashok Leyland's Philosophy on Code of Governance

a. Your Company views corporate governance as an inherent part of its identity and a critical enabler of sustainable value creation. Governance is not merely a regulatory obligation but a reflection of the Company's core purpose **"transforming lives and businesses through leadership in mobility"** and its commitment to ethical, transparent, and responsible business practices

Your Company belongs to a legacy where the visionary founders of the Hinduja Group had laid the stone for good governance through the philosophies of '**Work to give**' and '**Word is bond**'. '**Work to Give**' refers to the duty to work diligently and to ensure that one gives something back to the stakeholder around. '**Word is bond**' refers to the duty of one to be true to his/her words. Your Company's governance framework is deeply rooted in its group philosophy, cultural ethos, driven by five core non-negotiable values — Trust, Agility, Innovation, Customer Centricity, and Partnership, collectively known as **"The Ashok Leyland Way"**.

These values, guide how the Company interacts with all stakeholders, enables to build trust and confidence through transparency amongst stakeholders at large and ensures that your Company is people-centric, future-ready and aligned with the vision thereby creating sustainable relationships.

- **Trust** reinforces clarity, transparency, integrity and accountability in all actions and decisions, thereby building lasting stakeholder confidence.
- **Agility** ensures responsiveness, adaptability, and timely decision-making in a dynamic business environment, increasing effectiveness.
- **Innovation** promotes progressive thinking, ethical risk-taking and continuous assessment and improvement in governance and Board processes
- **Customer Centricity** places stakeholders at the core of decision-making, ensuring fairness, responsiveness and value creation.
- **Partnership** fosters collaboration, mutual respect, and long-term relationships with stakeholders, reinforcing inclusive and participative governance.

The standards of governance emanating from these values are guided by the following principles:

- Adhering to governance standards beyond the letter of law.
- Clear and ethical strategic direction and sound business decisions.
- The effective exercising of ownership.
- Transparent and professional decision making and disclosures.
- Excellence in corporate governance by abiding with the guidelines and continuous assessment of Board processes and the management systems for constant improvisation.
- Greater attention is paid to the protection of minority shareholders rights.

Your Company remains committed to its governance standards anchored in its core values which provides a strong behavioural framework and unique organizational characteristics through which the Board and its committees undertake their responsibilities towards the broader community and all stakeholders, fostering trust, resilience and sustainable growth.

b. Your Company recognises the rights of all the stakeholders and encourages co-operation between the Company and the stakeholders to enable participation in the corporate governance process. Your Company ensures adequate, timely and accurate disclosure of all material matters including the financial situation, performance, ownership and governance of the Company to the stock exchanges and the investors. Information is prepared and disclosed in accordance with the prescribed standards and is disseminated in a timely manner.

Board of Directors

i. As on March 31, 2026, the Board comprised of eleven Directors. Of the eleven Directors, eight (72.72%) are Non-Executive Directors and six (54.54%) are Independent Directors including a Woman Director. Mr. Dheeraj G Hinduja is the Executive Chairman. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations and Section 149 of the Act, read with the relevant rules made thereunder.

ii. The number of Directorships, Committee memberships/ chairmanships of all Directors is within the respective limits prescribed under the Act and SEBI Listing Regulations. Necessary disclosures regarding Board and Committee positions in other public companies as on March 31, 2026 have been made by all the Directors of the Company.

iii. Your Company has received declarations from all its Independent Directors confirming that they meet the criteria of independence prescribed both under the Act, 2013 and the SEBI Listing Regulations. The Board at its meeting held on April 21, 2026 has taken on record these declarations received from the Independent Directors. In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in the Act and SEBI Listing Regulations and are independent of the Management.

iv. Every Independent Director at the first meeting of the Board in every financial year, gives declarations under Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations that he/she meets the criteria of independence as stated in these provisions/clauses.

v. The Independent Directors have included their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

vi. Your Company has issued formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been hosted on the website of the Company.

vii. The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of directorships and Committee chairmanships/memberships held by them as on March 31, 2026 are given herein below:

ANNEXURE C TO THE BOARD'S REPORT
REPORT ON CORPORATE GOVERNANCE

Name of Director	Category	Number of Board meetings during the FY 2025-26		Attendance at last AGM held on August 14,2025	Number of Directorships in other public limited companies$		Number of Directorships in other companies	Number of Committee positions held in other public Companies&	
		Held	Attended		Director	Chairman		Member	Chairman
Mr. Dheeraj G Hinduja Executive Chairman DIN: 00133410	Promoter, Executive	7	7	Yes	5	5	1	0	0
Mr. Sanjay K Asher DIN: 00008221	Non-Independent Non-Executive	7	7	Yes	7	1	3	8	1
Mr. Saugata Gupta DIN: 05251806	Independent	7	7	No	2	0	7	2	1
Mr. Shom Ashok Hinduja DIN: 07128441	Non-Independent Non-Executive	7	7	Yes	2	0	6	0	0
Dr. V Sumantran DIN:02153989	Independent	7	7	Yes	3	0	1	2	0
Mr. Thomas Dauner DIN:10642122	Independent	7	7	Yes	0	0	4	0	0
Mr. Sven Christoph Ennerst DIN: 10942860	Independent	5	5	Yes	0	0	2	0	0
Mr. Sridharan Kesavan DIN: 00051976	Independent	3	3	NA	2	0	0	2	1
Ms. Geeta Mathur DIN: 02139552	Independent	3	3	NA	7	0	3	8	4
Mr. Shenu Agarwal Managing Director & Chief Executive Officer DIN: 03485730	Executive	7	7	Yes	1	0	0	0	0
Mr. Gopal Mahadevan,# Director – Strategic Finance and M&A DIN: 01746102	Executive	7	6	Yes	5	0	4	6	1

$ Does not include directorships in Private Limited companies, Section 8 companies, Limited Liability Partnership and companies incorporated outside India. This is however covered under number of Directorships in other companies.

& Represents Committee positions in Audit and Stakeholders Relationship Committee and does not include position held in Private Limited companies, Section 8 companies and companies incorporated outside India.

 # Ceased to be Director – Strategic Finance and M&A with effect from the close of business hours on May 23, 2026, upon completing his term

Note: *Effective from the close of business hours on September 2, 2025, Mr. Jose Maria Alapont retired as a Non-Executive Independent Director upon attaining the age of 75 years. Ms. Manisha Girotra ceased to be Non-Executive Independent Director with effect from the close of business hours on June 28, 2025 upon completing her second term. During the financial year 2025 -26, Mr. Jose Maria Alapont and Ms. Manisha Girotra attended four and one Board meeting(s), respectively.*

Mr. Sven Christoph Ennerst was appointed as Independent Director with effect from June 1, 2025. Ms. Geeta Mathur and Mr. Sridharan Kesavan were appointed as Independent Directors with effect from August 25, 2025.

Directorships in other listed entities as on March 31, 2026

Name of the Director	Name of the listed entity	Category
Ms. Geeta Mathur	Info Edge (India) Limited	Independent Director
	HealthCare Global Enterprises Limited	
	Dixon Technologies (India) Limited	
	Travel Food Service Limited	
	Canara HSBC Life Insurance Company Ltd	
Mr. Sanjay K Asher	Hawkins Cookers Limited	Independent Director
	Epigral Limited (formerly known as Meghmani Finechem Limited)	
	Sonata Software Limited	
	Gillette India Limited	
	Repro India Limited	
	Sudarshan Chemical Industries Ltd	Non-Executive Non- Independent Director
Mr. Saugata Gupta	Marico Limited	Managing Director & Chief Executive Officer
	Delhivery Limited	Independent Director
Mr. Shom Ashok Hinduja	Gulf Oil Lubricants India Limited	Non-Executive Non-Independent Director
Dr. V Sumantran	TVS Electronics Limited	Independent Director

Changes in Board composition during the FY 2025-26:

During the FY 2025-26, the following were the changes in the Board composition:

Name	Nature of Change
Mr. Sven Christoph Ennerst Independent Director	Appointed as an Independent Director w.e.f. June 1, 2025
Ms. Manisha Girotra Independent Director	Ceased to be an Independent Director w.e.f. June 28, 2025 upon completing her second term.
Mr. Jose Maria Alapont Independent Director	Voluntary retirement as an Independent Director w.e.f. September 2, 2025
Ms. Geeta Mathur Independent Director	Appointed as an Independent Director w.e.f. August 25, 2025
Mr. Sridharan Kesavan Independent Director	Appointed as an Independent Director w.e.f. August 25, 2025

viii. None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five committees across the public companies in which he/she is a director.

ix. None of the Directors on the Board serve as Independent Directors in more than seven listed entities. None of the Executive Directors on the Board serve as an Independent Director in more than three listed entities.

x. None of the Directors/Key Management Personnel of the Company are related to each other (in terms of the Act).

xi. During the year, seven Board meetings were held and the gap between two meetings did not exceed one hundred and twenty days.

xii. The dates on which the said meetings were held are:

May 16, 2025, May 23, 2025, July 11, 2025, August 14, 2025, November 12, 2025, February 11, 2026 and March 27, 2026. The necessary quorum was present for all the meetings.

xiii. For matters requiring consideration in between meetings, the approval of the Board / Committees were obtained through resolutions passed by circulation, in accordance with applicable statutory provisions. Such resolutions were subsequently placed and noted at the next meeting of the Board / Committees.

xiv. The Board evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices.

xv. During the FY 2025-26, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of all laws applicable to the Company.

xvi. In compliance with the applicable provisions of the Act and the Rules made thereunder, the Company facilitates the participation of the Directors in Board/Committee meetings through video conferencing or other audio-visual mode.

xvii. Further, the Board fulfils the key functions as prescribed under the SEBI Listing Regulations.

xviii. Your Company has appointed Independent Directors who are renowned people having expertise/experience in their respective field/profession. None of the Independent Directors are promoters or related to promoters. They do not have pecuniary relationship with the Company and further do not hold two percent or more of the voting power of the Company.

xix. The details of Directors seeking appointment/re-appointment at the ensuing AGM is furnished in the Notice convening the AGM.

xx. During the FY 2025-26, under the ESOP Plan 2018, since none of the vesting conditions were met within the vesting period, there has been no exercise of options. Hence, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors had forfeited all the options under the ESOP Plan 2018 and had terminated the ESOP Plan 2018 during the year. Under AL ESOP Plan 2016, the Nomination and Remuneration Committee ("NRC") has not granted any options to any of the eligible employees of the Company. During the year, the NRC has allotted 8,00,000 equity shares pursuant to exercise of stock options.

xxi. As at March 31, 2026, Mr. Gopal Mahadevan, Director - Strategic Finance and Mergers & Acquisitions holds 7,50,000 shares and Mr. Sridharan Kesavan, Independent Director holds 2,000 shares in the Company. Apart from them no other Director hold any shares in the Company.

xxii. During the year, your Company has not issued any convertible instruments.

xxiii. During the year, the Independent Directors of the Company without the presence of non-independent directors and management team met thrice on May 16, 2025, November 12, 2025 and February 10, 2026. The Independent Directors inter-alia reviewed the performance of the non-independent directors, Board as a whole and Chairman of the Company, on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

Mr. Saugata Gupta the Lead Director of these meetings presented the views of the Independent Directors on matters relating to Board processes and views, to the Board.

xxiv. The details of familiarisation programme done for the FY 2025-26 have been hosted in the website in the link as provided in page no. 68 of this Annual Report.

xxv. Pursuant to Regulation 25(10) of the SEBI Listing Regulations, the Company has in place a Directors and Officers Liability Insurance ("D&O Insurance") policy. The Board periodically reviews, the adequacy and quantum of coverage under the said policy.

xxvi. The skills/expertise/competencies identified by the Board for the effective functioning of the Company which are currently available with the Board and the names of the Directors who have such skills/expertise/competence is as below:

Skills/Expertise/Competence	Name of the Director
Governance, Global Strategic Management in Automotive sector	Mr. Dheeraj G Hinduja Mr. Shom Ashok Hinduja Mr. Shenu Agarwal Dr. V Sumantran Mr. Thomas Dauner Ms. Geeta Mathur Mr. Sven Christoph Ennerst
Financial Management, Risk management, Regulatory and Legal	Mr. Dheeraj G Hinduja Mr. Sanjay K Asher Mr. Gopal Mahadevan* Mr. Shenu Agarwal Dr. V Sumantran Ms. Geeta Mathur Mr. Sridharan Kesavan
Engineering, Technology, Operations	Mr. Shom Ashok Hinduja Mr. Shenu Agarwal Dr. V Sumantran Mr. Sven Christoph Ennerst
Investment Appraisal, Financing, Capital Structures	Mr. Dheeraj G Hinduja Mr. Gopal Mahadevan* Mr. Shenu Agarwal Dr. V Sumantran Mr. Thomas Dauner Ms. Geeta Mathur Mr. Sridharan Kesavan
Management and Leadership, Marketing and Branding,	Mr. Dheeraj G Hinduja Mr. Saugata Gupta Mr. Shom Ashok Hinduja Mr. Shenu Agarwal Mr. Gopal Mahadevan* Dr. V Sumantran Mr. Thomas Dauner Mr. Sven Christoph Ennerst

** Ceased to be Director – Strategic Finance and M&A with effect from the close of business hours on May 23, 2026 upon completing his term*

Committees of the Board

Audit Committee

Terms of Reference:

Your Company has constituted a qualified independent Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The Committee is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of internal and statutory audits. The Members of the Audit Committee are financially literate and possess accounting or related financial management expertise.

The brief description of the terms of reference of the Committee is given below:

Financials

- Review of the quarterly/half-yearly/annual financial statements with reference to changes, if any, in accounting policies and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management, adjustments, if any, arising out of audit findings.
- Compliance with listing and legal requirements relating to financial statements, qualifications, if any, in the draft audit report.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Significant adjustments made in the financial statements arising out of audit findings.

Internal controls and risk management

- Review of internal audit function and discussion on internal audit reports.

- Review of vigil mechanism.
- Review of adequacy of internal control systems.
- Review of enterprise level risks.

Compliance and other related aspects

- Approval and disclosure of related party transactions and subsequent modifications, if any.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company.
- Uses/application of funds raised through an issue.
- Review and recommendation of appointment, remuneration and terms of appointment of statutory auditors.
- Review of other services rendered by the statutory auditors.
- Review and monitor the auditor's independence and performance and effectiveness of the audit process.
- Review of the management discussion and analysis of the financial conditions and results of operations, significant related party transactions, management letters issued by statutory auditors, internal audit reports.
- Review the adequacy of the internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Evaluation of internal financial controls and risk management systems.
- Review the compliances of the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- Review the functioning of the Whistle Blower Mechanism. The policy is available on the Company's website in the link as provided in page no. 68 of this Annual Report.

The Audit Committee also considers matters which are specifically referred to it by the Board of Directors, besides considering the mandatory requirements of Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations and provisions of Section 177 of the Act.

Composition:

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category	Changes during the period	Number of meetings held during tenure	
			Held	Attended
Mr. Sridharan Kesavan, Chairman	Independent	Inducted as Member and Chairman w.e.f. September 3, 2025	3	3
Mr. Jose Maria Alapont	Independent	Ceased to be a Chairman and member w.e.f. September 2, 2025	2	2
Mr. Saugata Gupta	Independent	-	5	4
Mr. Thomas Dauner	Independent	-	5	5
Ms. Geeta Mathur	Independent	Inducted as a Member w.e.f. September 3, 2025	3	3
Mr. Sanjay K Asher	Non -Independent, Non-Executive	-	5	5

Meetings

During the year, five Audit Committee meetings were held and the gap between two meetings did not exceed one hundred and twenty days.

The dates on which the said meetings were held are as follows: May 22, 2025, August 13, 2025, November 11, 2025, February 10, 2026, and March 20, 2026. The necessary quorum was present at all the meetings.

The Committee complies with the SEBI Listing Regulations relating to composition, independence of its members, financial expertise and the audit committee charter.

The Chairman of the Audit Committee was present at the AGM held on August 14, 2025.

The Chief Financial Officer and Head - Internal Audit & Risk Management attend meetings of the Audit Committee, as invitees.

The Statutory Auditors/ Cost Auditor attend the Audit Committee Meetings for matters relating to discussion on financials results/ respective audit reports.

Mr. N Ramanathan, Company Secretary is the Secretary to the Committee.

Your Company is governed by a charter adopted by the Committee pursuant to the regulatory requirements and the Committee reviews the mandatory information periodically as required.

Nomination and Remuneration Committee

Your Company has a Nomination and Remuneration Committee ("NRC") constituted pursuant to the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The NRC acts as the Compensation Committee for administration of AL ESOP Plan 2016 as per the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

A brief description of the terms of reference of the Committee is given below:

- Formulate Remuneration Policy and a Policy on Board Diversity.
- Formulate criteria for evaluation of Directors and the Board.
- Ensure that the Remuneration Policy shall also include the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees and recommend their remuneration to the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance. Evaluate the balance of skills, knowledge and experience on the Board and consider the appointment of Independent Directors on the basis of such evaluation.

- Ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Composition

The composition of the NRC and the details of meetings attended by its members are given below:

Name	Category	Changes during the period	Number of meetings held during tenure	
			Held	Attended
Mr. Saugata Gupta, Chairman	Independent	Appointed as a Chairman w.e.f. June 29, 2025	4	4
Ms. Manisha Girotra	Independent	Ceased to be a Chairperson and member w.e.f. June 28, 2025	2	2
Mr. Jose Maria Alapont	Independent	Ceased to be a member w.e.f. September 2, 2025	3	3
Dr. V. Sumantran	Independent	Inducted as a Member w.e.f. June 29, 2025	2	2
Mr. Sridharan Kesavan	Independent	Inducted as a Member w.e.f. September 3, 2025	1	1

Meetings

During the year, four NRC meetings were held. The dates on which the said meetings were held are as follows:

May 22, 2025, June 10, 2025, July 16, 2025 and February 10, 2026. The necessary quorum was present for all the meetings.

Mr. Saugata Gupta, Chairman of Nomination and Remuneration Committee could not attend the AGM held on August 14, 2025, due to other unavoidable commitments and Mr. Jose Maria Alapont represented the Chairman of the Nomination and Remuneration Committee.

Performance evaluation criteria for Directors

The NRC has laid down the criteria for performance evaluation of all the Directors of the Company. The performance evaluation is done by the entire Board of Directors, except the Director concerned being evaluated.

The criteria for performance evaluation are as follows:

(a) **Role and Accountability**
- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offer constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

(b) **Objectivity**
- Non-partisan appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views.

(c) **Leadership and Initiative**
- Heading Board Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

(d) **Personal Attributes**
- Commitment to role and fiduciary responsibilities as a Board member.
- Attendance and active participation.
- Proactive, strategic and lateral thinking.

During the year, the Nomination and Remuneration Committee/ Board conducted an evaluation of its own performance, Individual Directors as well as the working of the Committees as per the Board evaluation framework adopted by it.

(e) **Remuneration Policy**

The objective of the remuneration policy is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognising the interest of Company's stakeholders. The policy is hosted at the website in the link as provided in page no. 68 of this Annual Report.

Remuneration of Directors

(i) **Criteria for making payments to Non-Executive Directors**

The Non-Executive Directors of the Company are paid remuneration by way of sitting fee and profit related commission based on the criteria laid down by the NRC and the Board which may include:

o Performance of the Company.

o Members' attendance, position held in the Committee(s); and

o Time spent by each Member.

Details of the remuneration for Non-Executive Directors for the year ended March 31, 2026

Sl. No.	Name of the Director	Sitting fees (in ₹)	Commission (in ₹)	Total (in ₹)
1	Mr. Jose Maria Alapont*	10,80,000	90,00,000	1,00,80,000
2	Ms. Manisha Girotra*	2,50,000	20,00,000	22,50,000

Sl. No.	Name of the Director	Sitting fees (in ₹)	Commission (in ₹)	Total (in ₹)
3	Mr. Sanjay K Asher	15,90,000	1,25,00,000	1,40,90,000
4	Mr. Saugata Gupta	15,20,000	1,25,00,000	1,40,20,000
5	Dr. V Sumantran	12,70,000	1,35,00,000	1,47,70,000
6	Mr. Thomas Dauner	16,80,000	1,25,00,000	1,41,80,000
7	Mr. Shom Ashok Hinduja	11,80,000	1,05,00,000	1,16,80,000
8	Mr. Sven Christoph Ennerst	6,80,000	50,00,000	56,80,000
9	Ms. Geeta Mathur	6,00,000	50,00,000	56,00,000
10	Mr. Sridharan Kesavan	6,60,000	60,00,000	66,60,000
Total		**1,05,10,000**	**8,85,00,000**	**9,90,10,000**

*Ceased to be Directors during the FY 2025-26

None of the Non-Executive Directors have had any pecuniary relationship or transaction with the Company other than those relating to remuneration in their capacity as Directors and corporate action entitlements in their capacity as Members of the Company.

(ii) **Details of Remuneration for the Executive Directors for the year ended March 31, 2026**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Mr. Dheeraj G Hinduja, Executive Chairman	Mr. Shenu Agarwal, Managing Director and Chief Executive Officer	Mr. Gopal Mahadevan, Director - Strategic Finance and Mergers & Acquisitions*
1.	Gross salary:			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	30,10,86,314	17,93,11,827	13,54,20,054
	b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	1,05,63,689	22,79,185	10,97,974
2.	Employee Stock Option	-	-	7,41,46,000
3.	Others - Retirement benefits	7,50,000	7,50,000	7,50,000
Total		**31,24,00,003**	**18,23,41,012**	**21,14,14,028**

The above figures are on accrual basis.

** Ceased to be Director – Strategic Finance and M&A with effect from the close of business hours on May 23, 2026 upon completing his term*

Employee Stock Option is treated as perquisite only at the time of exercise of option under Income Tax Act, 1961. Accordingly, the expense charged during the vesting period is not considered here.

Services of the Executive Directors may be terminated by either party, giving the other party three months' notice. There is no separate provision for payment of severance pay.

During the year, no Employee Stock Options were granted under the Ashok Leyland Limited ESOP 2016 Scheme.

Stakeholders' Relationship Committee

Your Company has constituted a Stakeholders' Relationship Committee ("SRC") pursuant to the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

Terms of Reference

The SRC considers and resolves the grievances of the security holders, reviews the measures taken to ensure timely receipt of dividends/annual reports etc. and effective exercise of voting rights by shareholders. The Committee also reviews the manner and timeliness of dealing with complaint letters received from Stock Exchanges/ SEBI/ Ministry of Corporate Affairs, etc., and the responses thereto along with the adherence to service standards. Based on the delegated powers of the Board of Directors, Director - Strategic Finance and Mergers & Acquisitions approves the share transfers/transmissions on a regular basis and the same is reported at the next meeting of the Committee.

Dr. V. Sumantran, Independent Director is the Chairman of the Committee.

The Board of Directors have also constituted a Shares Committee to specifically approve requests relating to issuance of duplicate share certificates. Mr. Sanjay K Asher, Mr. Shenu Agarwal and Mr. Gopal Mahadevan are the Members of the Committee. Mr. Gopal Mahadevan ceased to be a member w.e.f. May 23, 2026.

Composition

The composition of the SRC and the details of meetings attended by its members are given below:

Name	Category	Changes during the period	Number of meetings held during tenure	
			Held	Attended
Dr. V. Sumantran, Chairman	Independent	Inducted as Member and Chairman w.e.f. June 29, 2025	3	3
Ms. Manisha Girotra	Independent	Ceased to be a Chairperson and member w.e.f. June 28, 2025	NA	NA
Mr. Dheeraj G Hinduja	Executive	-	3	2
Mr. Shenu Agarwal	Executive	-	3	3

Mr. N Ramanathan, Company Secretary is the Secretary to the Committee and Compliance Officer appointed for the purpose of compliance with the requirements of SEBI Listing Regulations.

Meetings

During the year, three SRC meetings were held. The dates on which the said meetings were held are as follows:

August 13, 2025, November 11, 2025 and February 10, 2026. The necessary quorum was present for all the meetings.

Details of Complaints/other Correspondences

During the year, 25 complaint letters and 3,057 correspondences were received from investors (complaint letters from the Stock Exchanges/SEBI SCORES/ODR/ MCA).

Subject Matter of Complaints	Pending as on 31/03/2025	Received	Replied / Completed	Pending as on 31/03/2026
Procedure for Transmission	-	7	7	-
Non-receipt of Annual report		2	2	
Unclaimed Dividend	-	1	1	-
Loss of Share Certificates/ Issue of duplicate share certificate	-	4	4	-
Procedure for claim of shares from IEPF authority	-	3	3	-
KYC updation		1	1	
Other correspondence / complaints		7	7	-
Total	**-**	**25**	**25**	**-**

Subject Matter of Correspondence	Pending as on 31/03/2025	Received	Replied / Completed	Pending as on 31/03/2026
Regarding Share Certificate	-	4	4	-
Regarding Dividend	1	73	74	-
Regarding Annual Report	-	8	8	-
Procedure for Issue of Duplicate Share Cert.	-	69	69	-
Loss of Share Certificates	1	284	283	2
Revalidation of Dividend	-	12	12	-
Procedure for Transmission	1	383	383	1
Change of Address/Bank Mandate / Nomination	-	564	564	-
Other Correspondence	1	412	412	1
Unclaimed share certificate	-	136	136	-
Unclaimed Dividend / Issue of duplicate dividend	-	619	609	10
Claims regarding refund of Shares / Dividend from IEPF authority	5	493	494	4
Total	**9**	**3,057**	**3,048**	**18**

Shareholder queries shown pending as on March 31, 2026, have been subsequently resolved within the prescribed time limits.

Corporate Social Responsibility Committee

Your Company has constituted a Corporate Social Responsibility ("CSR") Committee pursuant to the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, 2014.

The CSR Committee has formulated a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act. The Committee recommends the amount of expenditure to be incurred on the activities mentioned in the CSR Policy, the annual action plan, categorisation of projects as one time and ongoing projects, transfer of funds to the unspent A/c, if any and monitors the implementation of the CSR Policy and the utilisation of the CSR funds. The Company also carries out its CSR activities through the Ashok Leyland Foundation a wholly owned subsidiary.

The CSR Report as required under the Companies Act, 2013 for the year ended March 31, 2026 is attached as **Annexure I** to the Board's Report.

Composition

The composition of the CSR Committee and the details of meetings attended by its members are given below:

Name	Category	Changes during the period	Number of meetings during the FY 2025-26	
			Held	Attended
Mr. Dheeraj G Hinduja, Chairman	Executive	-	1	1
Ms. Manisha Girotra	Independent	Ceased to be a Member w.e.f. June 28, 2025	1	1
Dr. V. Sumantran	Independent	Inducted as Member w.e.f. June 29, 2025	0	0
Mr. Sanjay K Asher	Non-Independent, Non-Executive	-	1	1
Mr. Shenu Agarwal	Executive	-	1	0

Mr. N Ramanathan, Company Secretary is the Secretary to the Committee.

Meetings

The CSR Committee met once in the year on June 27, 2025. The necessary quorum was present in the meeting.

Risk Management Committee

(i) Your Company has constituted a Risk Management Committee ("RMC") to assist the Board and the Audit Committee in their responsibilities of overseeing Company's risk management policies and processes (including processes for monitoring and mitigating such risks) and the Company's exposure to unmitigated risks.

The terms of reference of the RMC is as follows:

- Formulation of a detailed risk management policy which includes a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability, ESG related risks, information, cyber security risks or any other risk as may be determined by the Committee. The policy also includes measures for risk mitigation including systems and processes for internal control of identified risks and the Business continuity plan.
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken.

(ii) The Chairman of the Committee apprises the Board of the most significant risks along with the status of action taken by the Management for mitigating such risks and the effectiveness of the Enterprise Risk Management (ERM) system.

(iii) Details of Risk Management measures undertaken by the Company have been provided in the Management Discussion and Analysis Report which is attached to the Board's Report.

(iv) A Risk Management status report is provided to the Audit Committee on a regular basis for its information.

Composition

The composition of the RMC and the details of meeting attended by its members are given below:

Name	Category	Number of meetings held during tenure	
		Held	Attended
Dr. V. Sumantran, Chairman	Independent	2	2
Mr. Sanjay K Asher	Non -Independent, Non-Executive	2	2
Mr. Gopal Mahadevan*	Executive	2	2
Mr. Shenu Agarwal	Executive	2	2

* Ceased to be Member w.e.f May 23, 2026

Mr. N Ramanathan, Company Secretary is the Secretary to the Committee.

Meetings

Two RMC meetings were held during the year on October 3, 2025 and March 19, 2026 and the gap between two meetings did not exceed two hundred and ten days. The necessary quorum was present for the meetings.

Other Committees

Technology and Investment Committee

The Board has constituted a Technology and Investment Committee (T & IC) to consider matters relating to new investment proposals, long term strategic goals in the areas of manufacturing and product strategy, key decisions with regard to product planning and choice of technology thereof and helps to prepare the Company to be in step with or be ahead of emerging global product and technology trends.

Composition

The composition of the T & IC and the details of meetings attended by its members are given below:

Name	Category	Changes during the period	Number of meetings held during tenure	
			Held	Attended
Mr. Dheeraj G Hinduja, Chairman	Executive	-	4	4
Mr. Jose Maria Alapont	Independent	Ceased to be a Member w.e.f. September 2, 2025	3	3
Mr. Shom Ashok Hinduja	Non-Independent, Non-Executive	-	4	4
Dr. V Sumantran	Independent	-	4	4
Mr. Thomas Dauner	Independent	-	4	4
Mr. Sven Christoph Ennerst	Independent	Inducted as Member w.e.f. June 29, 2025	3	3

Mr. N Ramanathan, Company Secretary is the Secretary to the Committee.

Meetings

The Technology and Investment Committee met four times during the year on June 6, 2025, July 11, 2025, August 13, 2025 and January 27, 2026. The necessary quorum was present for all the meetings.

Environmental, Social and Governance Committee

The Board has constituted the Environmental, Social and Governance Committee ('ESG Committee') to guide and to assist the Board of the Company in fulfilling its oversight responsibilities and also make recommendations as appropriate, on matters related to entity-wide ESG initiatives, key focus areas and benchmarked ESG practices.

The terms of reference of the ESG Committee is as below:

i. Oversee, review and assess whether the Company's strategy, policy and initiatives are in line with the macro developments happening in the ESG domain.

ii. Integrate the relevant initiatives on matters relating to Environmental, Health and Safety, Corporate Social Responsibility, Sustainability and such other public policy matters, activities, and proposals related to ESG with the other Board Committees.

iii. Review material ESG aspects for the Company and oversee the development and implementation of targets, standards and metrics established by the Management to assess and track the Company's ESG performance.

iv. Review and approve the Company's ESG public disclosures and oversee the Company's engagement with the stakeholders on ESG issues as also review stakeholder feedback from the ESG disclosures.

v. Review monitoring processes for tracking the ESG performance.

vi. Monitor and review stakeholder perception of the Company around ESG topics (including ESG ratings by leading agencies)

vii. Review and ensure compliance to regulatory ESG disclosures as required and amended from time to time (such as BRSR).

Composition

The composition of the ESG Committee and the details of meetings attended by its members are given below:

Name	Category	Changes during the period	Number of meetings held during tenure	
			Held	Attended
Mr. Thomas Dauner, Chairman	Independent	Appointed as a Chairman w.e.f. November 11, 2025	4	4
Mr. Jose Maria Alapont	Independent	Ceased to be a Chairman and Member w.e.f. September 2, 2025	2	2
Mr. Sanjay K Asher	Non-Independent, Non-Executive	-	4	4
Mr. Saugata Gupta	Independent	-	4	3
Mr. Shom Ashok Hinduja	Non-Independent, Non-Executive	-	4	4
Mr. Shenu Agarwal	Executive	-	4	4

Mr. N Ramanathan, Company Secretary is the Secretary to the Committee.

Meetings

During the year, four ESG Committee meetings were held. The dates on which the said meetings were held are as follows:

May 22, 2025, August 13, 2025, November 11, 2025 and February 11, 2026. The necessary quorum was present for all the meetings.

Fund Raising Committee

Your Company has in place a Fund-Raising Committee (FRC), comprising of Mr. Sanjay K Asher as the Chairman of the Committee, Mr. Dheeraj G Hinduja and Mr. Shenu Agarwal as members of the Committee. The Committee was constituted in connection with the issue and allotment of the Non-Convertible Debentures. During the year, no meetings of the FRC were held.

Allotment Committee

The Board of Directors, at their meeting held on May 23, 2025, had approved the issuance of bonus shares in the ratio of 1:1 and accordingly had constituted Allotment Committee to manage all related activities pertaining to application / approval / allotment / listing of Bonus Shares etc. Mr. Saugata Gupta, Dr. V Sumantran, Mr. Sanjay K Asher and Mr. Shenu Agarwal are the members of the Committee. No meetings were held during the year.

Donations and Contributions Committee

Your Company has a Donations and Contributions Committee comprising of Mr. Sanjay K Asher as the Chairman and Mr. Saugata Gupta and Mr. Shenu Agarwal as members of the Committee. The Committee was constituted for deciding and making all types of Donations / Contributions viz mode, timing, quantum subject to the limits and the manner prescribed under the Act. During the year the Committee met twice on June 5, 2025 and January 1, 2026.

General Body Meetings

(i) Details of location and time of holding the last three AGMs:

Year	Location	Date and Time	Special resolutions passed
76th AGM 2024-25	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")	August 14, 2025 and 3.00 p.m.	(i) Appointment of Mr. Sven Christoph Ennerst (DIN: 10942860) as an Independent Director of the Company, for a term of five years commencing from June 1, 2025 to May 31, 2030, not liable to retire by rotation
75th AGM 2023-24	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")	July 25, 2024 and 3.00 p.m.	(i) Reappointment of Mr. Saugata Gupta (DIN: 05251806) as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years from November 8, 2024 till November 7, 2029 (ii) Appointment of Dr. V Sumantran (DIN: 02153989) as an Independent Director of the Company, for a term of five years commencing from May 24, 2024 to May 23, 2029, not liable to retire by rotation. (iii) Appointment of Mr. Thomas Dauner (DIN: 10642122) as an Independent Director of the Company, for a term of five years commencing from June 4, 2024 to June 3, 2029, not liable to retire by rotation. (iv) Amendment to the Articles of Association of the Company for alteration of Clauses 102 and I35(c), pursuant to Section 14 and other applicable provisions of the Companies Act, 2013.
74th AGM 2022-23	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")	July 21, 2023 and 2.45 p.m.	(i) Amendment to the Articles of Association for insertion of Article 137A with respect to the requirements laid down under the SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023.

No Extra-Ordinary General Meeting was held during the year 2025-26.

(ii) Postal Ballot:

During the year, approval of the shareholders with respect to the following matters were obtained by way of Ordinary Resolutions through Postal Ballot.

S.No	Nature of business	Period	Date of declaration
1	Approval of Issue of Bonus Shares	June 7, 2025 to July 6, 2025	July 7, 2025
2	Approval of Material Related Party Transactions with TVS Trucks and Buses Private Limited for the FY 2025-26		
3	Approval of Material Related Party Transactions with AML Motors Private Limited for the FY 2025-26		
4	Approval of Material Related Party Transactions with Switch Mobility Automotive Limited for the FY 2025-26		
5	Approval of Material Related Party Transactions between Switch Mobility Automotive Limited and OHM Global Mobility Private Limited for the FY 2025-26, the Company's Subsidiaries		
6	Approval of Material Related Party Transactions with TVS Vehicle Mobility Solution Private Ltd for the FY 2026-27		
7	Ratification of the remuneration payable to Cost Auditors, Messers. Geeyes & Co., Cost & Management Accountants, (Firm Registration No.000044), for the financial year ended March 31, 2025.		

During the year, approval of the shareholders with respect Appointment of Ms. Geeta Mathur and Mr. Sridharan Kesavan as Independent Directors were obtained by way of Special Resolutions through Postal Ballot. The voting period was between September 6, 2025 to October 5, 2025 and results were disclosed on October 7, 2025. The voting pattern for those items are as follows:

1) Appointment of Ms. Geeta Mathur (DIN: 02139552) as a Non-Executive Independent Women Director with effect from August 25, 2025		**Voter Count**	**No of votes**	**% to total valid votes**
Evoting	In favour	5,847	4,87,39,52,316	98.31
	Against	405	8,36,50,063	1.69
	Invalid	4	8,09,77,072	-
	Valid Votes	6,252	4,95,76,02,379	100.00

2) Appointment of Mr. Sridharan Kesavan (DIN:00051976) as a Non-Executive Independent Director with effect from August 25, 2025		Voter Count	No of votes	% to total valid votes
Evoting	In favour	5,807	4,66,33,72,698	96.48
	Against	422	17,00,44,637	3.52
	Invalid	4	8,09,77,072	-
	Valid Votes	6,229	4,83,34,17,335	100.00

Procedure for postal ballot

Pursuant to the provisions of the Act and the SEBI Listing Regulations, during the period under review year, the Company provided the facility to the members to exercise votes through electronic voting system (‘remote e-voting’) for postal ballot. Postal ballot notices, inter alia, detailing the voting instructions were sent through email only, to all those members who had registered their email IDs with the Company/ depositories, in view of the relaxation granted by MCA. Arrangements were also made for other members to register their email IDs to receive the postal ballot notice and cast their vote online. The Company had also published the postal ballot notices in the newspapers for the information of the members. Voting rights are reckoned on the equity shares held by the members as on the cut-off date. Pursuant to the provisions of the Act, the Company had appointed a scrutiniser for conducting the postal ballot process in a fair and transparent manner. The scrutiniser had submitted her consolidated report to the Chairman and the voting results were announced by the Chairman by placing the same along with the scrutiniser’s report on the Company’s website, besides being communicated to the stock exchanges.

Details of special resolutions proposed to be conducted through Postal Ballot: Nil

Disclosures

(i) **Related Party Transactions**

During the FY 2025-26, there were no materially significant transactions with the related parties, which were in conflict with the interests of the Company. The transactions entered into with the related parties during the FY 2025-26 were in the ordinary course of business and at arm’s length basis and were approved by the Audit Committee. In line with Regulation 23(4) of SEBI Listing Regulations, the Company has, during the year, obtained the approval of the shareholders for Material Related Party Transactions between:

- Approval of Material Related Party Transactions with TVS Trucks and Buses Private Limited for the FY 2025-26
- Approval of Material Related Party Transactions with AML Motors Private Limited for the FY 2025-26
- Approval of Material Related Party Transactions with Switch Mobility Automotive Limited for the FY 2025-26
- Approval of Material Related Party Transactions between Switch Mobility Automotive Limited and OHM Global Mobility Private Limited for the FY 2025-26, the Company’s Subsidiaries
- Approval of Material Related Party Transactions with TVS Vehicle Mobility Solution Private Ltd for the FY 2026-27

For all RPT approvals sought from Audit Committee post September 1, 2025, the Company has provided all information required by SEBI as per relevant industry standards.

The policy on Related Party Transactions is hosted on the website in the link as provided in page no. 68 of this Annual Report.

(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three financial years 2023-24, 2024-25 and 2025-26 respectively: Nil. During the period under review, there was a delay in the appointment of a Woman Director. Since the Company holds a private aircraft operators licence and the aircraft operator status, the mandatory prior clearance from the DGCA/MHA were obtained before appointment which had resulted in the delay in appointment. This was duly represented and clarified to the Stock Exchanges and the fines imposed by them for the delay during the year, were waived by them.

(iii) **Whistle Blower Policy**

Your Company has established a Vigil Mechanism/Whistle Blower Policy to enable stakeholders to report unethical behaviour, actual or suspected fraud or violation of the Company’s Code of Conduct. During the year, the Whistle Blower policy was updated to include regulatory changes. A dedicated hotline is available for reporting of complaints, which would be subjected to review by the Ethics Committee and take action as appropriate. It is affirmed that during the year no Director/Employee has been denied access to the Chairman of the Audit Committee.

The Whistle Blower Policy has been hosted on the Company’s website in the link as provided in page no. 68 of this Annual Report.

(iv) Your Company has complied with all applicable mandatory requirements in terms of SEBI Listing Regulations. A report on the compliances on the applicable laws for the Company is placed before the Board on a quarterly basis for its review.

(v) The disclosure in relation to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the FY 2025-26 is as below:

Particulars	Number
Number of complaint(s) of Sexual Harassment received during FY 2025-26	5
Number of complaint(s) disposed of during FY 2025-26	5
Number of cases pending as on March 31, 2026	Nil

(vi) Price Waterhouse & Co Chartered Accountants LLP are the statutory auditors of the Company. The total fees paid/payable to the statutory auditors and its network firms by the Company and its subsidiaries for the year ended March 31, 2026 is given below (excluding reimbursement of expenses):

S. No.	Nature of Service	₹ in crores
1	Statutory Audit Fees	2.53
2	Other services including certification and auditing group reporting pack	1.35
	Total	**3.88**

(vi) **Dividend Distribution Policy**

Your Company has formulated the policy on dividend distribution with a view to specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings be utilised etc. The Policy imbibing the above parameters as per the provisions of SEBI Listing Regulations has been hosted in the Company's website in the link as provided in page no. 68 of this Annual Report.

(vii) Your Company has fulfilled the following non-mandatory requirements:

a. The Auditors' Report on statutory financial statements of the Company containing the Audit opinion is unmodified.

b. The Internal Auditors of the Company make presentations to the Audit Committee on their reports on a regular basis.

(viii) **Reconciliation of Share Capital Audit**

Your Company has engaged a qualified practising Company secretary to carry out share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital of the Company. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

(ix) **Disclosure of Accounting Treatment**

Your Company has not adopted any alternative accounting treatment prescribed differently from the Ind AS.

(x) **Non-Executive Directors' compensation and disclosures**

The Nomination and Remuneration Committee recommends all fees/compensation paid to the Non-Executive Directors (including Independent Directors) and thereafter, the fees/compensation is fixed by the Board and approved by the Members in the General Meeting, if required.

(xi) **Code of Conduct**

Your Company has received confirmations from the Board and the Senior Management Personnel regarding their adherence to the Code of Conduct. The Annual Report of the Company contains a certificate by the Managing Director & Chief Executive Officer, on the compliance declarations received from the Board and Senior Management. The Code has been hosted on the Company's website in the link as provided in page no. 68 of this Annual Report.

(xii) **Prohibition of Insider Trading**

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended. All Designated Persons who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, the Company is in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. On a quarterly basis, the Audit Committee reviews the compliance with these Regulations. Your Company has also formulated a Code of Practises and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Codes have been hosted the Company's website in the link as provided in page no. 68 of this Annual Report.

(xiii) Your Company has obtained a certificate from a Company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. The same is attached as **Annexure E**.

(xiv) During the year under review, the Company has not raised any funds through preferential allotment or public issue or rights issue or qualified institutions placement and hence the disclosure as specified under Regulation 32(4) & 32(7A) of the SEBI Listing Regulations is not applicable.

(xv) During the year under review, the Company and its subsidiaries had not granted any loans/advances in the nature of loans to firms/companies in which Directors are interested (in terms of Section 184(2) of the Act).

The requirements of Regulation 17 to Regulation 27 of the SEBI Listing Regulations and clauses (b) to (i) of Regulation 46(2) to the extent applicable to the Company have been complied with as disclosed in this Report.

Subsidiary companies

Your Company monitors performance of subsidiary companies (list of subsidiary companies has been provided in the financial statements), inter-alia, by the following means:

a) The Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies.

b) The minutes of the meetings of the Board of directors of the unlisted subsidiary companies were placed at the meetings of the Board of Directors of the Company.

c) The statement of all significant transactions and arrangements entered into by the Unlisted subsidiary companies is placed before the Audit Committee on a periodical basis.

d) Material Subsidiary: Your Company has a material subsidiary viz., Hinduja Leyland Finance Limited (HLFL). The details of HLFL is as below:

- HLFL was incorporated on November 12, 2008 with registered office at Plot No. C-21, Tower C (1-3 floors), G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 with effect from October 1, 2023.
- The names of the Joint Statutory Auditors of HLFL and their date of appointment is as below:

Name of the Statutory Auditors	Date of appointment
M/s. R Subramanian and Company LLP, Chartered Accountants	Appointed at the 16th Annual General Meeting held on August 27,2024 **Period**: 3 years from the conclusion of the 16th Annual General Meeting held on August 27,2024 till the conclusion of the 19th Annual General Meeting to be held in the year 2027
M/s. ASA & Associates LLP, Chartered Accountants	Appointed at the 17th Annual General Meeting held on September 2, 2025. **Period**: 3 years from the conclusion of the 17th Annual General Meeting held on September 2, 2025 till the conclusion of the 20th Annual General Meeting to be held in year 2028

Mr. Sridharan Kesavan, Independent Director of the Company is a Director on the Board of HLFL, as required under Regulation 24(1) of SEBI Listing Regulations.

e) Your Company has not disposed off any shares in its material subsidiary resulting in reduction of its shareholding to less than or equal to fifty percent or cease control over the subsidiary.

The details relating to the status of scheme of merger by absorption of HLFL into NDL Ventures Limited is provided in the Board's report.

f) Your Company has not sold/disposed/leased any of its assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during the current reporting financial year.

g) Your Company formulated a Policy on Material Subsidiary as required under SEBI Listing Regulations and the policy is hosted on the website in the link as provided in page no. 68 of this Annual Report.

Means of Communication

(i) **Results:** The quarterly, half yearly and annual results are normally published in one leading national English business newspaper (Business Standard) and in one vernacular Tamil newspaper (Dinamani). The quarterly results and presentations are also displayed on the Company's website www.ashokleyland.com.

(ii) **Website**: Your Company's website contains a dedicated section "Investors" which displays details/information of interest to various stakeholders. The "Media" section also provides various press releases and general information about the Company.

(iii) **News releases**: Official press releases are sent to the Stock Exchanges and the same is hosted on the website of the Company.

(iv) **Presentations to institutional investors/analysts:** Detailed presentations, if any, made to institutional investors and analysts is hosted on the website of the Company. The audio recordings and the transcript of the quarterly Earnings call is also posted on the Company's website.

A statement whether the Board had not accepted any recommendation of any committee of the Board which is mandatorily required.

During the year, there has been no instance where the Board did not accept the recommendation of its Committees.

General shareholder information

A.	Seventy Seventh Annual General Meeting	
	Day, Date and Time	Friday, August 14, 2026 at 2.30 P.M.
	Venue	Video Conferencing or other Audio-Visual means. The deemed venue of the meeting is the Registered office of the Company.
B.	Financial Year	April 1, 2025 to March 31, 2026
C.	Date of payment of dividend	Not Applicable
D.	Listing of Equity Shares	BSE Limited ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 National Stock Exchange of India Ltd. ("NSE") Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
E.	Listing of Privately placed Secured Non- Convertible debentures	NSE
	Listing Fee	Annual listing fee for the FY 2025-26 has been paid to both the Stock Exchanges.
	Depository Fee	Annual custody fee for the FY 2025-26 has been paid to the Depositories.
	Corporate Identity Number	L34101TN1948PLC000105
F.	Details of Debenture Trustee	Axis Trustee Services Limited The Ruby, 2nd Floor, SW, 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028 Tel: +91-22-62300451 E-mail: debenturetrustee@axistrustee.in, Website Address: www.axistrustee.in

G. **Registrar and Share Transfer Agents**

Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, 1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017, E-mail: einward@integratedindia.in deals with all aspects of investor servicing relating to shares in both physical and demat form.

H. **Share Transfer System**

The Board has authorised the MD & CEO and Director - Strategic Finance and Mergers & Acquisitions to approve all routine transmissions, change of name etc., of shares. Such approval is being given at frequent intervals (37 times during FY 2025-26). Requests for dematerialisation were confirmed within fifteen days and those requests for transmission were approved within seven days.

Members may note that transfer of shares in physical mode is prohibited effective April 01, 2019 pursuant to SEBI's amendment notification dated June 08, 2018.

I. **Details of Unclaimed Securities Suspense Account**

Particulars	Number of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the shares suspense account lying as on April 1, 2025	**214**	**1,78,271**
Bonus shares allotted on 17/07/2025, pertaining to physical shares credited to unclaimed suspense account as per SEBI regulations	5,301	73,70,446
Number of shareholders who approached the Company for transfer of shares from shares suspense account during the year	188	4,38,827
Number of shareholders to whom shares were transferred from unclaimed shares suspense account during the year	188	4,38,827

Particulars	Number of Shareholders	Number of Shares
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act*	31	21,126
Aggregate number of shareholders and the outstanding shares in the shares suspense account lying as on March 31, 2026**	**5,327**	**70,88,764**

* The voting rights on the shares outstanding in the suspense account as on March 31, 2026 shall remain frozen till the rightful owner of such shares claims the shares.

** Includes 31 records transferred to IEPF for which bonus shares allotted on 17/07/2025 will continue to remain in Suspense Account.

J. **Shares transferred to IEPF Authority and Transfer of Unclaimed / Unpaid amounts to IEPF:**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not claimed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The voting rights on the shares outstanding in the IEPF Authority as on March 31, 2026 shall remain frozen till the rightful owner of such shares claims the shares.

The following table gives information relating to various unclaimed/ unpaid dividends and the dates by which they can be claimed by the shareholders from the Company's R&T Agent:

Dividend for the year	Date of Declaration	Due Date by which dividend can be claimed by the shareholder
2018-19	31-07-2019	05-09-2026
2019-20 (Interim)	12-03-2020	17-04-2027
2020-21	08-09-2021	14-10-2028
2021-22	29-07-2022	03-09-2029
2022-23	21-07-2023	26-08-2030
2023-24 (Interim)	25-03-2024	30-04-2031
2024-25 (1st Interim)	08-11-2024	14-12-2031
2024-25 (2nd Interim)	16-05-2025	21-06-2032
2025-26 (Interim)	12-11-2025	18-12-2032

The Investor Education and Protection Fund Authority (IEPFA)has launched an integrated digital platform to simplify claim processing and enhance grievance redressal (accessible at https://iepfa.gov.in/login). Shareholders/claimants can also reach the Authority via the 24×7 IVRS by dialling 14453. Live call centre support is available from 9:30 a.m. to 5:30 p.m. (IST), Monday to Friday.

In compliance with the IEPF Rules, the Board of Directors has designated Mr. N Ramanathan, Company Secretary as the Nodal Officer of the Company to handle verification of shareholders' claims relating to shares transferred to the IEPF and/or refund of dividends from the IEPF Authority, as well as to coordinate with the IEPF Authority. The details of the Nodal officer are made available in the website of the Company at https://www.ashokleyland.com/in/investor/investorkit.

K. **Saksham Niveshak 100 Days campaign to reduce Unclaimed Dividend and shares**

The Ministry of Corporate Affairs (MCA) in collaboration with the IEPFA had launched the Saksham Niveshak 100-Day Campaign, from July 28, 2025 upto November 6, 2025 to address unclaimed dividends. The Company had actively participated in the Campaign and has communicated to shareholders through multiple channels. In line with SEBI's guidance and recommendations of the Empowered Working Group of Depositories and RTAs, the RTA undertook verification of unpaid dividend records. Based on updated bank details obtained from Depositories, unpaid dividends were voluntarily processed and paid to eligible demat shareholders through NEFT, even in the absence of individual shareholder requests. Consequently, an amount of ₹ 1.78 Cr from the unpaid dividends was successfully paid w.r.t. 28,049 records during FY 2025-26 and hence was averted from transfer to IEPF. Though the campaign has concluded, similar exercise is being carried out for all the remaining Unpaid / Unclaimed dividend accounts for the remaining years thereby reducing the amount and folios of unpaid / unclaimed dividends being transferred to IEPF consequently also resulting in reduction in number of shares incrementally transferred to IEPF annually.

L. **Niveshak Shivir (Investor Camp) by IEPFA**

SEBI, MCA, IEPFA along with Market Infrastructure Institutions (NSE, BSE, NSDL & CDSL) have jointly initiated a program named "Niveshak Shivir" being organised at specified cities - Designed to assist shareholders in reclaiming unpaid dividends & shares providing a direct platform, for on-the-spot services to investors viz.,

- Claim Facilitation: Assisting in the process of reclaiming dividends and shares that have remained unclaimed for over six years.
- Record Updates: Providing on-the-spot updating of KYC and nomination details, a primary requirement for resolving future claim issues.
- Grievance Resolution: Promptly resolving pending claim-related issues, including those already submitted to the IEPFA Authority.

One such Niveshak Shivir was organised by them at Bangalore on January, 3 2026 which was attended by the RTA on behalf of the Company and the Shareholder queries raised therein were addressed.

M. **Instruction to Members**

SEBI has vide circulars dated November 3, 2021, December 14, 2021 and March 16, 2023 made it mandatory for holders of physical securities to furnish their KYC details viz., (i) PAN (ii) Nomination (to register or opt out) (iii) Complete postal address, Mobile No. and E-mail ID (iv) Bank details (v) Specimen signature of shareholder. As an initiative to encourage mandatory updation of KYC details in the physical folios, reminder letters were sent to the shareholders at their last available addresses for furnishing of PAN, KYC details and Nomination.

Further, Members may note that SEBI has as per the aforementioned circular, mandated companies to pay dividend only in electronic mode with effect from April 1, 2024. Hence, physical shareholders are urged to update the KYC details at the earliest to get the future dividends and past unclaimed dividends directly to the bank account. Members may get in touch with Integrated Registry Management Services Private Limited, Registrar and Share Transfer Agent, for further information.

N. **(i) Distribution of Shareholding as on March 31, 2026**

Sl No.	Category of Shares	Holders	% to holders	Shares	% to capital
1	Upto 50	7,87,413	51.07	1,34,35,253	0.23
2	51 - 100	2,11,761	13.74	1,73,92,836	0.30
3	101 - 200	1,99,507	12.94	3,31,76,872	0.56
4	201 - 500	1,66,537	10.80	5,70,85,881	0.97
5	501 - 1000	86,334	5.60	6,60,98,125	1.13
6	1001 - 2000	46,465	3.01	7,21,32,057	1.23
7	2001 - 5000	27,455	1.78	8,98,72,144	1.53
8	5001 - 10000	9,476	0.61	6,89,86,213	1.17
9	10001 and above	6,795	0.44	5,45,56,75,171	92.88
	Total	**15,41,743**	**100.00**	**5,87,38,54,552**	**100.00**

(ii) Shareholding pattern as on March 31, 2026

Sl No.	Category	Shares	Shares in Demat Mode	%	No. of Holders
1	Promoters	3,00,13,20,522	3,00,13,20,522	51.10	4
2	Resident Individuals / Asso. Of Persons / HUF	52,67,44,425	52,09,76,039	8.97	15,18,402
3	IEPF Authority / Unclaimed Securities Suspense Account	2,14,69,159	2,14,69,159	0.37	3
4	Clearing Members	2,72,98,338	2,72,98,338	0.46	18
5	Financial Institutions/Insurance Co. / State Govt./Govt. Companies /NBFCs/ Pension Fund	29,08,41,096	29,04,80,096	4.95	80
6	Foreign Institutional Investors	8,500	2,000	0.00	3
7	Foreign Portfolio Investors	1,43,16,73,204	1,43,16,73,204	24.37	871
8	NRI / OCB / Corporate Bodies - Foreign / Foreign National / Foreign Banks	2,56,80,089	2,56,68,309	0.44	20,304
9	Corporate Bodies / Limited Liability Partnership	2,00,28,075	1,99,73,363	0.34	1,733
10	Mutual Funds /UTI	46,14,86,681	46,14,19,581	7.86	238
11	Trusts	71,77,215	71,77,015	0.12	47
12	Banks	75,64,449	75,56,349	0.13	15
13	Alternate Investment Fund	52,22,799	52,22,799	0.09	24
14	Others - GDR A/C	4,73,40,000	4,73,40,000	0.81	1
	Grand Total	**5,87,38,54,552**	**5,86,75,76,774**	**100.00**	**15,41,743**

(iii) Details of Shares

Type	Number of Shares	% to paid up capital	Number of Holders
Shares in physical form	**62,77,778**	**0.11**	**4,830**
Shares in Demat form	**5,86,75,76,774**	**99.89**	**15,36,914**
- Shares as per the beneficiary position received from NSDL	5,62,37,10,263	95.74	4,95,747
- Shares as per the beneficiary position received from CDSL	24,38,66,511	4.15	10,41,166
Total	**5,87,38,54,552**	**100.00**	**15,41,743**

O. **Dematerialisation of shares and liquidity**

Your Company's shares are compulsorily traded in dematerialised form on NSE and BSE. Equity shares of the Company representing 99.89% of the Company's equity share capital are dematerialised as on March 31, 2026. The entire Promoter's holdings are in electronic form and the same is in line with the directions issued by SEBI.

The equity shares of the Company are regularly traded in BSE and NSE and hence have good liquidity.

Members are requested to note that SEBI vide circular dated January 25, 2022 has mandated the issuance of securities in dematerialised form only and hence the issuance of share certificates in case of transmission and requests for duplicate share certificates can only be undertaken in dematerialised mode.

P. **Plant Locations**

Ennore Kathivakkam High Road Ennore Chennai - 600 057 Tamil Nadu	**Hosur – Unit I** 175 Hosur Industrial Complex Hosur - 635 126 Tamil Nadu	**Hosur – Unit II** 77 Electronic Complex Perandapalli Village Hosur - 635 109 Tamil Nadu
Ennore (Foundry) Kathivakkam High Road Ennore Chennai - 600 057 Tamil Nadu	**Bhandara** Plot No.1 MIDC Industrial Area Village Gadegaon, Sakoli Taluk Bhandara - 441 904 Maharashtra	**Alwar** Plot No.SPL 298 Matsya Indl. Area, Alwar - 301 030 Rajasthan
Hosur - Unit IIA Cab Panel Press Shop SIPCOT Industrial Complex Mornapalli village Hosur - 635 109 Tamil Nadu	**Pantnagar** Plot No.1, Sector XII II E, Pantnagar 263 153 Uttarakhand	**Sriperumbudur (Foundry)** Plot No K2, SIPCOT Industrial Estate Arneri Village, Sriperumbudur Kanchipuram District 602 105, Tamil Nadu
G P Hinduja Centre for Technology and Innovation Vellivoyalchavadi Via Manali New Town Chennai - 600 103 Tamil Nadu	**Vijayawada** Model Industrial Park, Mallavalli Village, Krishna District - 521111 Andhra Pradesh	**Lucknow** Sarojini Nagar Industrial Area, near Lucknow Airport Lucknow - 226008 Uttarpradesh

Q. **Outstanding GDR/Warrants and Convertible Notes, Conversion date and likely impact on equity**

No instrument is outstanding for conversion as on March 31, 2026 having an impact on equity.

R. **Commodity price risk or foreign exchange risk and hedging activities**

Your Company being a sizable user of commodities, is exposed to the price risk on account of procurement of commodities. Your Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments and highly probable forecast transactions.

S. **Disclosure pursuant to SEBI/HO/CFD/CMD1/CIR/P2018/0000000141 circular dated November 15, 2018**

Risk management policy of the listed entity with respect to commodities including through hedging: Your Company has framed a policy on commodity risks.

Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

a) Total exposure of the listed entity to commodities is ₹ 2,300 crores.

b) Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity in FY 2025-26	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Flat Steel	₹ 2,300 crores	3.60 lakh metric tons	Nil	Nil	Nil	Nil	Nil

c) **Commodity risks faced by the listed entity during the year and how they have been managed:**

Prices for the commodities are managed through long term contract/periodic settlement based on commodity trends. The Company does not have exposure hedge through commodity.

T. **Address for Correspondence**

Registrar & Share Transfer Agents (R&TA) (matters relating to Shares, Dividends, Annual Reports)	Integrated Registry Management Services Private Limited 2nd Floor, Kences Towers 1, Ramakrishna Street North Usman Road T Nagar, Chennai - 600 017	Tel: 91-44-2814 0801/03 Fax: 91-44-28142479 e-mail: einward@integratedindia.in
For any other general matters or in case of any difficulties/ grievances	Secretarial Department Ashok Leyland Limited No.1 Sardar Patel Road, Guindy, Chennai - 600 032	Tel.: 91-44-2220 6000 Fax: 91-44-2230 4410 e-mail: secretarial@ashokleyland.com einward@integratedindia.in
Website Address	www.ashokleyland.com	
E-mail ID of Investor Grievances Section	secretarial@ashokleyland.com	
Name of the Compliance Officer	Mr. N Ramanathan, Company Secretary	

U. **Credit Ratings**

Name of the Agency	Type of Instrument	Amount (in ₹ crores)	Rating Action
ICRA	Fund Based Limits	2,000.00	ICRA AA+ (outlook 'Stable') / ICRA A1+; LT rating and ST rating reaffirmed.
	Non-Fund Based Limits	1,500.00	ICRA AA+ (outlook 'Stable') / ICRA A1+; LT rating and ST rating reaffirmed.
	Long Term Loans	982.50	ICRA AA+ (outlook 'Stable'); LT rating reaffirmed.
	Long term/Short term: Unallocated	750.00	ICRA AA+ (outlook 'Stable') / ICRA A1+; LT rating and ST rating reaffirmed.
	Short Term: Commercial Paper	2,000.00	ICRA A1+; reaffirmed.
	Long Term: Non-Convertible Debentures	200.00	ICRA AA+ (outlook 'Stable'); LT rating reaffirmed.
CARE	Fund Based Limits	2,000.00	CARE AA+ (outlook 'Stable') / CARE A1+; LT rating and ST rating reaffirmed.
	Non-Fund Based Limits	1,500.00	CARE AA+ (outlook 'Stable') / CARE A1+; LT rating and ST rating reaffirmed.
	Long Term Loans	200.00	CARE AA+ (outlook 'Stable'); LT rating reaffirmed.
	Short Term Loans	300.00	CARE A1+; reaffirmed.
	Long term/Short term: Unallocated	200.00	CARE AA+ (outlook 'Stable') / CARE A1+; LT rating and ST rating reaffirmed.
	Short Term: Commercial Paper	2,000.00	CARE A1+; reaffirmed.
	Long Term: Non-Convertible Debentures	200.00	CARE AA+ (outlook 'Stable'); LT rating reaffirmed.

V. **Senior Management**

The names of the members forming part of the Senior Management is available in the Corporate Information page. During the FY 2025-26, the following changes took place in Senior Management category:

Name	Changes
Mr. Mahesh Thakar, President Legal and Secretarial- General Counsel	Resigned w.e.f. close of business hours on October 18, 2025
Mr. Alfred Nixon Mendez, Sr. Vice President Head of Product Development	Designated as Senior Management Personnel w.e.f. January 2, 2026
Mr. Jasmeet Bhatia, President & Head – Human Resources	Designated as Senior Management Personnel w.e.f. January 27, 2026
Dr. Gayatri Vyas Dadheech, President, Battery Business	Designated as Senior Management Personnel w.e.f. March 27, 2026

Apart from this there were no other changes in the Senior Management during the FY 2025-26. Mr. Ajay Pratap Singh, General Counsel was designated as Senior Management Personnel w.e.f. April 21, 2026. The details of Key Managerial Personnel forms part of the Board's report.

ANNEXURE C TO THE BOARD'S REPORT
REPORT ON CORPORATE GOVERNANCE

W. **DISCLOSURE OF AGREEMENTS BINDING THE COMPANY:**

During the FY 2025-26, no agreements were entered requiring a disclosure under Clause 5A to para A of part A of Schedule III of SEBI LODR.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that for the financial year ended March 31, 2026 all members of the Board and the Senior Management Personnel have affirmed in writing their adherence to the Code of Conduct adopted by the Company.

Chennai
May 28, 2026

Shenu Agarwal
Managing Director & Chief Executive Officer

ANNEXURE D TO THE BOARD'S REPORT
CORPORATE GOVERNANCE CERTIFICATE

To

The Members of Ashok Leyland Limited

We have examined the compliance of conditions of Corporate Governance by Ashok Leyland Limited (hereinafter referred "the Company"), for the year ended on March 31, 2026 as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the company nor efficiency or effectiveness with which the management has conducted the affairs of the company.

For **RBJV & Associates**
Practicing Company Secretaries

Jayanth Viswanathan
Partner
FCS No. 7968
COP No. 14642
PR No. 7736/2026
UDIN: F007968H000508699

Chennai
May 28, 2026

ANNEXURE E TO THE BOARD'S REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
ASHOK LEYLAND LIMITED
No. 1, Sardar Patel Road Guindy, Chennai, 600032

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ASHOK LEYLAND LIMITED having CIN L34101TN1948PLC000105 and having registered office at No. 1, Sardar Patel Road Guindy, Chennai, Tamil Nadu, India, 600032 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

B CHANDRA
PRACTISING COMPANY SECRETARY
CP 7859
UDIN: A020879H000511701
PR No. 1711/2022

Chennai
May 28, 2026

ANNEXURE F TO THE BOARD'S REPORT
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. **MARKET TRENDS**

Economy - India

India's economy delivered an outstanding performance in FY26, reaffirming its position as the fastest-growing major economy in the world for the fifth consecutive fiscal year. Indian economy delivered a real GDP growth at 7.6% for FY26, an acceleration over 7.1% in FY25 (First Revised Estimates) and 7.2% in FY24. Growth in FY26 was supported by five principal pillars: (i) decisive acceleration in government capital expenditure (ii) robust agricultural output translating into stronger rural consumption (iii) continued resilience in services sector activity and (iv) gradual monetary policy easing cycle initiated by the RBI, Gross Fixed Capital Formation (GFCF) growth remained above 8.0% for the full year, reinforcing the investment cycle (v) reduction in GST rates from 28% to 18% in late 2025 materially lowered commercial vehicle acquisition costs, this resulting in both a direct (retail CV sales impact) and an indirect impact through higher logistics related demand from the stimulus to the consumer specific sectors.

The capex spending during FY26 reached ₹ 10.75 lakh crores against an allocated budget of ₹ 11.21 lakh crores (~3.1% of GDP). Crucially, execution during this period was meaningfully stronger than in the corresponding period of FY25. The Ministry of Road Transport & Highways (MoRTH) targeted construction of over 12,000 km of national highways in FY26 – an acceleration from 10,457 km in FY25, with enhanced focus on completing balance sections under Bharatmala Pariyojana Phase I and tendering new economic corridors. Retail inflation, as measured by the Consumer Price Index (CPI), averaged approximately 4.0–4.2% for FY26, broadly in line with the RBI MPC's April 2025 projection of 4.0% and well within the 2–6% tolerance band. Rawmaterial cost trends in FY26 were mixed for the commercial vehicle industry.

Raw Material	FY26 Price Trend	Key Drivers
Steel	Stable (mild softening bias)	Sustained healthy demand
Aluminum	Volatile (trending upward)	Global supply disruptions; elevated energy costs
Copper	Strengthened significantly	Tight global supply conditions
PGM (Precious Catalytic Metals)	Stabilising after prior volatility	Normalising global supply; shifts toward alternative fuel architectures

Although stable steel prices partially mitigated cost pressures, sustained volatility in non-ferrous metals and rubber required disciplined cost management and calibrated pricing actions across the value chain.

In FY26, borrowing costs for commercial-vehicle buyers softened gradually on a month-over-month basis, driven by surplus system liquidity, improved transmission, and lower NBFC funding costs. Agricultural activity moderated in FY26 compared to the previous year, largely due to weatherrelated disruptions affecting parts of the kharif season. Despite this moderation, the sector remained supported by strong rabi sowing, adequate reservoir storage levels, and timely policy interventions. However, geopolitical risks affecting fertilizer and gas supplies emerged as a key downside risk for future crop seasons. Rural demand showed gradual improvement during the year, driven by stable agricultural incomes, moderation in input cost pressures, and increased rural employment opportunities.

While geopolitical tensions in West Asia triggered volatility in global energy markets and led to intermittent spikes in the import parity prices of crude oil and LNG during FY26, domestic retail fuel prices were insulated from these shocks, remaining unchanged throughout the period. Looking ahead to FY27, the impact of West Asia–related geopolitical risks remain an area of close monitoring.

(Source: RBI MPC Apr'26, World Bank Brokerage reports)

Economy - World

The global economy in FY26 operated under the shadow of renewed geopolitical crisis, with the Middle East conflict — and the near-effective blockade of the Strait of Hormuz — fundamentally disrupting energy markets, freight economics, and growth trajectories across our operating regions. The IMF projects global real GDP growth at 3.1% in CY2026, slowing from 3.4% in CY2025 and remaining well below the pre-pandemic average of 3.7%, with slowdown and inflationary pressures particularly pronounced in emerging market and developing economies. Brent crude averaged USD 82.22 per barrel in 2026, with sharp intra-year spikes driving elevated input, logistics, and energy costs across the commercial vehicle value chain. Renewed trade protectionism, persistent geopolitical fragmentation, and a policy-driven reversal of global economic integration continue to weigh on medium-term growth potential. The impact across our key markets — the GCC, SAARC, ASEAN, and Africa — was markedly differentiated, as summarised below, with US trade policy and China's competitive export posture adding further complexity to the global operating environment. While near-term headwinds dominate, sustained infrastructure investment mandates, structural logistics demand, and our diversified geographic presence provide medium-term resilience for the business.

Market Impact Summary — FY26

Market	Key Macroeconomic Impact	Commercial Vehicle Relevance
MENA	MENA region delivered ~2.6–3.0% real GDP growth in CY25, driven by a strong rebound in Gulf economies (led by Saudi Arabia's 4.5% actual growth) and resilient non-oil activity, partly offset by weaker performance in oil-importing and conflict-affected economies.	MENA region delivered strong growth over last year given the strong focus on making economy resilient with robust non-oil economic activity.
SAARC	India retained its position as the fastest-growing major economy, supported by strong domestic momentum and reduced US tariff exposure. Bangladesh, Sri Lanka faced currency stress and elevated import costs.	India sustained infrastructure-led CV demand; Bangladesh constrained by political instability while Nepal and Sri-Lanka demonstrating robust recovery.

ASEAN	Regional growth moderated to 4.3% with higher energy prices rising production costs and export growth normalising.	China-plus-one supply chain shifts sustained logistics and industrial CV demand in ASEAN partially offsetting energy cost headwinds.
Africa	Africa grew by ~4% in aggregate, led by strong Sub-Saharan Africa expansion (~4–4.5%) driven by services, investment and reform momentum, while North Africa grew ~3–4%, supported by tourism recovery and selective oil rebounds, despite external shocks and oil-price volatility.	Resilient demand in essential freight, mining and agricultural linked applications. Long-term trade corridor development remains a structural growth anchor.

On global supply chains resilience front, US policy and tariff regime continued to fragment global supply chains and raise cross-border component costs leading to localization pressure on OEMs. Despite reduced Chinese Govt. stimulus, Chinese OEMs continued aggressive pricing commercial vehicles in ASEAN and African markets, intensifying competitive pressure on incumbent manufacturers.

Global growth is projected to recover modestly to 3.2% in CY2027, with inflation expected to resume its decline, offering gradual relief on input and energy costs. Easing crude oil prices, monetary policy normalization, and stabilizing supply chains are expected to support a measured recovery in commercial vehicle demand across key markets. India and ASEAN remain the most promising growth theatres, underpinned by infrastructure investment and logistics expansion. However, structural risks — including geopolitical fragmentation, Chinese export competition, and US trade policy uncertainty will need to be factored in OEMs international operations strategies.

(Source: IMF World Economic Outlook)

Commercial Vehicle Market

FY26 was a landmark year for India's commercial vehicle (CV) industry. Industry posted its best-ever annual sales of 10.79 lakh units — a 12.6% year-on-year increase, marking the highest annual volumes in seven years. FY26 was a year of two distinct halves for the Indian commercial vehicle industry. The first half was weighed down by inventory correction, regulatory transition costs, and subdued freight sentiment, while the second half delivered a historic recovery driven by post-GST 2.0 affordability, renewed infrastructure execution, strong freight demand, and a robust festive season. Full-year CV retail sales closed at approximately 10.79 lakh units, with H2 contributing a record-breaking performance across both Q3 and Q4 — the highest-ever volumes recorded for those quarters in the industry's history. Export momentum remained a consistent bright spot throughout the year, reinforcing India's emergence as a globally competitive CV manufacturing and export hub.

Quarterly Performance Snapshot — Indian CV Industry, FY26

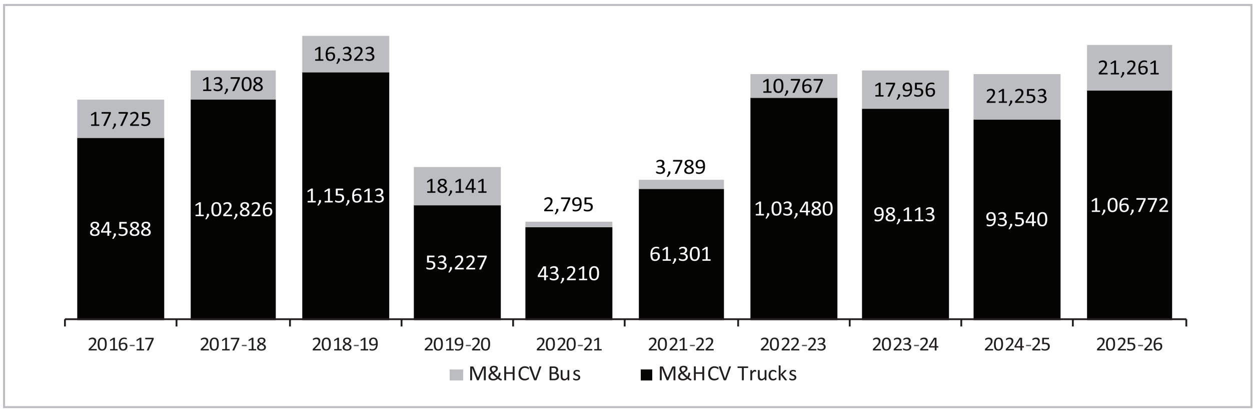
Quarter	Industry Volume / Key Metric	Segment Trend	Key Drivers / Headwinds
Q1 FY26	Muted; wholesale volumes subdued	MHCV soft (M&HCV retail down 4.4% YoY in May 2025); LCV showing early recovery	Inventory overhang from FY25; dealer destocking; weak freight sentiment
Q2 FY26	H1 FY26 cumulative retail: **4.63 lakh units** (+2% YoY)	LCV and MCV resilient; HCV demand soft; September green shoots with CV demand pickup	AC cabin mandate effective Oct 2025 drove pre-buy momentum; e-commerce and urban logistics supporting LCV
Q3 FY26	**2.90 lakh units** (+21.5% YoY) — Highest-ever Q3 in industry history	Broad-based recovery across all CV segments	Post-GST 2.0 affordability, festive season demand, resumed infrastructure execution, strong freight rates; CV exports up 22% in Q2 and sustained into Q3
Q4 FY26	**3.25 lakh units** (+18.9% YoY) — Highest-ever Q4 in industry history	Heavy trucks led by infrastructure; replacement buying accelerated	Sustained infra spend, high fleet utilisation in cement/steel/auto freight sectors; strong export order book fulfilment for Africa and GCC markets
Full Year FY26	**~10.79 lakh units**	H1 subdued; H2 structurally strong	Recovery confirmed as structural, not seasonal; India established as a competitive CV export hub

Overall, the commercial vehicle (CV) industry showed broad-based growth across most segments. M&HCVs recorded strong momentum, with total domestic volumes rising 12.9%, driven by a 15.7% growth in trucks, while buses remained largely flat. Export performance for M&HCVs was robust, growing nearly 45%, supported by strong trucks and bus shipments. LCVs also performed well domestically, registering 12.5% growth, led by healthy demand for LCV trucks, though LCV bus exports declined slightly. Overall, total CV domestic sales grew 11.8%, and exports rose 17.4%, indicating sustained recovery and improving global demand in FY26.

Segment	Domestic			Exports		
	2025-26	2024-25	Change	2025-26	2024-25	Change
M&HCV Buses	67,149	67,307	-0.20%	16,874	11,241	50.10%
M&HCV Trucks	3,55,849	3,07,491	15.70%	16,829	12,015	40.10%
M&HCV Total	4,22,988	3,74,798	12.90%	33,703	23,256	44.90%
LCV Buses	61,597	54,807	12.40%	4,656	4,889	-4.80%
LCV Trucks	5,95,276	5,29,074	12.50%	56,434	52,606	7.30%
LCV Total	6,56,873	5,83,881	12.50%	61,090	57,495	6.30%
CV Total	10,79,871	9,58,679	12.60%	94,793	80,751	17.40%
Source: SIAM Flash Report March 2026						

B. ASHOK LEYLAND – THE YEAR (2025-26) IN BRIEF

Your Company recorded domestic sales of 128,033 M&HCVs during the year, comprising 21,261 buses and 106,772 trucks (including Defence vehicles), reflecting a robust growth of 11.5% over the previous year. Domestic LCV sales reached 74,322 vehicles, registering a healthy year on year growth of 14.3%. During the year, Your Company achieved all time high sales volumes and revenues across several product categories, including M&HCVs, LCVs, International Operations, and the Power Solutions business, underscoring the strength of its diversified portfolio and execution capabilities. Your Company achieved a market share of 30.3% in the M&HCV bus and truck segment during the year, representing a marginal decline of 0.4 percentage points compared to the previous year.



M&HCV Truck segment

M&HCV demand recovery in FY26 was anchored by the resumption of government infrastructure expenditure following the general election-related slowdown in H1 FY25. Central Government capex growing 14.5% YoY (Apr-Feb FY26) directly translated into stronger tipper truck demand at road construction, mining, and real-estate project sites. Manufacturing sector GVA grew at 11.5% – with double-digit expansion in segments such as basic metals, motor vehicles, and pharmaceutical products – expanded industrial freight volumes, driving haulage truck demand in established logistics corridors. Your Company's sales in the M&HCV Trucks segment (excluding Defence vehicles) increased 15.2% to 105,905 units in FY26, compared to 91,960 units in FY25. During the year, the Company introduced several industry leading products, including 320 hp EGRbased tippers, AVTR 4828 multiaxle vehicles (MAV), Hippo 5532 tractors, and Taurus 320 hp tippers. These launches primarily strengthened the Company's presence in the medium and heavy commercial vehicle (M&HCV) segment, particularly in the highhorsepower tipper, tractortrailer and multiaxle categories catering to mining, infrastructure, construction and longhaul applications. The new offerings enhanced the Company's competitiveness in higher tonnage and performanceintensive subsegments, supporting improved customer value proposition and product premiumization. These products are expected to help the Company defend and strengthen its market position, drive higher customer adoption in critical applications, and contribute positively to segment sales growth.

M&HCV Bus segment

The M&HCV bus segment witnessed relatively modest growth during the year, largely reflecting the high base created by strong demand in the previous year. In the earlier period, bus volumes were supported by accelerated fleet replacement by State Road Transport Undertakings (SRTUs), institutional purchases, and rising demand for public transportation. As a result, incremental growth in the current year moderated as several large orders were already executed in the prior cycle, leading to a natural normalisation of demand. The ongoing transition towards electric buses, while structurally positive, also led to longer decision cycles due to higher upfront costs and the need for charging infrastructure and subsidy alignment. Your Company's sales in M&HCV Bus segment (excluding Defence vehicles) in India witnessed a modest decline of 1.9%, with sales of 20,840 units in FY26 versus 21,249 units in FY25, reflecting market normalization after peak demand in FY25. Notable product launches during the year included Garud 13.5M H64V, Sunshine Li, Oyster CNG (School), Garud 15M, Oyster ZMax, and Oyster Max.

International Operations

Your Company delivered its highestever sales of 18,082 units during the year, registering a strong growth of 18.5% over FY25. This performance reflects the Company's disciplined execution and sustained demand across key export markets, supported by selective capacity investments and deeper market engagement. The Company sharpened its focus on GCC markets, where enhanced manufacturing capabilities at the Ras Al Khaimah (RAK) facility enabled it to achieve its highestever production levels, reinforcing supply reliability and cost competitiveness. Growth across regions was further supported by improved spare parts availability, expansion of distribution and service touchpoints, focused capability building, and a more diversified customer base.

Market conditions remained mixed across select geographies. Political instability in Bangladesh and continued foreign exchange constraints in Nigeria moderated demand and impacted total industry volumes in these markets. In contrast, Sri Lanka witnessed a gradual recovery in commercial vehicle demand following the easing of import restrictions and improving macroeconomic stability, supporting a pickup in market activity, albeit with some moderation due to foreign exchange management and policy calibration. In South Africa, the Company strengthened its footprint through a strategic partnership with the Hallmark Group and significantly enhanced dealer coverage. During the year, the Company also initiated trials of its electric vehicle portfolio in select international markets and entered a strategic partnership with PT Pindad (Indonesia) for electric bus assembly and deployment under the TransJakarta programme, reinforcing its longterm growth strategy in the ASEAN region.

LCV segment

FY26 has seen a rebound, with H1 LCV wholesale growth of 5.3% and double digit growth in Q2. Ecommerce expansion, lastmile distribution, urban mobility needs and improving rural sentiment have supported LCV goods and passenger carriers, while GST 2.0 further reduced acquisition cost friction. Your Company achieved its highest ever sales of 74,322 units, delivering a strong year-on-year growth of 14.3%. Vahan market share reached an alltime high of 12.7%, representing an improvement of 80 basis points over FY25. The Company further expanded its presence in the 2–4tonne SCV segment with the launch of the BADA DOST XL series, increasing its addressable market coverage to 55.9%. During the year, the Company strengthened its position as the secondlargest player in the 2–4tonne segment. This performance was under pinned by a continued focus on profitable growth, bestinindustry SSI and CSI scores, lowest defects per vehicle, and best in class warranty and service retention. Network expansion remained a key priority, with the addition of 107 new touchpoints, taking the total dealer footprint to 945 touch points nationwide.

Power Solutions Business

FY26 witnessed steady growth for the industrial and power solutions engine market, supported by strong infrastructure execution, rising construction and industrial activity, resilient agricultural demand and increasing requirements for reliable backup power across commercial, manufacturing and datacentre applications. During the year, the enforcement of CPCB IV+ emission norms remained a key regulatory driver, accelerating replacement demand and favoring technologically advanced, compliant engine platforms. Your Company has registered 10% growth, achieving alltime high sales of 36,046 engines, driven primarily by improved performance in industrial and agricultural segments. The Powergen segment remained stable, with sustained market demand. Year-to-date Ashok Leyland volumes grew 10%, supported by network expansion and new corporate orders.

Defence

In FY26, your Company delivered a strong performance in its turnkey solutions business, recording robust growth across key supply categories. Turnkey supplies comprised the delivery of 1,414 VFJ kits, reflecting a significant 60% year-on-year increase. On a combined basis, total deliveries of VFJ and CBU kits grew by 9.5% over FY25. Key orders executed during the year comprised 421 short-chassis buses and 241 MBPV 4X4 vehicles, reflecting the Company's capability to execute complex, customized programmes. This performance underscores the Company's strengths in end-to-end project execution, engineering competence, and its ability to address specialized customer requirements across diverse applications.

Aftermarket

In FY26, your Company continued to strengthen its aftermarket business, with spare parts revenue reaching ₹ 4,450 crore, registering a healthy growth of 12% over FY25. The growth was driven by higher vehicle parc, improved parts availability, deeper penetration of genuine spare parts, and enhanced digital and physical distribution capabilities. A strong aftermarket performance not only contributes to revenue and EBITDA impact but also enables customers to benefit from improved uptime, lower total cost of ownership and assured vehicle reliability throughout the lifecycle.

Network

To further enhance service reach and customer proximity, your Company expanded its service network by adding 108 new outlets and 883 service bays during the year, with ~40% of the new outlets established across the North and East regions to improve coverage in highpotential and underserved markets. This network expansion was aimed at ensuring faster service turnaround, reduced vehicle downtime, and greater accessibility for customers across key transport corridors. The company's sustained focus on service excellence was reflected in its strong customer satisfaction performance, with Ashok Leyland being ranked No. 1 in the Dealer Satisfaction Survey (DSS) conducted by FADA, No. 1 in Sales Satisfaction Index (SSI), and No. 2 in Customer Satisfaction Index (CSI) by independent third party market surveys, reinforcing its customercentric approach in the commercial vehicle industry.

Foundry Division

FY26 was a landmark year for the Foundry Division, with production reaching an all-time high of 100,089 MT — a 3.4% growth over FY25 after seven years — and sales volumes rising 4.0% to 96,649 MT. Notably, 50,503 MT was sold to external customers, underscoring the division's strengthened market presence, robust customer demand, and sustained manufacturing excellence. The year also sets new operational benchmarks, with the Division recording its lowest-ever rejection levels and energy consumption. Ennore Foundry sustained rejection levels below 6% for the second consecutive year, while Sriperumbudur Foundry achieved its highest-ever production of 50,478 MT and sales of 47,510 MT. These results reaffirm the Division's leadership in quality, process efficiency, and cost competitiveness — reinforcing its strategic importance to the Company and its strong positioning for sustained growth ahead.

Overall Summary

In summary, FY26 marked a landmark year for Ashok Leyland, with the Company achieving its highest ever vehicle sales performance. Total domestic vehicle sales reached an alltime high of 202,355 units, while export volumes rose to 18,082 units, reflecting the strength of the Company's diversified market presence and execution capabilities. This record performance was delivered through close coordination across teams, operational agility, and a sharp focus on meeting customer demand efficiently in a dynamic operating environment. Ashok Leyland remains firmly committed to advancing industryleading standards in quality, environment, safety and health, while simultaneously strengthening its focus on innovation, new product introductions and best in class technology. Looking ahead, the Company is well positioned to further reinforce its market leadership through differentiated products, customercentric solutions, and sustained investments aimed at enhancing competitiveness and longterm value creation.

C. OPPORTUNITIES AND THREATS

FY27 is expected to mark a year of disciplined, consolidation-led growth for the Indian commercial vehicle industry — building on the strong volume base established in FY26, with underlying demand drivers remaining structurally intact.

Opportunities

Across the M&HCV segment, replacement demand from ageing fleets, mandatory government vehicle scrappage, and continued infrastructure execution are expected to sustain heavy truck demand and accelerate the structural shift toward higher-tonnage tractor-trailers for long-haul movement. In the bus segment, state transport undertaking replacement programmes, staff and school transportation, and growing adoption of electric and alternate-fuel buses under urban decarbonisation mandates will keep the vertical strategically relevant. The LCV segment is poised to continue momentum, driven by strong agricultural performance, rural consumption resilience, and continued e-commerce and logistics formalisation, with LCVs playing a critical role in first- and last-mile connectivity. Power Solutions and defence verticals offer additional opportunity — steady farm mechanisation and infrastructure construction activity support engine demand, while the Company's established execution track record in specialised defence platforms provides for a robust medium-term order pipeline visibility.

Threats

Near-term risks include geo-political disruptions affecting supply chain, the effects of the West Asia war crisis impacting global crude prices, global trade disruptions and tariff uncertainty weighing on export demand and commodity inflation, rising regulatory compliance costs — particularly from alternate fuel and emission mandates, and tightening retail financing conditions potentially deferring fleet acquisition decisions. In LCVs, competitive pressure from electric three-wheelers in select urban applications poses a structural substitution risk in the near term. Macroeconomic volatility in key export markets, particularly the GCC and Africa, and the risk of delayed government capital expenditure remain key downside sensitivities.

Outlook

For well-positioned OEMs, FY27 presents a compelling opportunity to strengthen market share through new product introductions, alternative fuel platforms, and service and solutions expansion — translating cycle strength into long-term value creation.

D. RISK MANAGEMENT

During the year, the Commercial Vehicle (CV) industry witnessed a sharp turnaround, culminating in a record volume performance. After a subdued start, demand accelerated significantly in the second half, supported by the reduction in GST rates from 28% to 18% in September 2025. Industry growth was driven by sustained Government expenditure on infrastructure, revival in private capital investment and replacement demand arising from an ageing on-road fleet with an average age of nearly ten years.

In this evolving macro-economic and operating environment, your Company continues to focus on long-term value creation by strengthening organisational resilience, enhancing competitiveness and safeguarding stakeholder interests, including those of shareholders, employees, customers, regulators and society at large. Proactive response to external and emerging risks, disciplined cash-flow and liquidity management, and focused productivity and cost optimisation initiatives remain integral to the Company's strategy to protect and create stakeholder value over the short, medium and long term.

Risk management forms a core component of the Company's governance framework. Your Company has a well-established Enterprise Risk Management (ERM) framework aligned with the COSO ERM principles and ISO 31000:2018. The framework enables a structured and consistent approach to risk identification, analysis, evaluation, prioritisation, mitigation, monitoring and reporting across the organisation and supports informed decision-making.

Risks identified are assessed using a standardised risk assessment matrix, which evaluates risks based on probability and impact. Based on the assessment, risk value are assigned in line with the AL ERM framework. These scores are used to prioritise risks into appropriate categories, enabling focused management attention, allocation of resources and escalation to senior management and the Board, as necessary.

Risk mitigation actions are aligned to the prioritised risk ratings and are monitored through defined ownership, timelines and key risk indicators. The risk assessment and prioritisation process is reviewed periodically to reflect changes in the internal and external environment, ensuring continued relevance and responsiveness. Below is the Risk Assessment Matrix and actions based on risk priority.

ANNEXURE F TO THE BOARD'S REPORT
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Risk Assessment Matrix							
			Risk Value (P x I)				
Impact (I)	*Critical*	5	5	10	15	20	25
	Major	4	4	8	12	16	20
	Significant	3	3	6	9	12	15
	Minor	2	2	4	6	8	10
	Insignificant	1	1	2	3	4	5
			1	*2*	*3*	*4*	*5*
			Rarex (<10%)	*Unlikely (<30%)*	*Possible (30-70%)*	*Most Likely (>70%)*	*Certain (>90%)*
			Probability (P)				

Risk Value	Risk Priority	Actions
1-5	Low	Accept Risk but Monitor
6-15	Medium	Manage & Monitor Risk
16-25	High	Manage, Monitor Risk with periodic review by Top Management

During the year, the ERM framework was further strengthened with the formation of focused Risk-led Cross Functional Teams (CFTs) to address key enterprise and business risks. These CFTs comprise representatives from relevant functions and are responsible for developing, implementing and tracking mitigation plans aligned with the risk ratings and the Company's strategic objectives.

A Risk Steering Committee, comprising members of the senior leadership team, provides strategic guidance, reviews the risk landscape and evaluates the effectiveness of mitigation plans proposed by the CFTs. The significant risks, mitigation status and emerging risk themes are periodically placed before the Risk Management Committee (RMC) of the Board, thereby strengthening Board-level oversight and governance.

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Given the nature of business, size and complexity of operations, your Company has designed an adequate internal control system to ensure:

a. Transactions recorded are accurate, complete, and authorised;

b. Adherence to accounting standards, complying with applicable statutes and conforming to Company policies and procedures;

c. Effective use of resources and safeguarding assets.

Your Company has complied with the specific requirements laid out under Section 134(5)(e) of the Companies Act, 2013 which calls for establishment and implementation of an Internal Financial Control framework that supports compliance to the Act in relation to the Directors' Responsibility Statement.

The Internal Control Framework adheres to the COSO (Committee of Sponsoring Organizations of the Treadway Commission) Internal Control 2013 Framework and the ICAI Guidance Note on Audit of Internal Financial Controls over Financial Reporting. This approach ensures a systemic evaluation of both the design and the operating effectiveness of controls in a consistent manner.

To ensure holistic oversight, your Company has implemented the "Three Lines of Defense" model:

1. First Line (Management): Front-line management identifies and manages risks through implementation of appropriate internal controls as an integral part of their day-to-day business processes.

2. Second Line (Risk & Compliance): Dedicated functions establish policies, define frameworks, and monitor risk and compliance activities to ensure alignment with Company policies and standards.

3. Third Line (Internal Audit): An independent, multi-disciplinary Internal Audit team provides objective assurance to the Audit Committee regarding the reliability of the control environment.

Governance and Monitoring

The Audit Committee provides rigorous oversight of the internal control environment through:

1. Risk-Based Audits: Annual audit plans as approved by Audit Committee are dynamic and prioritized based on operational, financial and compliance risk, ensuring high-impact areas receive consistent scrutiny.

2. Validation & Closure: Significant deficiencies, if identified, are monitored till resolution and validated for closure.

3. Board Oversight: The status of internal audit findings, risk mitigation plans, and residual risk assessments are presented to the Audit Committee quarterly and referred to the Board as required.

Ethics and Vigil Mechanism

Your Company fosters a culture of integrity and accountability. Whistle-blower Policy and Vigil Mechanism provide a secure, confidential and independent channel for employees, vendors, and all other stakeholders to report concerns regarding fraud or unethical behaviour. All reported complaints are handled with strict confidentiality, ensuring a protective environment free from fear of retaliation.

Ethics Committee evaluates all ethics related complaints, performs unbiased review and actions if any are taken based on gravity of charge.

INFORMATION SECURITY

Information is an invaluable asset, and your organization is very committed in safeguarding the same from internal & external threats, through adoption of best practices in Information Security. With a focus on robust Information Security Governance, your Company has an independent function to oversee the protection of information assets, ensuring their confidentiality, integrity, and availability. Your organization has been certified for ISO27001:2022 which is the collection of best practices in Information Security.

IT and cyber risks are an integral part of the ERM framework and receive focused oversight. These risks are periodically reviewed by management and placed before the Risk Management Committee of the Board, given their increasing relevance to operational resilience, data protection and stakeholder trust.

Role-based access control (RBAC) are in place to ensure appropriate segregation of duties and authorised access to systems and data. The Company has instituted continuous monitoring mechanisms and conducts periodic reviews, including Segregation of Duties (SOD), Sensitive Access (SA) and End-User Access Rights (EUAR) reviews, to strengthen IT general controls and mitigate the risk of unauthorised access or control failures.

Your organization has a Security Operations Center which continuously monitors and protects the organization from cyberattacks. Your organization has invested in various security tools and partnered with security consultants for Cyber Managed services in line with benchmarked best practice.

F. FINANCIAL REVIEW (FY 2025-26)

A summary of the Standalone Statement of Profit and Loss is given below (₹ crores):

Particulars	2025-26	2024-25	Inc/(Dec) %
Sales	44,007.03	38,752.74	13.6
Other income	315.17	250.25	25.9
Total	**44,322.20**	**39,002.99**	**13.6**
Expenditure			
Material Cost	31,417.14	27,622.78	13.7
Employee benefits expenses	2,606.69	2,406.27	8.3
Finance cost	169.73	216.91	(21.8)
Depreciation and amortization	715.19	719.34	(0.6)
Other expenses	4,250.95	3,793.13	12.1
Total	**39,159.70**	**34,758.43**	**12.7**
Profit before exceptional items and tax	**5,162.50**	**4,244.56**	**21.6**
Exceptional items	(348.48)	103.73	(435.9)
Profit before tax	**4,814.02**	**4,348.29**	**10.7**
Tax expense	1,248.49	1,045.00	19.5
Profit after tax	**3,565.53**	**3,303.29**	**7.9**
Basic earnings per share (in ₹)	**6.07**	**5.62***	**7.9**

*Adjusted for Bonus

FY 2025-26 continued to reflect your Companys focus on profitable growth, driven by steady execution across businesses, richer mix and disciplined cost management. Revenue from operations increased to ₹ 44,007 crores (FY 2024-25: ₹ 38,753 crores). Profit after tax stood at ₹ 3,566 crores (FY 2024-25: ₹ 3,303 crores) and basic earnings per share increased to ₹ 6.07 (FY 2024-25: ₹ 5.62, adjusted for bonus).

MHCV truck industry volumes, which had remained broadly stable for three consecutive years (around 3,20,000 vehicles in FY 2022-23 and FY 2023-24, and around 3,07,500 vehicles in FY 2024-25), witnessed strong growth in FY 2025-26, increasing by about 15.7%. Your Company's truck volumes grew broadly in line with the industry trend, while market share remained healthy at 30.0%. The share of Intermediate Commercial Vehicles (ICVs) in the mix improved by about 3.4 percentage points during the year, supported primarily by consumption-led demand.

MHCV bus industry, which had witnessed record volumes of 63,983 units (excluding EV's and Defence) in FY 2024-25, moderated by about 4.5% to 61,125 units in FY 2025-26. Your Company's bus volumes declined by 1.9%, thereby outperforming the industry. Your Company continued to maintain its leadership position in buses, with market share remaining steady at 34.1%.

Sale volume of Defence vehicles was 1,288 vehicles in FY 2025-26 versus 1,584 units in previous year. Defence-kits sales were at 1,414 sets, 60.0% higher than previous year (884 sets). Defence revenues were stable.

LCV industry volumes witnessed a strong rebound during FY 2025-26, driven primarily by improvement in consumption-led demand, aided by GST rate rationalization in the second half of the year. Against this backdrop, Your Company recorded its highest ever domestic LCV volumes of 74,322 units in FY 2025-26, representing a growth of 14.3% over 65,049 units in the previous year. LCV revenue grew broadly in line with volume growth during the year.

International Operations (IO) delivered a strong performance in FY 2025-26, with sales improving to 18,082 units from 15,255 units in previous year, representing a growth of about 18.5%. This growth was achieved despite the crisis in West Asia towards the end of the financial year. Your Company recorded volume growth across key international markets, including SAARC, the Middle East and Africa, and some seed volume in ASEAN, reflecting the strength of its market presence and distribution network.

Your Company recorded highest ever CV sales of 2,20,437 CVs in FY 2025-26 representing a growth of 13.0% over previous year (1,95,097 nos.) and 11.7% growth over previous peak of 1,97,366 nos. in FY 2018-19.

Domestic spare parts revenue (including service products) grew by 8% to ₹ 3,782 crores from ₹ 3,500 crores in previous year, which is again a new all-time high.

Power solutions (engines) volumes grew to a new historical high of 36,351 units in FY 2025-26 representing a growth of 10% over FY 2024-25 volumes (32,930 units).

Consequent to the overall CV volume increase of 13% and growth in non-CV business, Your Company's revenues grew by 13.6% to ₹ 44,007 crores over previous year (₹ 38,753 crores).

Costs:

Material Cost: Material cost increased by 13.7% to ₹ 31,417 crores in FY 2025-26 as against ₹ 27,623 crores in FY 2024-25, broadly in line with the 13.6% growth in revenue from operations. As a percentage of sale revenue, material costs remained largely stable year-on-year.

During FY 2025-26, commodity trends in India remained mixed. Steel prices, particularly in flat steel and certain ferrous inputs, were relatively soft for a significant part of the year before firming up towards the latter part of the year. In contrast, Aluminum remained on a firmer trajectory, while copper and lead were softer in the first half before moving up in the second half. Tyre-related input costs also hardened, especially in the latter half of the year. In addition, prices of platinum group metals (PGMs) used in exhaust after-treatment went up and remained a key area of cost pressure.

Despite these headwinds, Your Company continued to benefit from focused procurement actions, price negotiations, value engineering, localization, turnover discounts and business-share optimisation, which helped contain the overall cost impact and supported margins.

Staff Costs: Staff costs went up by 8.3% during FY 2025-26 primarily due to

a) Full year impact of wage settlements at Hosur and Ennore Units

b) Manpower (additional) at our new Lucknow plant and

c) Increments to the executives during the year,

Manpower cost excludes one-time charge of ₹ 308.48 crores on account of the New Labour Code, which is stated as an exceptional item. In November 2025, the GoI notified four consolidated Labour Codes namely the Code on Wages 2019, the Code on Social Security 2020, the Industrial Relations Code 2020 and the Occupational Safety, Health and Working Conditions Code 2020. The impact of the revised regulatory framework was assessed based on the best information available through FAQs issued by the Ministry of Labour and Employment and the guidance issued by ICAI. The assessment resulted in one time charge of ₹ 308.48 crores on P&L, which pertains entirely to the past period.

Finance Costs: Finance costs were lower by about 21.8%, primarily due to improved cash surplus situation and working capital management during the year. Cash generated from operations was utilised to repay long-term and short-term borrowings.

Depreciation for the year was at ₹ 715.19 crores which is almost same as last year.

Other expenses at ₹ 4,250.95 crores is higher than last year by 12.1%, lower than the revenue growth, enabling your Company to secure benefits of economies of scale. Further, it also includes a contribution of ₹ 108 crores to an electoral trust.

Total Capital Employed by your Company increased by about 12% to ₹ 28,594 crores in FY 2025-26 from ₹ 25,526 crores in previous year.

Total shareholders' funds as of March 31, 2026, stood at ₹ 13,113 crores, reflecting an increase of ₹ 1,595 crores, primarily due to profit for the year of ₹ 3,566 crores, offset by dividend payout of ₹ 1,835 crores.

Summary of the Balance sheet is given below (₹ crores)

Sources of Funds	March 31, 2026	March 31, 2025	Inc / (Dec) %
Shareholder's funds	13,113.42	11,518.79	13.8
Non-Current liabilities	2,153.60	2,576.26	(16.4)
Current liabilities	13,326.64	11,426.13	16.6
Liabilities directly associated with assets classified as held for sale	-	4.65	(100.0)
Total	**28,593.66**	**25,525.83**	**12.0**
Application of Funds			
Fixed Assets	5,282.08	4,683.51	12.8
Right of use asset	263.04	275.33	(4.5)
Intangible Assets	1,323.04	1,311.41	0.9
Investments	6,559.29	5,654.26	16.0
Loans and other non-current assets	504.22	1,269.02	(60.3)
Current assets	14,661.99	12,308.62	19.1
Assets classified as held for sale	-	23.68	(100.0)
Total	**28,593.66**	**25,525.83**	**12.0**

Capital expenditure and investments

During the year, your Company incurred ₹ 1,050 crores towards capital expenditure predominantly towards:

a) Greenfield Integrated bus plant in Lucknow.

b) Development of Alternate fuel vehicles like BEV, H2 ICE, Fuel Cell, LNG, CNG.

c) Digital Initiatives in manufacturing.

d) Enhancing Infrastructure in all plants related to FSM capacity improvement, capability, sustenance, safety and energy saving.

e) New model vehicle development for domestic and exports, covering entire product range

f) New Engine nodes extending range at both end

g) Regulatory projects like AC regulation in Trucks

During the year, Your Company has invested ₹ 386 crores into subsidiaries. This includes ₹ 370 crores invested in Optare Plc, ₹ 10 crores in Gro Digital Platforms Limited and ₹ 6 crores in Vishwa Bus and Coaches Limited. In addition, GBP 45 Mn ~ ₹ 499 Cr invested in Optare Plc during FY 2024-25, allotment of equity shares happened in FY 2025-26. In FY 2024-25, this amount was reflected in advance pending allotment.

Your Company has recognized a net fair value gain of ₹ 19.30 crores during the year, comprising fair value gains of ₹ 49.76 crores in Switch Mobility Automotive Limited and ₹ 6.94 crores in Ashok Leyland UAE, offset by a fair value loss of ₹ 33.40 crores in Hinduja Energy India Limited and an impairment loss of ₹ 4.60 crores in Gulf Ashley Motors Limited.

Current assets as of March 31, 2026, were at ₹ 14,662 crores when compared to previous year's level of ₹ 12,309 crores. The increase of ₹ 2,353 crores was primarily on account of increase in investment in mutual fund units by ₹ 1,101 crores, increase in bank balance of ₹ 900 crores, offset partially by reduction in cash and cash equivalent of ₹ 629 crores Inventory increased by ₹ 529 crores (Finished goods inventory increase by ₹ 73 crores and production inventory increased by ₹ 456 Crore), Trade Receivables increase by ₹ 63 crores and other current assets (including other financial assets) increased by ₹ 389 Crore.

Liquidity

Your Company could generate cash during the year primarily due to better profits. Internal accruals enabled your Company to meet capital expenditure, dividend commitment, long term loan repayments as well as working capital requirements. Your Company manages its liquidity through rigorous weekly monitoring of cash flows.

Details of key financial ratios:

Ratios	Formula used	FY 2026	FY 2025
Debtors turnover	Revenue from operations / average debtors	15.08	12.00
Inventory turnover	COGS / average inventory	9.75	8.99
Interest coverage ratio	Earnings before interest and tax / interest expense	62.47	34.95
Current ratio	Current assets / current liabilities	1.10	1.08
Debt equity ratio- Net	Net Debt / equity	-	-
Operating profit margin (%)	EBITDA / Revenue from operations	13.03	12.72
Net profit margin (%)	PAT without exceptional items / revenue from operations	8.89	8.26
Return on net worth (%)	PAT without exceptional items / total equity	29.85	27.78

Profitability

Domestic CV volumes, both MHCV and LCV, grew in double digits. Commodity costs were stable in the first half of FY 2025-26 but hardened during the later half. During the year, AC regulations for MHCV Trucks were rolled out resulting in cost increase. Your Company could improve the price recovery on domestic MHCV, however price recovery in LCV could not be achieved. Our export volumes improved from the first quarter of the financial year and registered strong growth for the financial year. Various initiatives covering product cost reductions, value engineering, operating cost control measures continued with same rigour. Performance of other businesses covering defence, spare parts and power solutions (engines) was good and supported your Company's performance throughout the year. The contributions from these businesses have gone to mitigate the fixed costs significantly thereby reducing the pressure on MHCVs. All these actions enabled Your Company to post consistent improvement in operating profit (EBITDA) quarter on quarter. The operating profit improved year-on-year in all the quarters of FY 2025-26. Operating profit margin (EBITDA %) expanded year-on-year in first 3 quarters of the year, however, it shrunk marginally in Q4 FY 2025-26. Overall, for full year operating profit margin was up by 30 basis points to 13.0%.

The financial ratings of long term and short-term facilities / commercial papers as given by rating agencies viz., CARE and ICRA in FY 2025-26 are given below.

Agency	Long Term	Short Term Facilities / Commercial Paper
CARE	CARE AA+; Stable Outlook	CARE A1+
ICRA	ICRA AA+; Stable Outlook	ICRA A1+

Your Company has serviced all its debt obligations on time.

Results of Operations

Your Company generated an after-tax profit from operations of ₹ 4,379 crores in FY 2025-26 which is 7% higher than ₹ 4,079 crores in previous year. FY 2025-26 witnessed strong double-digit growth in Medium and Heavy commercial vehicles and Light Commercial Vehicles volumes. Though volumes and revenue grew in double digits, operating controls ensured operating working capital reduction at the end of the year (further release of ₹ 414 crores). With our efforts in collections the Trade Receivables went up marginally by ₹ 38 crores. Inventory was higher by ₹ 529 crores reflecting increase in business activity, and trade payables went up by ₹ 1,024 crores. This helped with a substantial reduction in operating working capital.

Increase in other non-current and current financial assets and other non-current and current assets by ₹ 293 crores, increase in non-current and current financial liabilities by ₹ 140 crores, increase in contract liabilities by ₹ 302 crores, offset by decrease in non-current and current provisions and other current liabilities by ₹ 89.52 crores and decrease in Others of ₹ 103 crores.

Cash outflow for acquisition of fixed assets for FY 2025-26 was at ₹ 978 crores as against ₹ 925 crores in previous year. Your Company has invested ₹ 386 crores (net) in Subsidiaries, made current investments of ₹ 1,005 crores, Invested ₹ 900 crores in bank deposits and received Interest & Dividend of ₹ 58 crores & ₹ 6 crores respectively. All this resulted in net cash outflow of ₹ 3,205 crores in Investing activities.

Cash outflow of ₹ 2,217 crores from finance activities primarily reflect the repayment of non-current borrowings (net) ₹ 277 crores, interest & other payments of ₹ 108 crores, dividend payment of ₹ 1,835 crores (FY 2024-25 – ₹ 1,248 crores & FY 2025-26 – ₹ 587 crores), and realization from sale of equity shares of ₹ 3 crores.

Bonus Shares

During FY 2025-26 your Company had declared and issued Bonus (Jul'25) Shares at ratio of 1:1 i.e. 1 Bonus share for each share held.

Dividend

During the year, your Company declared and paid 1st interim dividend of ₹ 1 per share for equity share of ₹ 1/- each in November 11, 2025. Second interim dividend of ₹ 2.50/- per share has been declared on May 28, 2026 for the financial year ended Mar '26. In all your Company has declared a total interim dividend of ₹ 3.50/- per share per equity share of ₹ 1 each representing 350% dividend.

Dividend of ₹ 4.25/- per share (Pre Bonus Issue) declared during May 2025 for year ended Mar'25 was paid out during the year.

Cash flow statement (₹ crores)

Particulars	31.03.2026	31.03.2025
Profit from operations after tax	4,378.50	4,078.74
(Inc)/Dec in Net working capital	413.60	3,740.68
Net cash inflow from operating activities	**4,792.10**	**7,819.42**
Payment for acquisition of assets – net	(977.73)	(924.31)
Cash outflow for investing activities	(2,227.47)	(3,153.55)
Cash outflow from financing activities	(2,217.12)	(3,023.50)
Net cash (outflow) / inflow	**(630.22)**	**718.06**

The year ahead

FY 2025-26 marked another year of resilient performance for your Company, supported by a diversified business model and sustained focus on execution. Looking ahead, the operating environment is expected to remain influenced by global volatility in commodities, interest rates, foreign exchange and logistics, while domestic macro fundamentals and infrastructure-led activity are expected to continue to provide support to the commercial vehicle industry.

Revenue grew by 13.6% year-on-year and operating profit before tax increased by 21.6% in FY 2025-26. Your Company had to consider ₹ 308.48 crores charge (classified as exceptional) towards new wage code introduced by Government of India.

The performance underscores our commitment to profitable and sustainable growth through levers of product premiumization, cost leadership, and expansion of service reach. Our focus remains on expanding operating leverage through stronger price realization, cost optimisation and a favourable business mix. Continued momentum in aftermarket, international operations, defence and power solutions provides resilience across cycles and supports sustained profitability.

Your Company continues to maintain a strong balance sheet and liquidity position, enabling investments in future growth and technology transitions while meeting capital expenditure and shareholder return commitments.

CV industry volume growth exceeded expectation set at the beginning of the FY 2025-26. Post GST rate realization effective September 2025, the sentiments on the ground improved significantly. Consumption demand growth, which had been subdued for few quarters, picked up strongly post GST 2.0. With more disposable income in the hands of consumers, demand grew strongly. The impact of the consumption-led growth and consequential improvement in sentiment was reflected in high double-digit growth in CV volumes in the last 4 months of FY 2025-26.

Domestic macroeconomic indicators and policy thrust on infrastructure and logistics continue to be supportive. Normal monsoon season, sustained public capital expenditure and steady activity across core sectors are key drivers for freight movement and commercial vehicle demand. Global uncertainties, however, have created multiple headwinds to this progress – hardened commodity prices, logistics disruptions, fuel supply issues and energy Inflation and remain key monitorable.

Your Company remains cautiously optimistic for the commercial vehicle industry in FY 2026-27, with growth expected across key segments, supported by infrastructure activity and replacement demand. Your Company's product portfolio is robust, with a strong pipeline across conventional and alternate-fuel platforms. Your Company will continue to strengthen the core propositions of reliability and fuel economy, while further enhancing customer experience by transforming sales and service operations. Leveraging these initiatives, your Company is confident of sustaining momentum in both trucks and buses, while progressing towards its medium-term goal of achieving ~35% market share in MHCV.

Demand outlook for FY 2026-27 is expected to be shaped by (i) continuing infrastructure and road-building activity, (ii) replacement demand supported by an ageing fleet and higher utilization in select corridors, and (iii) improving operating economics driven by better payload and fuel-efficiency choices. In trucks, demand will be led by core haulage and intermediate commercial vehicle applications, while construction and tipper demand will continue to be influenced by the pace and mix of public and private capex. In buses, sustained demand is expected from staff transport, tourism and school segments, along with opportunities in state transport undertakings and institutional tenders.

In LCVs, demand is expected to be supported by last-mile logistics, intra-city distribution and the continued shift towards organized fleet operations. Your Company's priorities include improving portfolio coverage across tonnage and body applications, strengthening channel throughput, and expanding service touchpoints to improve up-time-led customer experience. Your Company will continue to focus on disciplined pricing and value-led variants to build share without compromising profitability.

International Operations are expected to remain an important growth lever, with focus on deeper market coverage, stronger product-market fit and improved parts/service support in key geographies. Exports will continue to be influenced by macro conditions, currency movements and funding availability in certain markets; accordingly, we will remain selective in market prioritization and work closely with channel partners on retail financing solutions. In Defence, our focus remains on execution of the order pipeline, increasing indigenization and deepening capabilities across mobility platforms and aggregates. Aftermarket and power solutions will continue to be strategic priorities given their resilience across cycles and their contribution to operating leverage and cash generation.

From a profitability perspective, your Company will continue to pursue a balanced mix of actions: improved price realization through richer product mix, value engineering and localizations to structurally reduce material costs, and tight overheads control.

Working capital discipline will remain a key focus area, supported by sharper retail collections, inventory optimisation and improved payables management.

The industry is progressing through a multi-technology transition, where alternate fuels and electrification are expected to gain share in specific applications, depending on route profiles, duty cycles, payload requirements and total cost of ownership (TCO). Your Company's approach is to participate across pathways. CNG and LNG for specific regional and long-haul use-cases, battery electric solutions for urban and short-haul duty cycles, fuel cell electric platforms for inter-city applications where refueling time and range are critical, and hydrogen ICE as an evolving option for certain heavy-duty applications. Your Company is ready with products with all the alternate powertrain options and is in position to capitalize on the growth or adoption of any of these technologies.

To further navigate this transition, your Company's priorities include: (i) consolidating modular product architectures that enable commonality across powertrains and faster variant development, (ii) increasing localization and supplier capability for critical aggregates such as batteries, e-axles/e-drives, power electronics and high-pressure fuel systems, (iii) strengthening software, connectivity and energy management capabilities to improve real-world efficiency and uptime, and (iv) expanding the service ecosystem for alternate-fuel vehicles through technician training, special tools, spares availability and safety protocols. In parallel, we will continue to work with ecosystem partners on charging and refueling infrastructure, service models and financing construct to accelerate adoption where customer economics are favourable.

Your Company has already progressed well on developing capabilities in eV motors and eV batteries. During Q4 FY 2025-26, your Company announced ground-breaking for a greenfield battery pack manufacturing facility at Pillaipakkam near Chennai, intended to support Company's electric mobility programmes

Technology transition is also closely linked to the evolving regulatory landscape. We will continue to invest in compliance and validation capabilities for upcoming emission and environmental requirements, and in manufacturing and quality upgrades that support new technologies at scale. These efforts complement our ongoing capital expenditure priorities, including alternate-fuel development programs, digital initiatives in manufacturing and infrastructure improvements across plants.

Key risks to the outlook include demand volatility linked to macro conditions, abnormal increase in fuel prices, interest rates and freight availability, commodity and foreign exchange fluctuations, supply chain disruptions, and heightened competitive intensity. We seek to mitigate these through diversified business levers (aftermarket, exports, defence and power solutions), a strong new-product pipeline, proactive cost and working capital actions, and a continued emphasis on customer experience through stronger uptime and service reach.

G. CREDIT RATINGS

The details of credit ratings are furnished in the Corporate Governance Report which is attached as Annexure-C to this report.

H. HUMAN RESOURCES

During the year under review, the total number of people on the rolls of the Company is 9,891. Material developments in the Human Resource / Industrial Relations front have been detailed under the head "Human Resource" in the Board's Report.

ANNEXURE G TO THE BOARD'S REPORT
CERTIFICATION BY MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFIER AND CHIEF FINANCIAL OFFICER TO THE BOARD

To

The Board of Directors,
Ashok Leyland Limited,
Chennai 600 032.

We, Shenu Agarwal, Managing Director and Chief Executive Officer and K M Balaji, Whole-Time Director and Chief Financial Officer of Ashok Leyland Limited certify that:

A. We have reviewed the Financial Statements and the Cash Flow Statement for the year and to the best of our knowledge and belief:

   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. These statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The Financial Statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's Code of Conduct

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and to the Audit Committee:

   1. That there are no significant changes in internal control over financial reporting during the year;

   2. That there are no significant changes in accounting policies during the year;

   3. That there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

Chennai
May 28, 2026

Shenu Agarwal
Managing Director and Chief Executive Officer

K M Balaji
Whole-Time Director and Chief Financial Officer

ANNEXURE H TO THE BOARD'S REPORT
SECRETARIAL AUDIT REPORT

To

The Members
ASHOK LEYLAND LIMITED
No. 1, Sardar Patel Road
Guindy, Chennai – 600 032

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. We further add that due to the inherent limitations of an audit undertaken by us, there is an unavoidable risk that certain aspects may have gone unnoticed, even though the audit is properly planned and performed in accordance with the Standards.

Signature:

Name of Company Secretary in Practice: B. CHANDRA
ACS No.: 20879 C P No.: 7859
UDIN A020879H000511765
Partner
B Chandra & Associates
Practising Company Secretaries
Peer review no 1711/2022

Chennai
May 28, 2026

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,
ASHOK LEYLAND LIMITED,
No. 1, Sardar Patel Road,
Guindy, Chennai – 600 032

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ashok Leyland Limited bearing CIN L34101TN1948PLC000105 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
    c. The Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations 2015;

d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

(vi) We are informed that the Company, during the year, was not required to comply with the following regulations and consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns under:

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

b. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;

c. Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013

(vii) In addition to the compliance with Factory and Labour Laws as are applicable to a factory, based on the study of the systems and processes in place and a review of the reports of (1) the heads of the Departments; (2) Occupier/Manager of the factories located in Ennore, Sriperumbudur; Hosur (3 units), Bhandara, Alwar, Pantnagar, Vellivoyalchavadi and Vijayawada which manufacture Automobiles and Spare Parts; (3) the compliance reports made by the functional heads of various departments which are submitted to the Board of Directors of the Company; (4) a test check on the licences and returns made available on other applicable laws, we report that the Company has complied with the provisions of the following industry specific statutes and the rules made there under as well as other laws to the extent it is applicable to them:

- Motor Vehicles Act, 1988
- The Motor Transport Workers Act, 1961
- The Explosive Act, 1884
- The Petroleum Act, 1934
- The Environment (Protection) Act, 1986
- The Water (Prevention and Control of Pollution) Act, 1974
- The Air (Prevention and Control of Pollution) Act, 1981

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has, substantially, complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above. The transactions with certain related parties of the subsidiaries were duly ratified by the Audit Committee/ members.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Mr Sven Ennerst was appointed as Independent Director on 1.6.2025 and post unanimous approval was reported under the SEBI Regulations. Ms. Geeta Mathur was appointed as a Woman Independent Director and Mr. K Sridharan was appointed as Independent Director post requisite clearances from authorities as required on 25.8.2025.
- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Based on the minutes made available to us, we report that majority decision is carried through and that there were no dissenting votes from any Board member that was required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor, report deviations to the Board, take corrective actions and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under review, the Company had allotted 293,65,27,276 Bonus Equity Shares of ₹ 1/- each in the ratio 1:1 i.e., 1 (One) fully paid-up Equity Shares of ₹ 1/- each for every 1 (One) existing fully paid-up Equity Share of ₹ 1- each held by the eligible Shareholders,

We further report that during the year under review; the Company had allotted 8,00,000 (including Bonus) Equity shares to the Whole Time Director of the Company pursuant to exercise of options granted under the Ashok Leyland Employees Stock Option Plan 2016.

We further report that under the ESOP Plan 2018 the Company had granted 201,10,000 options to eligible employees. Since none of the vesting conditions were met within the vesting period, there has been no exercise of options till date under the plan. Hence, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors had forfeited all the options under the Plan and had terminated the ESOP Plan 2018 during the year.

The Board of Hinduja Leyland Finance Limited (HLFL) the material subsidiary of the company approved the scheme of merger by absorption of HLFL into NDL Ventures Limited on 25.11.2025 after getting approval of Reserve Bank of India, subject to the approval of Hon'ble National Company Tribunal, Mumbai. Approval of Competition Commission of India was also received during February 2026.

We further report that Ashok Leyland West Africa SA, a step-down subsidiary of the Company, has been voluntarily liquidated during the year.

We further report that the Board had on November 12, 2025 declared Interim dividend of Re. 1/- per equity share of Re. 1/- each, for the financial year ended 31st March 2026.

Signature:

Name of Company Secretary in Practice : B. CHANDRA
ACS No.: 20879 C P No.: 7859
UDIN: A020879H000511765
Partner

B Chandra & Associates
Practising Company Secretaries
PR No. 1711/2022

Place : Chennai
Date: May 28, 2026

ANNEXURE I TO THE BOARD'S REPORT
ANNUAL REPORT ON CSR ACTIVITIES FOR THE FY 2025-26

1. Brief outline on CSR Policy of the Company:

   The Company has always been in the forefront of providing a dedicated approach to social development through various Corporate Social Responsibility initiatives. Recognizing the need and the tremendous opportunity to transform the lives, the Company is committed to work on interventions that lead to sustainable development of the society in areas which are of importance at a national level. The projects undertaken by the Company are within the broad framework of Schedule VII of the Companies Act, 2013 and as per the Company's CSR Policy. Please click here to view the Company's CSR policy that has been uploaded in the website of the Company.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Dheeraj G Hinduja	Executive Chairman / Chairman of the CSR Committee	1	1
2.	Dr. V Sumantran	Independent Director / Member of the CSR Committee	Not applicable	
3.	Mr. Sanjay K Asher	Non-Executive Non-Independent Director / Member of the CSR Committee	1	1
4.	Mr. Shenu Agarwal	Managing Director & Chief Executive Officer / Member of the CSR Committee	1	-

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company: https://www.ashokleyland.com/managementteam and https://www.ashokleyland.com/investor/policies

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.:

   Not applicable

5.

(a)	Average net profit of the company as per sub-section (5) of section 135:	₹ 3,322.49 crores
(b)	Two percent of average net profit of the company as per sub-section (5) of section 135:	₹ 66.45 crores
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:	Nil
(d)	Amount required to be set-off for the financial year, if any: - Surplus from FY 2024-25 being set off during the FY 2025-26	₹ 18.26 crores
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]:	₹ 48.19 crores

6.

(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):	₹ 44.14 crores
(b)	Amount spent in Administrative overheads:	₹ 2.41 crores
(c)	Amount spent on Impact Assessment, if applicable:	-
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]:	₹ 46.55 crores

   (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹ crores)	Amount Unspent (in ₹ crores)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
46.55	1.64	April 29, 2026	Nil	Nil	Nil

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (₹ in crores)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Nil
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (₹ in crores)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (₹ in crores)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹ in crores)	Deficiency, if any
					Amount (₹ in crores)	Date of transfer		
1.	FY 2022-23	-	-	-	-	-	-	-
2.	FY 2023-24	-	-	-	-	-	-	-
3.	FY 2024-25	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not applicable

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not applicable

Chennai
May 28, 2026

Dheeraj G Hinduja
Executive Chairman and Chairman of CSR Committee

Shenu Agarwal
Managing Director & Chief Executive Officer

LINKS TO COMPANY'S POLICIES AND DISCLOSURES

Sl. No	Particulars	Link
1.	Dividend Distribution Policy	**Click here**
2.	Material Subsidiary Policy	**Click here**
3.	Audited Financial Statements of subsidiaries	**Click here**
4.	Terms and conditions of appointment of the Independent Directors	**Click here**
5.	Director's familiarization programme	**Click here**
6.	Annual Return	**Click here**
7.	Remuneration Policy	**Click here**
8.	Disclosure on ESOP	**Click here**
9.	Related Party Transactions Policy	**Click here**
10.	Corporate Social Responsibility Policy	**Click here**
11.	Vigil Mechanism / Whistle Blower Policy	**Click here**
12.	Code of Conduct	**Click here**
13.	Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015	**Click here**
14.	Reasonable assurance of the BRSR core	**Click here**
15.	All policies	**Click here**

ANNEXURE J TO THE BOARD'S REPORT
BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Section A: General Disclosures

I Details of the listed entity

1.	Corporate Identity Number (CIN) of the listed entity	L34101TN1948PLC000105
2.	Name of the Listed Entity	Ashok Leyland Limited
3.	Year of incorporation	1948
4.	Registered office address	No. 1, Sardar Patel Road, Guindy, Chennai – 600 032
5.	Corporate address	No. 1, Sardar Patel Road, Guindy, Chennai – 600 032
6.	Email	secretarial@ashokleyland.com
7.	Telephone	+91 – 44 – 2220 6000
8.	Website	www.ashokleyland.com
9.	Financial year for which reporting is being done	April 1, 2025, to March 31, 2026
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd and National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 587.39 crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Alok Verma Head Corporate Strategy & ESG Telephone: 044 – 2220 6081 Email: Alok.Verma@ashokleyland.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis Data relating to safety incidents, water consumption, waste generation, and air emissions from Sales Offices has not been reported for the current financial year. However, Ashok Leyland Limited ("AL" or the "Company") intends to implement appropriate procedures and systems to enable the systematic tracking, measurement, and reporting of these parameters in future reporting periods.
14.	Name of assurance provider	DNV Business Assurance India Private Limited ("DNV")
15.	Type of assurance obtained	Reasonable Assurance – Core Attributes

II. Products or Services

16. Details of business activities *(accounting for 90% of the turnover):*

Sl. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacture and Sale of Medium and Heavy Commercial Vehicles	Automobile Manufacturing	74.27
2	Manufacture and sale of Light Commercial Vehicles	Automobile Manufacturing	11.05
3	Spare Parts and Others	Automobile Manufacturing	14.67

17. Products/Services sold by the entity *(accounting for 90% of the entity's Turnover):*

Sl. No	Product/Service	NIC Code	% of total Turnover contributed
1	Trucks (M&HCV) Medium & Heavy Commercial Vehicles	29102	58.55
2	Bus (M&HCV) Medium & Heavy Commercial Vehicles	29109	15.72
3	LCV – Light Commercial Vehicles	29104	11.05
4	Spare Parts and Others	50300	14.67

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	10	47	57
International	0	0	0

The Lucknow plant commenced operations only in Jan '26. Social and environmental data from this plant would be reported from FY 27 onwards.

19. Markets served by the entity

a. No. of Location

Locations	Number
National (No. of States)	28 States and 7 Union Territories
International (No. of Countries)	50

b.

What is the contribution of exports as a percentage of the total turnover of the entity	7.03

c. A brief on types of customers

Ashok Leyland, the Indian flagship of the Hinduja Group, is an Indian multinational automotive manufacturer headquartered in Chennai, India. Ashok Leyland caters to a diverse range of customers. The primary categories of customers they cater to:

Commercial Fleet Operators: A significant portion of Ashok Leyland's customers are commercial fleet operators who purchase trucks and buses for transportation and logistics purposes. These include but are not limited to long-haul transporters, local delivery services, and logistics companies. Ashok Leyland provides buses suitable for transportation of corporate employees and to institutions such as schools and colleges. It also provides buses to private players who operate intercity travel and tourist movement.

Retail: These are small fleet or single truck owners who purchase and operate vehicles for their own purposes. Ashok Leyland supplies vehicles as well as gensets to cater to the needs of these customers also.

Government: Another major customer segment includes government agencies like the state transportation departments that procure buses for public transportation systems within cities and states, municipal corporations and panchayats that procure trucks for solid waste management, other union and state government department that procure buses and trucks for transportation of personnel and goods.

Industrials: Ashok Leyland also manufactures vehicles like Tippers and Transit mixers that are used in construction and mining operations. The Ashok Leyland product portfolio also has diesel engines for industrial, genset and marine applications.

Defence and Military: With the largest fleet of logistics vehicles deployed in the Indian Army and significant partnerships with armed forces across the globe, Ashok Leyland vehicles for Defence and Special applications helps keep borders secure.

International Markets: The company exports its vehicles to various countries in the Middle East, Africa, South Asia, Latin America, and certain parts of the CIS countries catering to similar sectors as the domestic market.

Special Application Vehicles: Ashok Leyland also manufactures vehicles for special applications such as Tanker trucks for Petroleum, Oil and Lubricants (POL) and Chemicals transportation, Reefers for refrigerated goods transport, ambulances, and other custom-built vehicles as per the specific requirements of clients. It is also one of the largest providers of ultra-low entry buses for Tarmac application.

Ashok Leyland's customer base is very broad, and they tailor their vehicles to meet the needs of different sectors and industries, ensuring utility, reliability, and efficiency.

IV. Employees

20. Details as at the end of Financial Year

a. Employees and workers (including differentially abled)

Sl. No	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	5,807	5,301	91.29	506	8.71
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total Employees (D+E)	5,807	5,301	91.29	506	8.71
Workers						
4.	Permanent (F)	4,084	4,054	99.27	30	0.73
5.	Other than Permanent (G)	26,207	24,210	92.38	1,997	7.62
6.	Total Workers (F+G)	30,291	28,264	93.31	2,027	6.69

b. Differently abled employees and workers

Sl. No	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Differently abled Employees						
1.	Permanent (D)	6	5	83.33	1	16.67
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total Employees (D+E)	6	5	83.33	1	16.67
Differently abled Workers						
4.	Permanent (F)	47	47	100	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total Workers (F+G)	47	47	100	0	0

21. Participation/Inclusion/Representation of Women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	11	1	9.09
Key Management Personnel*	3	0	0

**In terms of Section 203 of the Companies Act, 2013*

22. Turnover rate for permanent employees and workers

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Permanent Employees	6.35%	0.77%	7.13%	7.87%	7.74%	7.86%	7.62%	10.05%	7.77%
Permanent Workers	7.98%	0.00%	7.90%	5.57%	0.00%	5.52%	3.44%	0.00%	3.42%

V Holding, Subsidiary and Associate Companies (including joint ventures)

23. Names of holding/subsidiary/associate companies/joint ventures

Sl. No	Name of the holding/ subsidiary/associate/ companies/ joint ventures (A)	Holding/subsidiary/ associate/ joint venture	% of shares held
1	Hinduja Automotive Limited, U.K.	Holding	50.85
2	Albonair GmbH, Germany	Wholly owned subsidiary	100.00
3	Albonair (Taicang) Automotive Technology Co., Limited , China	Wholly owned subsidiary (Step down)	100.00
4	Albonair (India) Private Limited	Wholly owned subsidiary	100.00
5	Ashok Leyland (Nigeria) Limited	Wholly owned subsidiary	100.00
6	Ashok Leyland (Chile), S.A.	Wholly owned subsidiary	100.00
7	Ashok Leyland Foundation	Wholly owned subsidiary	100.00
8	OHM Global Mobility Private Limited	Wholly owned subsidiary	100.00
9	Ashley Aviation Limited	Wholly owned subsidiary	100.00
10	Ashok Leyland (UAE) LLC (including shareholding held in beneficial position)	Wholly owned subsidiary	100.00
11	Ashok Leyland Saudi Company	Wholly owned subsidiary (Step down)	100.00
12	Ashok Leyland West Africa SA*	Wholly owned subsidiary (Step down)	100.00
13	Vishwa Buses and Coaches Limited	Wholly owned subsidiary	100.00
14	Gulf Ashley Motor Limited	Subsidiary	93.15
15	Optare Plc., U.K.	Subsidiary	93.28
16	Optare UK Limited	Subsidiary (Step down)	92.91
17	Switch Mobility Limited, U.K. (formerly Optare Group Limited)	Subsidiary (Step down)	92.91
18	Switch Mobility Automotive Limited	Subsidiary (Step down)	92.91
19	Switch Mobility Europe S.l., Spain	Subsidiary (Step down)	92.91
20	HLF Services Limited	Subsidiary	82.05
21	Gro Digital Platforms Limited	Subsidiary	80.56
22	Hinduja Tech Limited	Subsidiary	72.93
23	Hinduja Tech GmbH, Germany	Subsidiary (Step down)	72.93
24	Hinduja Tech Inc., USA	Subsidiary (Step down)	72.93
25	Hinduja Tech (Shanghai) Co., Limited	Subsidiary (Step down)	72.93
26	Hinduja Tech Canada Inc., Canada	Subsidiary (Step down)	72.93
27	Drive System Design Limited, U.K.	Subsidiary (Step down)	72.93
28	Drive System Design Inc., USA	Subsidiary (Step down)	72.93
29	Drive System Design s.r.o., Czech	Subsidiary (Step down)	72.93
30	Hinduja Tech Limited, U.K.	Subsidiary (Step down)	72.93
31	TECOSIM Group GmbH, Germany	Subsidiary (Step down)	72.93
32	TECOSIM GmbH, Germany	Subsidiary (Step down)	72.93
33	TECOSIM Engineering Services Private Limited, India	Subsidiary (Step down)	72.93
34	TECOSIM Japan Ltd, Japan	Subsidiary (Step down)	72.93
35	TECOSIM Limited, U.K.	Subsidiary (Step down)	72.93
36	TECOSIM Engineering S.R.L, Romania	Subsidiary (Step down)	72.93
37	TECOSIM Inc, USA	Subsidiary (Step down)	72.93
38	Global TVS Bus Body Builders Limited	Subsidiary	66.67
39	Hinduja Leyland Finance Limited	Subsidiary	61.12
40	Hinduja Housing Finance Limited	Subsidiary (Step down)	61.12
41	Gaadi Mandi Digital Platforms Limited	Subsidiary (Step down)	61.12
42	Ashley Alteams India Limited	Joint Venture	50.00

Sl. No	Name of the holding/ subsidiary/associate/ companies/ joint ventures (A)	Holding/subsidiary/ associate/ joint venture	% of shares held
43	TVS Trucks and Buses Private Limited	Joint Venture	49.90
44	Ashok Leyland Defence Systems Limited	Associate	48.49
45	Mangalam Retail Services Limited	Associate	37.48
46	ZeBeyond Limited, U.K.	Joint Venture of Subsidiary	20.84
47	Lanka Ashok Leyland PLC Plc	Associate	27.85
48	Rajalakshmi Wind Energy Limited	Associate	26.00
49	Prathama Solar Connect Energy Private Limited	Associate	26.00
50	HR Vaigai Private Limited	Associate	26.00
51	Ashok Leyland John Deere Construction Equipment Company Private Limited (Under liquidation process)	Joint Venture	46.90

* Voluntarily liquidated

Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)

Yes, there are instances where joint initiatives have been carried out. However, Subsidiaries/Associates/ Joint Ventures also independently manage their own business responsibility initiatives.

VI. CSR Details

24.

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii) Turnover (in ₹ crores)	44,007.03
(iii) Net Worth (in ₹ crores)	13,113.42

VII Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

Stakeholder group whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		No. of complaint filed during the year	No. of complaints pending resolution at close of the year	Remark	No. of complaints filed during the year	No. of complaint pending resolution at close of the year	Remark
Communities	No	0	0	-	0	0	-
Investors (other than shareholders)	Yes	0	0	-	0	0	-
Shareholders	Yes	25	0	-	22	0	-
Employees and workers	Yes POSH Policy	117	0	POSH, Working conditions, Health, and Safety	80	1	POSH, Working conditions, Health, and Safety
Customers	Yes	6,755	92	Complaints from Reach us (secretarial and mail to MD&CEO, CFO), AL India Official Social Media accounts	6,208	23	Complaints from Reach us (secretarial or mail to MD), AL India Official Social Media accounts
Value Chain Partners	Yes Whistle-blower Policy	3	0	Part of Whistle-blower Policy	4	0	Part of Whistle-blower Policy
Others (please specify)	No	0	0	-	0	0	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (Indicate positive or negative implications
1	Product Safety, Quality, and Innovation	Opportunity	The Company's dedication to innovation, ensuring product safety, and meeting quality standards enhances its brand value and solidifies customer trust.		- Reduced product recalls
2	Customer Relationships and Satisfaction	Risk	Ensuring that the Company's products and services exceed customer expectations helps to avoid costly litigation, strengthens customer trust, and boosts sales.	- Provision of transparent information and honest advice regarding our products and services. - Enhancement of our customer relationships and responsiveness to their needs, utilizing initiatives like PRISM 2.0, LEAD, SELECT, and i-alert. - Maintenance of an attentive after sales service, including a 24/7 toll-free call center, website, social media, and a dedicated complaint management system for prompt resolution of issues.	- Lower revenue - Financial obligation due to litigation
3	Business Growth and Profitability	Risk	The Company's failure to absorb losses due to unexpected contingencies and sudden external shocks could have severe repercussions, threatening the business's sustainability.	- Implementing robust Environmental, Social, and Governance (ESG) policies. - Developing systems and processes centered on sustainability. - Crafting a business model resilient to disruptions.	- Financial losses - Depletion of reserves
4	Regulatory Compliance	Risk	Violating regulatory compliance typically incurs legal obligations, such as fines and penalties.	- Cultivating an ethical organizational culture with an emphasis on transparency and compliance. - Routinely conducting risk assessments to pinpoint and address potential compliance risks.	- Fines and Penalties
5	Road and Occupational Safety	Opportunity	The Company's implementation of health and wellbeing initiatives is leading to higher employee productivity and lower attrition, while its road safety awareness programs are effectively promoting adherence to safety rules among the community and drivers.		- Lower talent acquisition costs - Lower injury rate - Increased customer loyalty

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (Indicate positive or negative implications
6	Inclusive growth with community development	Opportunity	The Company secures goodwill with local and marginalized communities by implementing community development programs, thereby affirming its social license to operate.		Increase in revenue share from socially conscious customers
7	Sustainable Supply Chain and Sourcing	Opportunity	The Company commits to maintaining a supply chain that is environmentally friendly, prioritizes local sourcing and is socially responsible, contributing to both stability and diversity as well as generating local job opportunities.		- Lower raw material procurement cost - Reduction in transportation costs
8	Recruitment and Talent Retention	Opportunity	Initiating employee benefit schemes, providing competitive salaries, and embracing workforce diversity are strategies the Company employs to retain top talent and foster diverse perspectives in its decision-making process.		Reduced recruitment cost
9	Grievance Mechanism	Opportunity	The establishment of a strong grievance redressal mechanism by the Company reinforces adherence to regulations and cultivates trust among customers, investors, and employees.		- Legal fines and penalties
10	Cybersecurity	Risk	The Company is at the risk of economic and reputational losses, as well as diminished customer trust in case there is insufficient data security and privacy protection measures.	- The deployment of robust information security systems and the enactment of stringent policies for handling sensitive customer data. - The establishment of an Information Security/ Cybersecurity policy that is accessible to all employees within the organization.	- Regulatory fine and penalty - Legal fees in case of customer lawsuits - Loss of customers
11	Resource Optimisation and Operational Eco-Efficiency	Opportunity	By optimizing resource utilization, the Company not only enhances its operational efficiency but also appeals to eco-conscious customers.		- Lower Operational Cost - Increase in revenue share from environmentally conscious customers
12	Human Rights	Risk	Non-compliance with human rights regulations exposes the company to risks such as penalties and reputational harm.	The company ensures adherence to international and national human rights standards across its operations and throughout its value chain.	- Regulatory fine and penalty - Reduced access to capital from socially conscious investors - Increased costs relating to talent acquisition

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (Indicate positive or negative implications
13	Anti-Bribery and Corruption	Risk	The Company faces the risk of legal fines, penalties, reputational damage, business disruption, and a loss of trust if it fails to comply with ethical business practices.	- Fortifying internal controls for rigorous compliance with all pertinent regulations. - Crafting comprehensive programs aimed at heightening ethical awareness and education among internal stakeholders. - Implementing a robust and responsive whistle-blower and grievance redressal framework to empower transparency and accountability.	- Legal Fines and Penalties
14	Training and Education	Opportunity	The company is committed to providing skill enhancement and qualification opportunities to employees, fostering career advancement, and leading to improved employee retention.		- Reduced costs relating to talent acquisition - Skilledwork force results in better productivity
15	Labour - Management Relationship	Risk	The company actively supports its workers' right to form unions and negotiate collectively, leading to increased satisfaction among the workforces.	- Encouraging workers to join autonomous unions. - Engaging with union representatives to further the well-being of workers.	- Reduced costs relating to talent acquisition
16	Anti-Competitive Practices	Risk	The Company risks incurring legal repercussions, tarnishing its reputation, suffering business interruptions, and diminishing trust if it fails to uphold ethical business practices.	- Establishing internal controls to enhance adherence to relevant laws. - Creating a strategy for awareness programs and ethical practice training for internal stakeholders. - Setting up a robust whistle-blower and grievance resolution system.	- Legal Fines and Penalties - Dissolution of business

Section B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements:

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	Policies (ashokleyland.com)								
	Affirmative Action			Y		Y			Y	Y
	AL Fair Disclosure Policy	Y								
	- Anti-Bribery and Anti-Corruption Policy	Y		Y		Y			Y	Y
	Archival Policy	Y								

ANNEXURE J TO THE BOARD'S REPORT
BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management processes										
	Biodiversity Policy and No-Deforestation Commitment						Y			
	Board Diversity Policy	Y				Y				
	Code of Conduct and Ethics Policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Code of Conduct for the Board Members and the Senior Management	Y	Y	Y	Y	Y		Y	Y	Y
	Code of conduct to regulate, monitor and report trading by designated persons	Y	Y	Y	Y	Y		Y		
	Conflict Mineral Policy		Y				Y			
	Conflict of Interest Policy	Y								
	Contact details of Key Managerial Personnel as required under Regulation 30(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Y								
	Corporate Social Responsibility Policy of Ashok Leyland Limited	Y			Y			Y		
	Dividend Distribution Policy	Y							Y	
	Environment Health and Safety Policy		Y	Y	Y		Y		Y	
	ESG (Environmental, Social, Governance) Policy		Y	Y	Y		Y			
	Green Procurement Policy		Y				Y			
	Information Security Policy Statement									Y
	Penalty for Contravention of Company's Code of Conduct to Regulate, Monitor and Report Trading by Insiders	Y								
	Policy for consideration and approval of RPT	Y								
	Policy on disclosure of material events or information	Y								Y
	Policy on Material Subsidiary	Y								
	Prevention of Sexual Harassment at Workplace			Y	Y	Y				
	Quality Policy									Y
	Re-dream - Back to Work Program for Women			Y		Y				
	Remuneration Policy	Y		Y						
	Supplier Code of Conduct		Y						Y	Y
	Sustainability Policy		Y				Y			
	Whistleblower Policy			Y	Y	Y				
2.	Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y

4.	Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	1. ISO 14001:2015 Environmental Management System 2. ISO 45001:2018 3. IATF – International Automotive Task Force 4. ISO 27001:2022 – Information Security Management System 5. ISO 31000:2018 – Integrated COSO ERM Framework 6. ISO 14064-1:2018 – Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals 7. Global Reporting Initiatives (GRI) Standards 8. Sustainable Development Goals (UN-SDG) 9. OHSAS 10. General Data Protection Regulation (GDPR) and Digital Personal Data Protection Act (DPDP) 2023

5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Ashok Leyland has identified and set goals and targets for each principle along with defined timelines. The following are the goals committed by the Company: - Net Zero – Achieve Net Zero by 2048 - Carbon Neutrality – Achieve Carbon Neutrality in operations by 2030. - Renewable Energy (RE) – Committed to 100% renewable energy use by 2030 across operations. - Water Positivity - Attain 80% self-reliance on Water by 2030 - Resource Efficiency - Zero Waste to Landfill across business operations. - Diversity, Equity, and Inclusion - Improve gender diversity across business operations. - Health and Safety – Instil a Zero Harm Work environment. - Community Development - Improved coverage of Road to school, Road to Livelihood, and Jal Jeevan - Board Independence & Practices - Improve Board Diversity - Compliance - Compliance with Competitiveness in ESG creating business value
6.	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	The performance of the commitments on each goals and targets are reviewed on a periodic basis by the respective internal team. The performance for each topic is depicted in the Annual Report FY 2025-26.
Governance, Leadership, and Oversight		
7.	Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)	AL's sustainability journey reflects a commitment to responsible growth, anchored in its ESG vision and embedded within its core strategy. With targets of achieving carbon neutrality in operations and 100% renewable energy use by 2030, and net-zero emissions by 2048, sustainability remains a key driver of value creation, underpinned by a Net Zero roadmap across four strategic streams. Renewable energy adoption has strengthened, with utilization reaching 77% in FY26, up from 69% in FY25, with 85% envisaged by FY27. Water stewardship has advanced, with rainwater utilization at 19.5%, and a commitment to 80% water self-reliance by 2030. AL has been certified Water Positive, with 68% recycling and groundwater dependency below 50%, reflecting continued commitment to Zero Liquid Discharge. Zero Waste to Landfill certification has been maintained, plastic neutrality sustained under EPR commitments, and biodiversity and climate risk assessments undertaken to identify, quantify, and manage emerging environmental risks. AL has achieved best-in-class energy, emissions and water intensity among peers through energy audits, ENCON projects, RE adoption, and sustainable water initiatives. In sustainable mobility, AL advanced in green technologies across battery, electric, and hydrogen platforms. Deployment of BOSS BEV Haulage and AVTR BEV 55T vehicles has enabled on-road validation covering over 30 lakh kms, while hydrogen fuel cell buses progress towards adoption, reinforcing a multi-fuel decarbonization approach. Life cycle assessments for the 12m diesel and electric bus have been conducted to quantify lifecycle emissions. Under the AL HARIT initiative, your Company has established its first Registered Vehicle Scrappage Facility in Ahmedabad, advancing its circular economy agenda. AL is advancing remanufacturing of used and end-of-life engines to OEM product standards, with 5,610 engines reconditioned for lifecycle extension, available across India through Ashok Leyland authorized channel partners. Internally generated scrap is channelled through foundry operations, achieving 87.5% recycling and reinforcing closed-loop material circularity. On the social front, the Road to School program has cumulatively benefited over 6.26 lakh students across 13 states, marking a significant milestone towards impacting 1 million children. Employee volunteering has been strengthened through a formal policy framework. Gender diversity stands at 9.66%, with 50% hiring achieved at GET level. Driver skilling initiatives have trained over 3 lakh drivers, enabling placements for over 6,700 individuals. The Re-AL platform has onboarded over 13,000 users and listed 8,400 vehicles cumulatively, enhancing transparency in the pre-owned vehicle ecosystem. Sustainability reporting is supported by BRSR reasonable assurance by M/s DNV. Supply chain engagement has been strengthened through quantified ESG scoring, capacity building, target setting, and independent assessment by CII Ecoedge, accelerating value chain decarbonization. Participation in AutoCAST reinforces commitment to low-emission materials. AL's ESG performance is positively recognized by DJSI, NSE ESG assessments, and ranked 3rd in the India's Most Sustainable Companies by Businessworld. Through collaboration with Smart Freight Centre, LeadIT, and C40, your Company continues to shape the sustainable mobility ecosystem — reinforcing the conviction that responsible business is, and will remain, a source of enduring competitive advantage.

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Alok Verma Head of Corporate Strategy & ESG
9.	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Board has constituted the Environmental, Social and Governance Committee ('ESG Committee') to oversee the sustainability related issues. The details for the same is detailed out in Annexure C to the Board's Report.

10. Details of Review of NGRBC by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/Any other committee									Frequency (Annually/Half Yearly/Quarterly/Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	All policies are reviewed periodically or on need basis from time to time and updates are made wherever required.								
Compliance with statutory requirement of relevance to the principles &, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	A	A	A	A	A	A	A	A

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11.	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	N	N	N	N	N	N	N	N	N

12.	If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated									
	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	The entity does not consider the principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
	It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

**A – Annually, Y - Yes, N – No, NA – Not Applicable*

Section C: Principle Wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership." While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

ANNEXURE J TO THE BOARD'S REPORT
BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	7	Principle 1, 3, 5 and 6	100%
Key Managerial Personnel	1	Principle 3	100%
Employees other than BoD and KMPs	1,041	Principle 1,3 and 5	74.35%
Workers	520	Principle 1, 3 and 5	94.20%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

Penalty/Fine	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Settlement	Nil. There were no monetary fines/penalties/punishment/award/compounding fees/settlement amount paid during the financial year				
Compounding Fee					

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil. There were no non-monetary cases leading to imprisonment and punishments during the financial year.			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not Applicable as there were no cases during the financial year	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy

   Yes, Ashok Leyland has implemented an Anti-Corruption and Anti-Bribery Policy and committed to act professionally and fairly with integrity in all its business dealings, relationship and in its all operations and to enforce effective systems to counter bribery. AL has maintained a zero-tolerance on bribery, facilitation payments, or corrupt practices.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2025-26	FY 2024-25
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

   Not Applicable. There were no cases of corruption and conflict of interest during the financial year.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025-26	FY 2024-25
Number of days of accounts payable	77	78

9. Open-ness of business

   Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameters	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	2.67	0.78
	b. Number of trading houses where purchases are made from	12	5
	c. Purchases from top ten trading houses as % of total purchases from trading houses	2.66	0.78
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	85.26	84.85
	b. Number of dealers/ distributors to whom sales are made	1,786	1,346
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	23.85	29.61
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	5.79%	6.17%
	b. Sales (Sales to related parties / Total Sales)	7.71%	4.65%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0.00	0.00
	d. Investments (Investments in related parties/Total Investments made)	61.42%	63.24%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	Strategic Partners Meet - SSC requirements including ESG goals	>50%
1	Supplier Summit - SSC requirements including ESG goals	>95%
3	ESG Awareness and Training to suppliers by internal and External experts – Sustainability & BRSR Core requirement	75.15%

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
10	A Panel Meetings- Sustainability and Capability development	13.45%
2	ESG Awareness and Training to suppliers by CII-CESD – Sustainability & BRSR Core requirement	64%
1	Hand holing support for BRSR reporting by FITSOL Supply Chain Solution – BRSR Core disclosure	2.35%
2	AL - SUSTiNT - Initiative for collaborative approach among supplier partners to accelerate sustainability practices across our supply ecosystem.	9.25%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

   - AL is committed to conducting its operations in a manner that ensures Directors, employees, and all stakeholders make decisions free from conflicts of interest. A comprehensive Conflict of Interest Policy is published on the AL website.
   - In addition, AL has implemented a separate Code of Conduct for the Board of Directors and Senior Management, clearly outlining requirements for the prevention and disclosure of any actual or potential conflicts of interest. The Board and senior management formally confirm their compliance with this Code on an annual basis.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	25	20	• Alternate fuel projects like BEV, LNG, H2 ICE, Fuel cell, Regulation related projects like WLTP, ADAS, Pass by noise (PBN), CPCB IV+, LCV Chassis dynamometer, Battery Electric Vehicle Development Center. • Defence projects, Improvement of driver comfort and Ergonomics with features like AMT, AC regulation compliance, Air Suspension, Roof sheet upgradation, Fire Safety improvements.
Capex	10	16	• Manufacturing facilities and tooling related to regulation projects, Alternate energy vehicle development projects, Defence projects, Usage of alternate energy (electric, LPG, CNG), Water conservation projects, Energy saving projects, Sewage disposal improvement. • Safety improvements related to fire, electrical, working at heights etc., Security improvement with face reader, turnstile & CCTV, Restroom improvements, Improvements in canteen infrastructure, AC / fan for employees, Drinking water facilities, Skill development.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   Yes

   b. If yes, what percentage of inputs were sourced sustainably?

   100%

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

   (a) Plastics: Plastic packaging materials are handled in compliance with Extended Producer Responsibility (EPR) regulations. Plastic components used in vehicles are appropriately labelled to enable easy identification and recycling. Post-consumer plastic packaging waste generated from vehicles and spare parts is processed by Pollution Control Board–approved authorized vendors to achieve EPR compliance targets.

   (b) E-Waste: Electronic waste is recycled through recyclers authorized by the Pollution Control Board (PCB), in accordance with the E-Waste Management Rules.

(c) **Hazardous Waste:** All hazardous waste generated or installed in vehicles is safely removed at the initial stage of the vehicle scrapping process. This includes used oil and other hazardous materials such as refrigerants and battery waste. The collected hazardous waste is sent for recycling or reuse through authorized vendors who possess valid co-processing certificates.

(d) **Other Waste:** Under the RVSF initiative, during the final stage, all ferrous and non-ferrous metals will be recovered from vehicles for recycling, thereby enhancing circularity and reducing the environmental impact of manufacturing new vehicles without compromising quality or standards. During the financial year, AL recycled cast iron through AL Foundry and Ashley Alteams, achieving 87.55 percent recycling of cast iron. Additionally, under the RECON Initiative, 5,610 engines were reconditioned. For packaging plastics, AL ensured full compliance with EPR requirements, achieving 100 percent EPR compliance.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same

Yes. Extended Producer Responsibility (EPR) obligations relating to plastics, End-of-Life Vehicles (ELV), and imported batteries are applicable to the organization. Ashok Leyland has complied with all norms and guidelines prescribed by the respective Pollution Control Boards under the EPR framework.

The organization follows a zero waste to landfill strategy, supported by strict segregation of waste at the source across its operations. All requisite EPR credit certificates have been duly obtained from authorized recyclers and suppliers. Additionally, all statutory EPR returns have been filed well within the stipulated timelines with the Pollution Control Boards, ensuring full regulatory compliance.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
29109	12-Meter Bus BS-VI Diesel	-	Cradle to Grave	No	No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

Name of Product/Service	Description of the risk/concern	Action taken
12-Meter Bus BS-VI Diesel	No significant risk was identified from the LCA study undertaken.	

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Cast Iron	87.55% (Overall Production of 100,092 MT)	86% (Overall Production of 96,829 MT)

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2025-26			FY 2024-25		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely disposed
Plastics (including packaging)	Plastic Recycling as part of EPR compliance to meet the compliance mandate of 2,098 MT by CPCB			Plastic Recycling as part of EPR compliance to meet the compliance mandate of 1,879 MT by CPCB		
E-Waste						
Hazardous Waste						
Other Waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastics	100%

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicator

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	5,301	5,301	100	5,301	100	0	0	5,301	100	0	0
Female	506	506	100	506	100	506	100	0	0	0	0
Total	**5,807**	**5,807**	**100**	**5,807**	**100**	**506**	**8.71**	**5,301**	**91.29**	**0**	**0**
Other than Permanent Employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

b. Details of measures for the well-being of workers

Category	% of workers covered by										
	Total (A)	Health Insurance*		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	4,054	4,054	100	4,054	100	0	0	0	0	4,054	100
Female	30	30	100	30	100	30	100	0	0	30	100
Total	**4,084**	**4,084**	**100**	**4,084**	**100**	**30**	**0.73**	**0**	**0**	**4,084**	**100**
Other than Permanent Workers											
Male	24,210	24,210	100	24,210	100	0	0	0	0	24,210	100
Female	1,997	1,997	100	1,997	100	1,997	100	0	0	1,997	100
Total	**26,207**	**26,207**	**100**	**26,207**	**100**	**1,997**	**7.62**	**0**	**0**	**26,207**	**100**

**AL facilitates the health insurance coverage for its permanent workers by centralising the negotiation of terms and the payment of premiums upfront. While for the non-permanent workforce, AL ensures that they have the ESI provision*

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the company	0.56	0.57

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority. (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority. (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	100 (Eligible Employees)	100	Y	100 (Eligible Employees)	100	Y
Others – please specify	0	0	NA	0	0	NA

3. Accessibility of workplaces

   Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

   - Yes, Ashok Leyland ensures that its premises and offices are accessible to persons with disabilities, in compliance with the Rights of Persons with Disabilities Act, 2016.
   - The Company is committed to fostering an inclusive and accessible environment across all offices and manufacturing plants.
   - Proactive infrastructure enhancements have been implemented to address mobility and accessibility requirements, with facilities designed or adapted to meet diverse needs and reasonable accommodations provided on a case-by-case basis.
   - Ashok Leyland actively seeks feedback from employees, workers, and visitors to continually strengthen accessibility measures, supported by detailed feasibility assessments to identify and address the specific needs of persons with disabilities at each location.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

   - Ashok Leyland upholds a policy of equal opportunity in compliance with the Rights of Persons with Disabilities Act, 2016. Through its Code of Conduct for executives, the Company embeds a firm commitment to equitable employment practices, ensuring non-discrimination on the grounds of race, creed, caste, religion, nationality, gender, colour, ancestry, ethnic origin, marital status, sexual orientation, or disability unrelated to job requirements. (Code of Conduct)
   - Recognising that long-term competitiveness is intrinsically linked to societal wellbeing, Ashok Leyland remains committed to inclusive growth, maintaining its position as an equal opportunity employer. The Company unequivocally refrains from engaging in or endorsing any form of discrimination and actively extends equal employment opportunities to candidates from disadvantaged backgrounds, subject to possession of the requisite skills and qualifications as publicly advertised. (Affirmative-Action Policy)

5. Return to work and Retention rates of permanent employees and workers that took parental leave

	Permanent Employees		Permanent Workers	
Gender	**Return to work rate**	**Retention Rate**	**Return to work rate**	**Retention Rate**
Male	99.23	100	Not Applicable	Not Applicable
Female	71.11	100	Not Applicable	Not Applicable
Total	**95.08**	**100**	Not Applicable	Not Applicable

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

   - Ashok Leyland has established structured mechanisms to receive, assess, and resolve grievances raised by employees and workers, reinforcing a fair and respectful workplace culture.
   - The Company has implemented a comprehensive Prevention of Sexual Harassment (PoSH) Policy in full alignment with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, reflecting a zero-tolerance approach to harassment and discrimination.
   - The PoSH Policy defines clear behavioural expectations, prescribes formal protocols for complaint handling, ensures proportional disciplinary action, and emphasises prevention while safeguarding the dignity of all employees. (PoSH Policy)

- A unified grievance redressal framework is administered by the Human Resources (HR) and Employee Relations (ER) function across all plants and business units to ensure timely and consistent resolution of concerns.
- Multiple channels are available for grievance reporting, including verbal and written submissions, digital platforms, HR systems, ER representatives, supervisors, suggestion schemes, and union forums.
- The "Red Book" mechanism enables permanent associates to lodge operational and administrative grievances, which are addressed within defined turnaround times based on urgency and complexity.
- Apprentices, contract workers, non-permanent associates, and third-party employees may approach HR, ER focal points, Learning Centres, Contract Supervisors, or designated monthly forums for prompt resolution of issues.
- Workplace grievances are regularly reviewed during shop-floor GEMBA meetings to promote transparency, collaboration, and swift problem-solving.
- Escalated or complex matters receive structured oversight from the IR Executive Council and the IR Apex Council.
- Dedicated Employee Relations focal points, along with on-site medical and social counsellors, support employee wellbeing across all manufacturing locations.
- Regular Pulse, Happiness, and Engagement Surveys are conducted to proactively identify concerns and strengthen workplace harmony.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	NA

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	**FY 2025-26**			**FY 2024-25**		
	Total employees/ workers in respective category (A)	**No. of employees/ workers in respective category who are part of association(s) or Union (B)**	**% (B/A)**	**Total employees/ workers in respective category (C)**	**No. of employees/ workers in respective category who are part of association(s) or Union (D)**	**% (D/C)**
Total Permanent Employees	**5,807**	**Not Applicable**	**Not Applicable**	**5,278**	**Not Applicable**	**Not Applicable**
Male	5,301	Not Applicable	Not Applicable	4,886	Not Applicable	Not Applicable
Female	506	Not Applicable	Not Applicable	392	Not Applicable	Not Applicable
Total Permanent Workers	**4,084**	**4,084**	**100**	**4,417**	**4,417**	**100**
Male	4,054	4,054	100	4,364	4,364	100
Female	30	30	100	53	53	100

8. Details of training given to employees and workers:

Category	**FY 2025-26**					**FY 2024-25**				
	Total (A)	**On Health and Safety measures**		**On Skill upgradation**		**Total (D)**	**On Health and Safety measures**		**On Skill upgradation**	
		No. (B)	**% (B/A)**	**No. (C)**	**% (C/A)**		**No. (E)**	**% (E/D)**	**No. (F)**	**% (F/D)**
Employees										
Male	5,335	725	13.59	4,342	81.38	4,886	1,572	32.17	3,227	66.05
Female	508	105	20.67	431	84.84	392	230	58.67	354	90.31
Total	**5,843**	**830**	**14.20**	**4,773**	**81.68**	**5,278**	**1,802**	**34.14**	**3,581**	**67.85**

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and Safety measures		On Skill upgradation		Total (D)	On Health and Safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Male	28,264	28,264	100	28,264	100	27,833	27,833	100	27,833	100
Female	2,027	2,027	100	2,027	100	1,755	1,755	100	1,755	100
Total	**30,291**	**30,291**	**100**	**30,291**	**100**	**29,588**	**29,588**	**100**	**29,588**	**100**

9. Details of performance and career development reviews of employees and worker

Category		FY 2025-26			FY 2024-25	
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	5,301	5,301	100	4,886	4,886	100
Female	506	506	100	392	392	100
Total	**5,807**	**5,807**	**100**	**5,278**	**5,278**	**100**
Workers						
Male	4,054	Not Applicable	Not Applicable	4,364	Not Applicable	Not Applicable
Female	30	Not Applicable	Not Applicable	53	Not Applicable	Not Applicable
Total	**4,084**	**Not Applicable**	**Not Applicable**	**4,417**	**Not Applicable**	**Not Applicable**

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

- Yes, Ashok Leyland has developed and implemented a comprehensive in-house Health and Safety Management System across all manufacturing facilities, aligned with global best practices and operational standards.
- All manufacturing locations are certified to ISO 45001:2018, affirming the Company's commitment to occupational health, safety, and continual improvement.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- Ashok Leyland follows a structured and comprehensive process for identifying work related hazards and assessing associated risks across all manufacturing facilities.
- Hazard Identification and Risk Assessment (HIRA) is systematically conducted for all routine operations to identify potential hazards and evaluate risk levels.
- Job Safety Analysis (JSA) is undertaken for non routine and non standard activities to ensure detailed risk evaluation and implementation of appropriate control measures.
- HIRA and JSA processes are fully integrated into the Company's in house Health and Safety Management System and aligned with ISO 45001:2018 requirements.
- Periodic internal safety audits are conducted at all facilities based on HIRA findings and statutory compliance obligations.
- All ISO 45001:2018 certified plants undergo regular external audits by accredited agencies, with no major non conformances reported during FY 2025–26.
- The Company operates under a formal Environment, Health and Safety (EHS) Policy, overseen by an EHS Council responsible for governance and performance oversight.
- The EHS Management System is reviewed regularly, including monthly performance assessments by the leadership team.
- As part of ongoing risk prevention initiatives, all manufacturing facilities conduct monthly checklist based audits, supported by corrective and preventive actions.
- Targeted risk mitigation initiatives are implemented in critical areas such as rooftop safety, electrical safety, paint process safety, material handling, and working at height.
- Standardised common SOPs have been developed and implemented to ensure consistent safety practices and compliance across all locations.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

- Yes, Ashok Leyland has established a formal and well defined process across all manufacturing facilities that enables employees, including contractual workers, to report work related hazards and withdraw from unsafe conditions without impediment.
- The Company promotes an empowered safety culture, encouraging proactive reporting of hazards, unsafe acts, and unsafe conditions across all levels of the workforce.
- All reported safety incidents are systematically documented and periodically reviewed by site level safety committees, ensuring structured evaluation and response.
- Identified risks and hazards are integrated into the in house Occupational Health and Safety Management System, encompassing incidents such as injuries, near misses, safety violations, mechanical hazards, and vehicular incidents.
- Employees actively participate in discussions on corrective and preventive actions and are provided with formal platforms to contribute feedback and suggestions on safety enhancements.
- Meaningful safety contributions and active participation in safety initiatives are formally recognised and rewarded, reinforcing a strong and positive safety culture.
- Mandatory awareness training on hazard identification and reporting mechanisms is provided during onboarding, supplemented by periodic refresher programmes to ensure continued effectiveness.
- Each manufacturing facility has designated Safety Ambassadors empowered to identify, report, and facilitate timely mitigation of workplace hazards.
- Trained Behaviour Based Safety (BBS) observers conduct regular observations to identify at risk behaviours and enable corrective actions, further strengthening workplace safety performance.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees and workers have access to non-occupational medical and healthcare services and medical insurance facilities.

11 Details of safety related incidents, in the following format

Safety Incident/Number	Category*	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.00
	Workers	0.18	0.15
Total recordable work-related injuries	Employees	0	0
	Workers	13	10
No. of fatalities	Employees	0	0
	Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	1	0
Number of Permanent Disabilities	Employees	0	0
	Workers	0	0

**Including in the contract workforce*

12. Describe the measures taken by the entity to ensure a safe and healthy workplace

- Ashok Leyland ensures a safe and healthy workplace through a comprehensive Environment, Health and Safety (EHS) framework supported by a robust policy, management system, and monitoring mechanisms across all manufacturing facilities.
- Health and safety practices are tailored to the operational requirements of each site, ensuring consistent application of appropriate controls and safety standards.
- To strengthen line level ownership, Safety Ambassadors are appointed at all plants to champion a safety first culture, promote safe practices, and support incident prevention through peer to peer engagement.
- Safety Ambassadors act as a vital link between employees and management and are empowered to stop operations, stages, or equipment in their respective areas in the event of any safety violation, enabling immediate risk mitigation.
- A Behaviour Based Safety (BBS) programme is implemented across all plants, with awareness sessions conducted for employees and trained observers identifying and reporting at risk behaviours for corrective action.
- EHS performance is reviewed monthly through EHS committee meetings chaired by senior leadership, in alignment with the Company's in house Health and Safety Management System.
- Continuous improvement is driven through a long term strategic roadmap based on the Plan Do Check Act (PDCA) methodology, covering workplace safety, fire and process safety, ergonomics, machine safety, occupational health, and chemical safety.

- All manufacturing facilities are equipped with 24/7 in house First Aid centres staffed by qualified doctors and paramedics, with tie ups established with nearby hospitals for emergency support. Similar facilities are available at the corporate office and technical centre.
- Proactive safety communication is reinforced through monthly risk prevention themes and daily multilingual safety briefings, supported by targeted training programmes for relevant stakeholders.
- Long term capability building is supported through EHS e learning modules for executives and the 'Manthan' initiative, under which cross functional Safety Teams drive a culture of zero harm.
- The AL CPPS Plant has been developed as a Safety Model Plant, demonstrating benchmark practices and serving as a reference for other locations.
- Employee and stakeholder engagement is further strengthened through annual Safety Month celebrations featuring expert sessions, competitions, and awareness initiatives aimed at reinforcing organisational commitment to safety.

13 Number of Complaints on the following made by employees and workers

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	41	0	-	45	0	-
Health & Safety	71	0	-	28	1	-

14 Assessment for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of plants
Working conditions	100% of plants

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions

- During FY 2025–26, Ashok Leyland recorded one high consequence injury involving a worker at the mill conveyor motor drive mechanism of the Tumblast machine in the Fettling Shop. To prevent recurrence, drive belt guards fitted with interlock controls were implemented across applicable manufacturing facilities.
- In addition, several reportable work related incidents were recorded. Corrective and preventive actions were undertaken, including enhanced workforce awareness and periodic monitoring of adherence to established safety procedures.
- A comprehensive incident management communication protocol has been instituted and is disseminated daily across all manufacturing locations, ensuring timely sharing of incidents, including near misses, to enable proactive risk mitigation.
- All safety incidents trigger detailed investigations using structured root cause analysis methodologies, including the 6M framework (Man, Machine, Method, Material, Measurement, Mother Nature) and Why Why analysis, to support effective corrective and preventive actions.
- Hazard Identification and Risk Assessment (HIRA) is conducted across operations, with control measures implemented in accordance with the hierarchy of controls, prioritising elimination, substitution, engineering controls, administrative controls, and Personal Protective Equipment (PPE).
- Upon completion of corrective actions, detailed action closure reports are shared with relevant stakeholders to ensure transparency and accountability.
- Safe behaviours are reinforced through the Behaviour Based Safety (BBS) programme, under which trained observers identify and correct at risk behaviours across manufacturing facilities.
- For non reportable incidents, proactive corrective measures are implemented with active employee participation, further strengthening the organisation's safety culture.

Leadership Indicator

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

   - Yes, Ashok Leyland extends comprehensive compensatory benefits to the bereaved family members in the unfortunate event of the demise of an employee or worker.

- Associates are covered under the Employees' Deposit Linked Insurance (EDLI) Scheme, providing a life cover of INR 7.02 Lakh.
- In addition, Group Personal Accident (GPA) insurance is provided for accidental death, with a sum insured equivalent to 48 times the associate's monthly PF gross salary.

During the financial year, there were no abnormalities identified in the value chain. Hence, Not Applicable.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

- In FY2025-26, there were no abnormalities identified in the value chain. Hence, Not Applicable.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

	Total no. of affected employees/ workers		**No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment**	
	FY 2025-26	**FY 2024-25**	**FY 2025-26**	**FY 2024-25**
Employees	0	0	0	0
Workers	1	0	1	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)
   - Ashok Leyland facilitates relocation assistance for retired executives who choose to return to their hometowns upon retirement.
   - The Company provides lifelong health insurance coverage for retired executives and their spouses.
   - To support a smooth transition into retirement, Ashok Leyland offers comprehensive pre retirement training programmes covering areas such as retirement readiness, yoga and wellbeing, family transition, provident fund and insurance, financial planning, and retirement benefits.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	75.15
Working Conditions	75.15

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

   NA

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity

   Ashok Leyland is committed to addressing the needs and concerns of its stakeholders and businesses to drive sustainable value creation for all. The company follows a structured approach to identify both internal and external stakeholders by assessing the impact of its operations as well as stakeholders' ability to influence the business. Through this process, AL has identified six key external stakeholder groups—Investors/ Shareholders, Suppliers, Local Communities, Customers, Government and Regulatory Bodies, and Channel Partners—and internal stakeholder group, Employees.

   To better understand potential material topics, a stakeholder survey was conducted, resulting in a prioritized list of material issues based on their relevance, significance, and overall impact. Ashok Leyland continually engages with stakeholders through multiple channels to remain responsive to evolving concerns and to strengthen trust and long-term relationships.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors/ Shareholders	No	• Email • Newspaper • Stock Exchange • Website • Annual General Meeting • Analyst Meets • Press Conference • Social media	• Monthly • Quarterly • Annual • Need-based	• Financial Results • Business Outlook • Key Risks • Dividend
Employees	No	• Monthly and quarterly meet • Personal review and visits • Surveys • Training • Annual day • Events	• Monthly • Quarterly • Annual • Need-based	• Better prospects • Safe work environment • Skill management • Knowledge management • Fair remuneration • Employee volunteering for CSR activities
Suppliers	Yes	• Suppliers meet • Tech days • Mutual visits • Need-based meetings with leadership team • Company events	• Monthly • Annual • Need-based	• Long-term business commitments • Economic scenario with respect to commercial vehicle industry • Scheduling • Supplier development • Ease of doing business for MSME suppliers through portal
Local Communities	Yes	• Community welfare programmes • Project assessment reviews	• Need-based • Periodic	• Community safety and development • Engagement and communication
Customers (Institutional and Retail)	No	• Surveys • Company events • Initiatives like rewards for purchases	• Need-based • Periodic	• Delivery • Technical communication • Aftersales service • Quality of service
Government and Regulatory Authorities	No	• One-to-one meetings • Events and conferences	• Need-based • Periodic	• Compliance • Tax payment
Channel Partners	No	• Monthly and Quarterly meet • Personal reviews and visits • Surveys • Training • Events – dealer conference	• Monthly • Quarterly • Annual • Need-based	• Business targets, commitment, and development plan • Training and development • Customer engagement and satisfaction

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.
    - The Stakeholder Relationship Committee of Ashok Leyland is focused on building and sustaining strong relationships with stakeholders while diligently meeting its obligations to all investors.

- Ashok Leyland has established robust mechanisms to ensure full compliance with all applicable regulatory requirements. Compliance Reports demonstrating adherence to the Code of Conduct (CoC) are periodically reviewed by senior management.
- Additionally, the ESG Committee plays a strategic role in advising and steering the company's ESG agenda. Its primary responsibility is to provide oversight and direction on enterprise-wide ESG initiatives, priorities, key focus areas, and best practices.
- The ESG Committee also aligns and integrates initiatives related to Environment, Health and Safety, Corporate Social Responsibility, Sustainability, and other public policy matters, along with ESG-related activities and proposals, in coordination with other Board Committees.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes, stakeholder consultation is used to support the identification and management of environmental and social issues. Ashok Leyland carried out a Materiality Assessment through active engagement with its key stakeholder groups. By conducting direct interactions, AL collected inputs from both internal and external stakeholders to identify and prioritize sustainability topics that are most relevant and material to its business operations.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   We believe engagement with stakeholders is very important for projects to deliver the intended outcomes and therefore identifying & engaging with vulnerable/marginalized stake holders are done before a project is finalized. Engagement starts with the respective State Government's education department in identification of educationally backward blocks followed by a situational analysis of the region. The situational analysis involves survey at the village level, focus group discussions, community meets and one on one interactions with the Headmaster/Headmistress of schools, village panchayat leader, block development officials, influential people in the community and various other departments that are associated in the development process.

   Road To School Program: Aims to improve learning levels in numeracy and literacy among children from classes 1 to 8 studying in State Government Schools in remote rural locations through interventions in academics, sports, art, and wellness. Our key stake holders identified are the Officials from State Education department, District Collector i/c of district administration, Headmaster/Mistress, Teachers, parents of children, School Management committee, Local village representatives, other departments like health, sports, social welfare. Some of the instances of engagement with stakeholders are collaboration with State Government in aligning teaching content, with school HM's & teachers for content implementation, with parents of children to ensure children are sent to school, with School Management committee members for school development etc.

   Water Management & Conservation Program: Addresses water challenges in rural villages in Alwar Dist. and Uttarakhand Dist. through rainwater harvesting ponds, roof rainwater harvesting system at individual homes, community rainwater harvesting systems in community, recharging springs etc. The entire program is based on the challenges & problems faced by the community and the projects are done with active participation from the local community both physical participations in work, reviews as well financial contributions.

Principle 5: Businesses should respect and promote human rights

Essential Indicator

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers (B)	% (B/A)	Total (C)	No. of employees/ workers (D)	% (D/C)
Employees						
Permanent	5,807	5,101	87.84	5,278	2,086	39.52
Other than Permanent	0	0	0	0	0	0
Total Employees	**5,807**	**5,101**	**87.84**	**5,278**	**2,086**	**39.52**
Workers						
Permanent	4,084	4,084	100	4,417	4,417	100
Other than Permanent	26,207	26,207	100	25,171	25,171	100
Total Workers	**30,291**	**30,291**	**100**	**29,588**	**29,588**	**100**

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**5,807**	**0**	**0**	**5,807**	**100**	**5,278**	**0**	**0**	**5,278**	**100**
Male	5,301	0	0	5,301	100	4,886	0	0	4,886	100
Female	506	0	0	506	100	392	0	0	392	100
Other than Permanent	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	**4,084**	**0**	**0**	**4,084**	**100**	**4,417**	0	**0**	**4,417**	**100**
Male	4,054	0	0	4,054	100	4,364	0	0	4,364	100
Female	30	0	0	30	100	53	0	0	53	100
Other than Permanent	**26,207**	**15,374**	**58.66**	**10,833**	**41.34**	**25,171**	**15,077**	**59.9**	**10,094**	**40.1**
Male	24,210	14,559	60.14	9,651	39.86	23,469	14,410	61.4	9,059	38.6
Female	1,997	815	40.81	1,182	59.19	1,702	667	39.19	1,035	60.81

3. Details of remunerations/salary/wages

a. Median remuneration/wages

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category (₹)	Number	Median remuneration/salary/ wages of respective category (₹)
Board of Directors (BoD)	11	14,090,000	2*	3,925,000
Key Managerial Personnel#	3	74,454,647	0	NIL
Employees other than BoD and KMP^	5,298	2,032,577.16	506	743,237.39
Workers	4,031	1,560,914.71	53	1,132,940.30

^The median has been calculated taking into consideration the employees that have served for the full year
**Remuneration of Ms. Manisha Girotra till June 28, 2025 and Ms. Geeta Mathur from August 25, 2025*
#Key Managerial Personnel includes Managing Director & CEO

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	3.24	2.79

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

- Ashok Leyland has instituted a robust Policy on the Prevention of Sexual Harassment (PoSH), supported by a clearly defined governance framework to address and manage grievances raised by employees.
- The entire workforce, including employees and workers, is sensitised and educated on the importance of the PoSH mechanism and the procedures governing its implementation.
- The Company is committed to enhancing the dignity, well being, and quality of life of its stakeholders by upholding the highest standards of ethical conduct, guided by honesty, fairness, integrity, transparency, and mutual respect.
- Ashok Leyland has established a Whistleblower hotline comprising a toll free number and a dedicated web portal, operating alongside an existing postal reporting mechanism. This facility is accessible to employees, vendors, and dealers for reporting concerns or violations of the Company's Code, policies, or applicable laws.
- To ensure confidentiality and protect the identity of complainants, the whistleblower service is administered by Integrity Matters, an independent third party service provider appointed by the Company.

Reporting Channel	Mode of Communication	Availability
1	Phone	India toll-free: 1800-102-6969
2	Web Site	https://ashokleyland.integritymatters.in
3	Email	ashokleyland@integritymatters.in
4	Post	Ashok Leyland Limited, c/o Integrity Matters, Unit 1211, CENTRUM IT Park, Plot No. C 3, S. G. Barve Road, Wagle Estate, Thane West – 400604, Maharashtra, India

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.
   - Ashok Leyland has implemented a comprehensive internal procedure that includes regular awareness campaigns on the prevention of sexual harassment, aimed at proactively minimising its occurrence in the workplace.
   - The Company has constituted an Internal Committee (IC) with a defined mandate to receive, investigate, and resolve complaints of sexual harassment, whether raised through direct or indirect reporting channels.
   - The Engage platform provides a secure and user-friendly interface for employees to register complaints, enhancing accessibility and timely redressal.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remark	Filed during the year	Pending resolution at the end of year	Remark
Sexual Harassment	5	0	-	7	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	5	7
Complaints on POSH as a % of female employees / workers*	0.20	0.33
Complaints on POSH upheld	5	7

**Denominator includes the headcount of both employees and workers*

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.
   - Ashok Leyland has instituted a robust and comprehensive grievance redressal mechanism to ensure the prompt and effective resolution of workplace concerns.
   - The Company has adopted a strong, gender-neutral Prevention of Sexual Harassment (PoSH) Policy, supported by a clearly defined governance framework, in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to ensure a workplace free from harassment and discrimination.
   - The PoSH framework establishes clear protocols that uphold dignity and mutual respect, provides a structured mechanism for addressing complaints of workplace harassment, and prescribes proportionate disciplinary actions aligned to the severity of any misconduct, reinforced by a zero-tolerance preventive approach.
   - The Sexual Harassment Prevention Policy is prominently displayed on notice boards, with posters placed across all office floors to enhance visibility and awareness.

- Members of the Internal Committee (IC) have received formal training at the corporate level, and mandatory online PoSH training has been conducted for all employees. Awareness programmes are integrated into induction sessions for new joiners, supported by informational standees at key locations.
- The Company's Service Rules explicitly address sexual harassment, reinforcing its commitment to maintaining a respectful and inclusive workplace.
- Ashok Leyland's Code of Conduct defines expected standards of behaviour, emphasising honesty, integrity, confidentiality, respect, avoidance of conflicts of interest, and the obligation to report potential violations.
- An independent Ethics Helpline (https://ashokleyland.integritymatters.in) is available for reporting concerns, which are reviewed by the Ethics Committee, a sub-committee of the Audit Committee.
- The Ethics Committee is responsible for investigating whistleblower complaints, recommending appropriate actions based on investigation findings, and upholding ethical conduct, transparency, and accountability across the organisation.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

   Yes, human rights requirements form a part of the AL's business agreements and contracts wherever relevant.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100
Forced/Involuntary Labour	100
Sexual Harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.
    - Ashok Leyland continuously monitors and audits its processes as part of its commitment to responsible and ethical business practices, with no risks or concerns identified during the period under review.
    - The Company provides comprehensive education and awareness programmes on international disciplinary standards and protocols to all members of the workforce.
    - Ashok Leyland ensures adherence to established processes in full compliance with applicable statutory controls and the governance framework prescribed by the organisation.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints
   - Not applicable, as Ashok Leyland did not receive any human rights–related grievances or complaints during the financial year.
   - Accordingly, no modifications to existing business processes or introduction of new processes were required.
2. Details of the scope and coverage of any Human rights due diligence conducted
   - Ashok Leyland has undertaken a comprehensive assessment of human rights compliance as an integral part of the terms and conditions governing its long term welfare related agreements.
   - This evaluation ensures alignment with the organisation's human rights commitments and responsible business practices.
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
   - Ashok Leyland ensures that its facilities are designed and equipped to accommodate visitors with disabilities, supporting accessibility and ease of access.
   - The Company remains committed to providing an inclusive and welcoming environment for all visitors across its premises.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child Labour	75.15
Forced/Involuntary Labour	75.15
Sexual Harassment	75.15
Discrimination at workplace	75.15
Wages	75.15
Others – please specify	Not Applicable

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   During the financial year, there were no corrections undertaken as there were no cases identified during the assessments. Hence, not applicable.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	**Unit**	**FY 2025-26**	**FY 2024-25**
For Renewable Sources			
Total Electricity Consumption (A)	'000 GJ	926.34	796.70
Total Fuel Consumption (B)	'000 GJ	0	0
Energy Consumption through other sources (C)	'000 GJ	0	0
Total energy consumed from renewable sources (A+B+C)	**'000 GJ**	**926.34**	**796.70**
For Non-Renewable Sources			
Total Electricity Consumption (D)	'000 GJ	255.70	344.69
Total Fuel Consumption (E)	'000 GJ	449.14	422.74
Energy Consumption through other sources (F)	'000 GJ	0	0
Total energy consumed from non-renewable sources (D+E+F)	**'000 GJ**	**704.84**	**767.43**
Total energy consumed (A+B+C+D+E+F)	**'000 GJ**	**1,631.18**	**1,564.13**
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	GJ/INR Crore	**37.07**	**40.36**
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)◊ (Total energy consumed/Revenue from operations adjusted for PPP)	GJ/USD	**0.0000754**	**0.0000834**
Energy intensity in terms of physical output (Total energy consumed (Automotive)/No. of vehicles)	GJ/Vehicle	**4.41**	**4.65**
Energy intensity (optional) – the relevant metric may be selected by the entity			

*Above is the consolidated figure for the Automotive and Foundry operations. For purposes of like-to-like comparison with Industry, please find below the detailing of Energy Intensity for Automotive operations.

- Energy Intensity for Automotive operations = 22.74 GJ/INR Crore
- Energy Intensity – Foundry operations (Energy consumed in Foundry/Total revenue generated by Foundry) = 526.38 GJ/INR crores

◊ The conversion factor considered for adjusting revenue from operations for PPP is based on the World Bank Index (OECD) of 20.34 INR/USD for India as published in the public domain. Link to the website: PPP - OECD

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV Business Assurance India Private Limited.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   Not Applicable

3. Provide details of the following disclosures related to water, in the following format

Parameter	Unit	FY 2025-26	FY 2024-25
Water Withdrawal by source (in kilolitres)			
(i) Surface Water	kL	1,999.00	25,229.20
(ii) Ground Water	kL	410,280.60	479,518.74
(iii) Third party Water	kL	380,860.92	371,929.02
(iv) Sea Water/ Desalinated Water	kL	0	0
(v) Others	kL	0	1,329.85
Total volume of water withdrawal (in kilolitres) ***(i+ ii+ iii+ iv+ v)***	kL	**793,140.52**	**878,006.81**
Total volume of water consumption (in kilolitres) ^	kL	**959,350.81**	**967,278.34**
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	**kL/INR Crore**	**21.80**	**24.96**
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	**kL/USD**	**0.000044**	**0.000052**
Water intensity in terms of physical output (Total water consumed/No. of vehicles)	**kL/Vehicles**	**3.85**	**4.35**
Water intensity (optional) – the relevant metric may be selected by the entity			

*Above is the consolidated figure for the Automotive and Foundry operations. For purposes of like-to-like comparison with Industry, please find below the detailing of Water Intensity for Automotive operations.

- Water Intensity for Automotive operations – 19.83 kL/INR Crore
- Water Intensity – Foundry (Water consumed in Foundry/Total revenue generated by Foundry) = 89.05 kL/INR Crore

^The total water consumption is cumulation of total water withdrawal and rainwater consumption.

◊ The conversion factor considered for adjusting revenue from operations for PPP is based on the World Bank Index (OECD) of 20.34 INR/USD for India as published in the public domain. Link to the website: PPP - OECD

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV Business Assurance India Private Limited.

4. Provide the following details related to water discharged:

Parameter	Unit	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)			
(i) Surface Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(ii) Ground Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(iii) Third party Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(iv) Sea Water/ Desalinated Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(v) Others	kL	21,590.00	21,010.00
- No treatment	kL	0	0
- With treatment – please specify level of treatment (Primary Treatment)	kL	21,590.00	21,010.00
Total water discharged (in kilolitres)	kL	**21,590.00**	**21,010.00**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV Business Assurance India Private Limited.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
   - Yes, the organization is focused not only on treating effluents but also on reusing treated water within its operations, thereby minimizing dependence on groundwater resources.
   - AL has recycled and reused approximately 75% of treated water for process requirements and gardening. Most units are committed to achieving zero liquid discharge (ZLD). However, at the Pantnagar unit in Uttarakhand, the State Pollution Control Board has directed that effluents be connected to a common effluent treatment plant after undergoing primary treatment within the facility.
   - A typical ZLD system includes a primary treatment process to reduce Total Dissolved Solids (TDS) and remove oil and other contaminants. The treated water is then subjected to advanced filtration processes such as Reverse Osmosis (RO) and Electro Dialysis Reversal (EDR). The permeate generated from these processes is reused in operations, while the reject stream is further treated through a Seawater Reverse Osmosis system. The resulting permeate is sent back to the process tanks, and the remaining reject water is treated in the ZLD plant using a Multi-Effect Evaporator (MEE) and an Agitated Thin Film Dryer (ATFD). The recovered salt from this process is supplied to cement industries for use as an alternative raw material.
   - At the Ennore facility, Ashok Leyland goes a step further by treating not only its own sewage waste but also wastewater collected from nearby communities. The treated water is subsequently reused for process needs and gardening within the facility, supporting circular water management and community engagement.
6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
NOx	Tons	70.52	75.80
SOx	Tons	40.13	27.40
Particulate Matter	Tons	0.00	0.00
Persistent Organic Pollutants (POP)	Tons	0.00	0.00
Volatile Organic Compounds (VOC)	Tons	7.77	5.85
Hazardous Air Pollutants (HAP)	Tons	0.00	0.00
Other – please specify (SPM)	Tons	87.24	93.03

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	32,047.71	30,986.68
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent (Market based)	50,429.47	69,608.31
Total Scope 1 and Scope 2 emission intensity per rupee of turnover* (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	tCO2e/INR Crore (Scope 2 - Market based)	1.87	2.60
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) ◊ (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	**tCO2e/USD (Scope 2 - Market based)**	**0.0000038**	**0.0000054**
Total Scope 1 and Scope 2 emission intensity in terms of physical output	**tCO2e/Vehicle (Scope 2 - Market based)**	**0.28**	**0.34**
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

*Above is the consolidated figure for the Automotive and Foundry operations. For purposes of like-to-like comparison with Industry, please find below the detailing of Emission Intensity for Automotive operations.

- Emission Intensity for Automotive operations = 1.41 tCO2e/INR Crore
- Emission Intensity – Foundry (Total Emission in Foundry/Total revenue generated by Foundry) = 16.10 tCO2e/INR Crore

#Total Scope 1 emission is a cumulative of the refrigerants consumed in the business operation of Ashok Leyland accounting to 1,857.74 tCO2e.

◊ The conversion factor considered for adjusting revenue from operations for PPP is based on the World Bank Index (OECD) of 20.34 INR/USD for India as published in the public domain. Link to the website: PPP - OECD

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV Business Assurance India Private Limited.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

The organization has voluntarily committed to achieving carbon neutrality by 2030 and Net Zero emissions status by 2048. To support these commitments, the organization has undertaken several energy efficiency and conservation initiatives, including:

- Conducting comprehensive energy audits with the support of M/s Orchid Energy
- Implementing in-house energy conservation efforts through a dedicated Cross Functional Team (CFT)
- Augmenting rooftop solar capacity by 5 MW

Additionally, multiple energy conservation measures have been implemented across operations, such as the adoption of energy-efficient compressors, utilization of waste heat recovery systems, conversion of air hoists to electric hoists, implementation of Melt Manager – Phase 2, installation of BLDC fans and heat pumps, reduction of compressed air pressure, and other efficiency-enhancing initiatives.

9. Provide details related to waste management by the entity, in the following format

Parameter	**Unit**	**FY 2025-26**	**FY 2024-25**
Total Waste generated (in metric tonnes)			
Plastics (A)	MT	1,220.23	1,152.95
E-Waste (B)	MT	21.02	20.01
Bio-Medical Waste (C)	MT	0.31	0.87
Construction and Demolition Waste (D)	MT	0.00	302.41
Battery Waste (E)	MT	60.94	45.06
Radioactive Waste (F)	MT	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	MT	**2,608.81**	**2,299.79**
Used/Spent oil	MT	271.78	340.55
Wastes and residues - Paint sludge	MT	614.94	409.51
Discarded containers/barrels/Liners contaminated with hazardous waste/chemicals	MT	511.95	432.89
Waste/Residues containing Oil-Soaked Cotton Waste	MT	378.89	363.22
Filter, Residues	MT	9.25	6.87
Chemical sludge from wastewater treatment (ETP Sludge)	MT	446.36	451.16
Waste/Residues containing Oil - Grinding sludge	MT	167.65	158.52
Phosphate sludge	MT	137.16	95.36
Spent Solvent (from Paint Shop)	MT	6.24	3.02
Wastes/residues (sealant/PVC residues from painting process)	MT	1.35	1.45
Oil and Grease Skimming Residue	MT	6.47	12.55
Filter and Filter Material	MT	54.53	22.47
Alkali Residue	MT	1.00	1.11
Sludge and filters contaminated with oil	MT	0.00	0.00
Spent Ion Exchange Resin containing Toxic Metal	MT	1.23	1.11
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	MT	**136,057.92**	**161,542.77**
Cable & Electrical Scrap	MT	34.11	50.49
Aluminium scrap	MT	286.80	289.24
Steel dust/ Shot blast dust/ grinding dust	MT	341.77	161.42
Wood Waste	MT	1,403.23	1,547.73
Cardboard/ Wastepaper	MT	3,706.07	3,148.19
Waste sand	MT	108,682.88	120,544.75
Food waste	MT	123.14	140.07

Parameter	Unit	FY 2025-26	FY 2024-25
Steel castings, MS scrap	MT	20,596.94	25,748.93
Rubber Scrap	MT	31.96	22.13
Garden waste (jungle wood, dry leaves etc.)	MT	734.08	676.72
Scrap Tyres and Tubes	MT	115.10	9,184.80
Glass Waste	MT	1.84	1.29
Total (A+B + C + D + E + F + G + H)	**MT**	**139,969.23**	**165,363.85**
Waste intensity per rupee of turnover (Total waste consumed/Revenue from operations)	**MT/INR Crore**	**3.18**	**4.27**
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste consumed/Revenue from operations adjusted for PPP)	**MT/USD**	**0.000006**	**0.000009**
Waste intensity in terms of physical output	**MT/Vehicle**	**0.14**	**0.18****
Waste intensity (optional) – the relevant metric may be selected by the entity			
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Category of Waste			
(i) **Recycled**	**MT**	**131,866.53**	**154,798.48**
Plastic waste	MT	1,190.58	1,142.87
E-waste	MT	20.64	20.01
Battery waste	MT	63.34	46.05
Other Hazardous waste. Please specify if any	MT	**260.33**	**347.68**
Used/Spent oil	MT	254.09	344.66
Spent Solvent (from Paint Shop)	MT	6.24	3.02
Other Non-hazardous waste generated. Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	MT	**130,331.65**	**153,241.88**
Cable & Electrical Scrap	MT	39.90	52.84
Aluminium scrap	MT	308.18	282.10
Steel dust/Shot blast dust/grinding dust	MT	343.16	161.42
Wood Waste	MT	1,407.55	1,563.82
Cardboard/ Wastepaper	MT	3,689.73	3,140.00
Waste sand	MT	103,143.47	111,754.75
Food waste	MT	123.14	119.08
Steel castings, MS scrap	MT	20,402.61	26,118.64
Rubber Scrap	MT	28.40	23.38
Garden waste (jungle wood, dry leaves etc.)	MT	732.95	676.75
Scrap Tyres and Tubes	MT	108.82	9,348.00
Glass Waste	MT	3.76	1.11
(ii) **Re-used**	**MT**	**494.55**	**461.47**
Other Hazardous waste. Please specify if any - *Discarded containers/barrels/Liners contaminated with hazardous waste/chemicals*	MT	494.55	461.47
(iii) **Other recovery operations – Coprocessing**	**MT**	**1,821.39**	**1,517.28**
Other Hazardous waste. Please specify if any	MT	1,821.39	1,517.28
Alkali Residue	MT	1.00	1.11
Wastes and residues - Paint sludge	MT	622.73	401.72
Spent Ion Exchange Resin containing Toxic Metal	MT	1.23	1.11

Parameter	Unit	FY 2025-26	FY 2024-25
Waste/Residues containing Oil-Soaked Cotton Waste	MT	375.15	364.65
Filter, Residues	MT	9.25	6.87
Chemical sludge from wastewater treatment (ETP Sludge)	MT	443.78	451.46
Waste/Residues containing Oil - Grinding sludge	MT	167.65	158.52
Phosphate sludge	MT	134.58	95.36
Waste/residues (sealant/PVC residues from painting process)	MT	1.35	1.45
Oil and Grease Skimming Residue	MT	6.47	12.55
Filter and Filter Material	MT	58.19	22.47
Sludge and filters contaminated with oil	MT	-	0.00
Total	**MT**	**134,182.47**	**156,777.21**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of Waste			
(i) **Incineration**	**MT**	0.31	**0.87**
Bio-medical waste	MT	0.31	0.87
(ii) **Landfilling**	**MT**	0.00	323.40
Construction and Demolition Waste	MT	0.00	302.41
Other Non-hazardous waste generated. Please specify, if any – *Food Waste*	MT	0.00	20.99
(iii) **Other disposal operations**	**MT**	**0.00**	**0**
Total	**MT**	**0.31**	**324.27**

*Above is the consolidated figure for the Automotive and Foundry operations. For purposes of like-to-like comparison with Industry, please find below the detailing of Waste Intensity for Automotive operations.

- Waste Intensity for Automotive operations = 0.71 MT/INR Crore
- Waste Intensity – Foundry (Total Waste Generated in Foundry/Total revenue generated by Foundry) = 87.59 MT/INR Crore

**The waste intensity per physical output for FY 24-25 has been updated taking into account waste from Automotive plants only.

◊The conversion factor considered for adjusting revenue from operations for PPP is based on the World Bank Index (OECD) of 20.34 INR/USD for India as published in the public domain. Link to the website: PPP - OECD

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV Business Assurance India Private Limited.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As global resource availability continues to tighten with the Earth Overshoot Day shifting earlier each year, the organization has put in place a sustainable framework to consistently reduce resource consumption and minimize waste generation. Key initiatives include:

- Adoption of the 5R principles—Refuse, Reduce, Reuse, Repurpose, and Recycle—across all operations
- Strict segregation of waste at the source to enable effective processing and recycling

Building on this achievement, the organization has sustained its performance in the current year as well. With the exception of biomedical waste, which accounts for less than 1% of total waste generated, all waste is either recycled through authorized recyclers or utilized by cement industries as alternative fuel or alternative raw material.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N). If no, the reasons thereof and corrective action taken, if any.
1	Ennore	Automobile Manufacturing	Yes
2	Ennore – Foundry	Foundry	Yes

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain. (Yes / No)	Relevant Web link
NA – Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sl. No	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
During the financial year, there were no non-compliances.				

Leadership Indicators

1 Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area	Ennore, Bhandara, Sriperumbudur, Alwar, Hosur, Pantnagar
(ii) Nature of operations	Automobile Manufacturing and Foundry Operations
(iii) Water withdrawal, consumption, and discharge in the following format:	

Parameter	Unit	FY 2025-26	FY 2024-25
Water Withdrawal by source (in kilolitres)			
(vi) Surface Water	kL	1,999.00	25,229.20
(vii) Ground Water	kL	410,280.60	479,518.74
(viii) Third party Water	kL	380,860.92	371,929.02
(ix) Sea Water/ Desalinated Water	kL	0.00	0.00
(x) Others	kL	0.00	1,329.85
Total volume of water withdrawal (in kilolitres) (i+ ii+ iii+ iv+ v)	**kL**	**793,140.52**	**878,006.81**
Total volume of water consumption (in kilolitres)	**kL**	**959,350.81**	**967,278.34**
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	**kL/INR Crore**	**21.80**	**24.96**
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	**kL/USD**	**0.000044**	**0.000052**
Water intensity in terms of physical output	**GJ/Vehicle**	**3.85**	**4.35**
Water intensity (optional) – the relevant metric may be selected by the entity			
Water discharge by destination and level of treatment (in kilolitres)			
(i) Surface Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(ii) Ground Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0

Parameter	Unit	FY 2025-26	FY 2024-25
(iii) Third party Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(iv) Sea Water/ Desalinated Water	kL	0	0
- No treatment	kL	0	0
- With treatment – please specify level of treatment	kL	0	0
(v) Others	kL	21,590.00	21,010.00
- No treatment	kL	0	0
- With treatment – please specify level of treatment – (Primary Treatment)	kL	21,590.00	21,010.00
Total water discharged (in kilolitres)	**kL**	**21,590.00**	**21,010.00**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, third party verification was carried out by DNV Business Assurance India Private Limited.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	161,436.97	142,306.72
Total Scope 3 emission intensity per rupee of turnover	**tCO2e/INR Crore**	**3.67**	**3.97**
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.			
No			

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

There is no significant impact, as the organization's operations have not disturbed any biodiversity-sensitive areas. In addition, the organization promotes responsible water management by maximizing the use of rainwater and progressively reducing its reliance on groundwater extraction.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Energy Saving Initiative	The targeted energy conservation initiatives driven by cross-functional teams (CFTs) have resulted in the avoidance of 56,331 GJ of fuel and electricity consumption across operational locations. Key measures include the deployment of energy-efficient compressors, implementation of waste heat recovery systems, adoption of melt manager systems in foundries, installation of energy-efficient chiller compressors, integration of VFD drives for selected motors, and replacement of conventional motors with high-efficiency IE3/IE4 motors.	56,331 GJ
2	Emission Reduction Initiative	In line with its commitment to using 100% renewable energy, the Company has achieved renewable energy penetration of 91% across its Tamil Nadu manufacturing plants and 77% on a pan India basis. This transition has contributed to a reduction in overall cost of production while delivering significant cuts in greenhouse gas emissions. The Company's Green Energy initiatives resulted in operating cost savings of INR 48.58 crores and enabled the avoidance of 173,316 tCO_2e emissions.	173,316 tCO_2e

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link
   - Ashok Leyland recognizes the vital role of a robust Business Continuity Plan (BCP) in ensuring uninterrupted operations, particularly during exigencies such as pandemics. Business continuity is given high priority, considering both operational resilience and the health, safety, and well-being of employees.
   - A dedicated cross-functional team of executives is tasked with developing and maintaining the BCP. This plan clearly defines critical action steps, roles and responsibilities, activation triggers, and response timelines, ensuring preparedness to address any potential disruption. AL's emergency preparedness framework aims to minimize the impact of unforeseen events such as accidents, fires, sabotage, chemical spills, natural disasters, and medical emergencies.
   - AL has established comprehensive Emergency Preparedness and Response Plans across its manufacturing units, corporate offices, and technical centers. These plans address location-specific risks and emergency scenarios. Regular mock drills are conducted to reinforce awareness, test readiness, and strengthen response capabilities.
   - The emergency strategy outlines systematic actions to be taken during crises, encompassing preventive measures, preparedness for adverse events, mitigation approaches, and effective control mechanisms. These measures are designed to safeguard human life and minimize damage to property and assets.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

   During the financial year, no significant adverse environmental impacts arising from the value chain were identified. Accordingly, no specific mitigation or adaptation measures were required or undertaken.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

   75.15%

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicator

1.	a. Number of affiliations with trade and industry chambers/ associations	
	10 - please see the list below:	
	b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.	
Sl. No	**Name of the trade and industry chambers/associations**	**Reach of trade and industry chambers/ associations (State/National)**
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National and International
2	Confederation of Indian Industry (CII)	National and International
3	The Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National and International
4	Society of Indian Automobile Manufacturers (SIAM)	National and International
5	Automobile Components Manufacturer Association (ACMA)	National and International
6	Federation of Automobile Dealers Association (FADA)	National
7	Society of Indian Defence Manufacturers (SIDM)	National
8	PHD Chamber of Commerce and Industry (PHDCCI)	National and International
9	European Automobile Manufacturers' Association (ACEA) French	International
10	Society for Manufacturers of Electric Vehicles (SMEV)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Name of authority	Brief of the case	Corrective action taken
	NA	

Leadership Indicators

1. Details of public policy positions advocated by the entity

Sl. No	Public policy advocated	Method resorted by such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half Yearly/Quarterly/Others – please specify)	Web-Link, if available
1	Naya SAFAR is an initiative of MoRTH wherein it proposes for the scrappage of old Commercial Vehicles	Meetings with MoRTH officials	Yes	Quarterly	Not Available
2	Review of Auto PLI for the inclusion of single segment OEMs	Representation to the Ministry of Heavy Industry for inter-ministerial review	No	Quarterly	Not Available
3	Leadership representation in Industry forums to actively advocate on a variety of industry-specific topics (such as EPR - End of Life Vehicle, Registered Vehicle Scrappage Facility, CAFÉ norms etc) under the umbrella of SIAM and similar industry representative bodies..	Physical/hybrid meetings by leaders (e.g., MD & CEO is the Vice President of SIAM)	Yes	Quarterly	Not Available
4	Sub-group or Individual OEM representation. E.g. State EV Policies / PM e-drive localization etc.	Physical representation/ Hybrid meetings	Yes	Quarterly	Delhi EV Policy

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicator

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-Link
No Social Impact Assessments (SIAs) were conducted during the financial year, as none were required under the applicable laws and provisions related to Corporate Social Responsibility (CSR).					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

Sl. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In INR)
Not Applicable. There were no rehabilitation and resettlement undertaken by Ashok Leyland in any of its operational location.						

3. Describe the mechanisms to receive and redress grievances of the community

   Ashok Leyland actively integrates feedback from a wide range of community stakeholders into the design and execution of its CSR initiatives, with a strong focus on addressing the needs of disadvantaged, vulnerable, and marginalized groups. This approach is supported through multiple engagement mechanisms:

   - **Community Need Assessment:** Engagement begins with identifying local priorities and challenges through consultations with Panchayat leaders, ward members, community forums, individual and group interactions, and participation in Gram Sabha meetings.
   - **On-ground Presence:** Dedicated resource persons and community development executives are stationed across regions to maintain close engagement with schools and communities, enabling continuous dialogue and easy access for feedback.

- **Local Hiring for Stronger Engagement:** Local community members are engaged as part of CSR initiatives, acting as facilitators who strengthen communication with stakeholders and ensure timely escalation of concerns to the leadership team.
- **Participatory Approach:** A participatory engagement model enables real-time understanding of community needs, minimizes reliance on formal grievance redressal mechanisms, and ensures CSR interventions are responsive, inclusive, and context-specific.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/small producers	Business spends: ₹ 29,796 crores Total Business spends with MSME vendors: ₹ 1,727 crores • MSME vendors with MSME certification (production vendors): 307 with a business spend with % Input material (parts) at 5.80%	Business spends: ₹ 25,483 crores Total Business spends with MSME vendors: ₹ 1,235.21 crores • MSME vendors with MSME certification (production vendors): 51 with a business spend of ₹ 72.20 crores with % Input material (parts) at 0.30%
Directly from within India	98.51%	97.73%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost*

Location	FY 2025-26	FY 2024-25
Rural	14.49%	14.34%
Semi-urban	14.00%	13.31%
Urban	21.83%	23.49%
Metropolitan	49.68%	48.86%

(Place to be categorized as per RBI Classification System – Rural, Semi-urban, Urban, and Metropolitan)

**The job creation parameter considers the total wages paid to all the permanent employees and permanent workers employed (irrespective of duration of employment) at the plant sites, corporate offices, and sales offices during the respective financial year. These plant sites, corporate offices and sales offices are then categorized as per the RBI classification system.*

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above:

Details of negative social impact identified	Corrective action taken
No negative impacts identified	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No	State	Aspirational District	Amount Spent (In ₹)
1	Jammu & Kashmir	Baramulla & Kupwara	4,198,508.00
2	Jharkhand	Ranchi	36,601,049
3	Tamil Nadu	Virudhu Nagar	8,980,428

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

   Yes

   b. From which marginalized /vulnerable groups do you procure?

   MSME's

   c. What percentage of total procurement (by value) does it constitute?

   5.80

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
1.	Nil			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Name of Authority	Brief of the Case	Corrective actions taken
There were no corrective actions taken/underway on any IPR related disputes		

6. Details of beneficiaries of CSR Project

Sl. No	CSR Project	No. of persons benefitted from CSR Project	% of beneficiaries from vulnerable and marginalized groups
1	**Road To School** - RTS focuses on foundational literacy and numeracy for students in Grades 1–8 in state govt schools, enriched with co-scholastic interventions in wellness, art, and sports. Local youth facilitators ensure contextual delivery and community engagement.	116,997	100%
2	**Road To Livelihood** - RTL equips students of class 9 to 12 in state Govt schools with digital literacy, career awareness, communication skills, and mental well-being tools—ensuring smoother transitions to higher education and work.	54,239	100%
3	**Water shed Management** in Alwar District - (Sustainable Water Management project)	1,859	80%
4	Spring shed management program in Nainital District (Spring shed development and management in Gaula River)	45,152	70%
5	Program to support children with Type 1 Diabetes Type 1 Diabetes is a lifelong condition commonly affecting children, requiring continuous monitoring and specialized medical care. The program offers free, comprehensive care for underprivileged children.	954	100%
6	**Mobile Medical Clinics** To ensure last mile access to primary healthcare, Ashok Leyland Foundation operates 12 Mobile Medical Units across 10 states, reaching communities where medical facilities are scarce or inaccessible. Our Mobile Medical Units provide: Early screening for vision issues, diabetes, tuberculosis, and hypertension; Awareness and prevention of communicable diseases; Telemedicine-enabled consultations in 2 advanced units, connecting patients to remote specialists.	270,320 beneficiaries from 3,118 camps	Marginalized community -88% Vulnerable community -25%
7	**Road To School** - Social Development Initiatives in villages under SDG 3, 4, 5,6,8 and 13 Community Development under the Road to School program addresses the socio-economic barriers that prevent education continuity. By activating parents, school committees, and local governance structures, RTS–Social Development enables school improvement plans, hygiene awareness, welfare linkages, and family-level livelihood access.	626,069	100%

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicator

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Ashok Leyland has established a robust customer management system aligned with industry best practices, which is reviewed periodically to ensure effectiveness. Senior management closely evaluates the outcomes of reported cases, while customers have round-the-clock access to the system through multiple channels, including email, social media, toll-free helplines, and the company website. All complaints are actively tracked until resolution, with customers encouraged to share feedback upon closure. Data protection and privacy are safeguarded through regular external audits.

Customers may reach Ashok Leyland through the following channels:

- **Email:** reachus@ashokleyland.com
- **Shareholder queries:** secretarial@ashokleyland.com
- **M&HCV:** 1800-266-3340 (24/7)
- **LCV:** 1800-1022-666 (6:00 am to 10:00 pm)
- **Power Solutions:** 1800-419-19216 (6:00 am to 10:00 pm)
- **Twitter:** @ALIndiaOfficial

In addition, **AL Care by Ashok Leyland** is a comprehensive digital platform designed to enhance customer experience by providing end-to-end vehicle and service support. Key features include:

- Service alerts and service history
- Warranty details
- Real-time vehicle tracking
- Digital document management
- Online spare parts purchasing
- Fleet management through iAlert
- Live tracking of mobile service vans
- Uptime Solution Centre for remote diagnostics and ECU updates

Together, these systems ensure seamless, transparent, and responsive customer engagement across Ashok Leyland's value chain.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

3. Number of consumer complaints in respect of the following:

	FY 2025-26		Remarks	FY 2024-25		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	6,755	92	-	1,145	31	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	-
Forced recalls	0	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy

   Ashok Leyland has established a comprehensive framework of information security policies and procedures and is certified to **ISO 27001:2022 – Information Security Management System (ISMS).** This certification demonstrates the organization's commitment to effectively managing information security risks and safeguarding the confidentiality, integrity, and availability of information assets. The Information Security Policy defines the guiding principles and governance structure for information protection across the organization and is publicly available at: Information Security Policy

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   There were no penalties, regulatory actions, or reported incidents related to cybersecurity or customer data privacy during the reporting period.

7. Provide the following information relating to data breaches

a. Number of instances of data breaches	0
b. Percentage of data breaches involving personally identifiable information of customers	0
c. Impact, if any, of the data breaches	Not Applicable, as there were no incidents of data breaches during the reporting period.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   Comprehensive information on all products and services offered by Ashok Leyland is available on the company's official website: www.ashokleyland.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   Ashok Leyland provides an **Operator Manual with every product** offered to customers, ensuring clear guidance on vehicle operation, maintenance, and safety.

   - **Training Centres:** Dedicated training centres conduct comprehensive programs for regional teams, channel partner personnel, and local mechanics, covering all Ashok Leyland products and services. A structured and customized training curriculum has been developed specifically for sales and service staff to enhance product knowledge and service excellence.
   - **Driver Training Institutes:** Ashok Leyland also operates Driver Training Institutes aimed at developing skilled and responsible drivers. These institutes focus on safe driving practices, fuel efficient driving techniques, traffic discipline, and road safety awareness. Training is conducted in accordance with the Motor Vehicles Act and Rules and includes:
     - o Mandatory testing and evaluation prior to certification
     - o Adherence to ISO standards throughout the training process

   These initiatives collectively strengthen customer support, promote road safety, and enhance the overall ownership and operating experience.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   - **Toll-Free Support:** Customers can call **1800 266 3340** for 24×7 assistance to keep their vehicles operational at all times.
   - **AL Quick Response Service:** Under this service, an Ashok Leyland technician is committed to reaching the breakdown location within **4 hours.**
   - **AL Restoration:** This service aims to ensure the vehicle is restored and back on the road within **48 hours.**

   *The toll-free number and services are exclusively available for **ELITE customers.**

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Ashok Leyland provides comprehensive service manuals for its range of vehicles, including trucks, buses, and light commercial vehicles. These manuals contain detailed guidance on maintenance, repair, and troubleshooting to support effective vehicle upkeep. For its Medium and Heavy Commercial Vehicle (M&HCV) range, product labelling is carefully structured to display critical information such as the brand and model name, Vehicle Identification Number (VIN), engine specifications, rear axle ratio, weight details, and homologation certification. This ensures customers have clear access to essential vehicle information.

   In addition, Ashok Leyland places strong emphasis on capturing and acting upon customer feedback. The company regularly conducts structured surveys to assess Customer Satisfaction with aftermarket support, Sales Satisfaction related to channel partners and sales processes, and overall Product Satisfaction. Insights from these surveys are used to identify improvement opportunities and to continuously enhance customer experience and product quality.

ANNEXURE K TO THE BOARD'S REPORT
SECRETARIAL AUDIT REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members
M/s. Hinduja Leyland Finance Limited
CIN# U65993MH2008PLC384221
Plot No. C-21, Tower C (1-3 Floors),
G Block, Bandra Kurla Complex,
Bandra (E), Mumbai,
Maharashtra 400051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Hinduja Leyland Finance Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information, explanations and clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial ended 31st March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Hinduja Leyland Finance Limited for the financial year ended on 31st March, 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021.

(vi) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') to the extent applicable.

(vii) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

(viii) Reserve Bank of India Act, 1934 read with applicable Rules and Regulations relating to the:

a) Master Directions - Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025

b) Master Directions – Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024

c) Master Directions - Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Women Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board/Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the year under review, directors have participated in the board / committees' meetings through video conferencing, such meetings were properly convened and recorded in compliance with the provisions of Section 173(2) of the Companies Act read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014.

All decisions in the Board meetings are approved by Directors unanimously and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We report that during the audit period under review;

1) The company issued and allotted 29,000 equity shares of ₹ 10/- each under Employee Stock Options Plan of the Company as detailed below:

Date of Allotment	Face Value Per Share (in ₹)	Premium (in ₹)	Number of Equity shares
8th April, 2025	10	100	10,000
7th January, 2026	10	44.40	4,000
9th March, 2026	10	100	15,000
TOTAL			**29,000**

2) The Company issued and allotted 90,000 Secured, Rated, Listed, Redeemable Non-Convertible Debentures of ₹ 1,00,000/- each

aggregating ₹ 9,00,00,00,000/- (Rupees Nine Hundred crores only) on various dates as follows.

Date of issue	No. of NCD's issued	Face Value (in ₹)	Aggregating to (in ₹)
11th April, 2025	15,000	1,00,000	1,50,00,00,000
6th May, 2025	10,000	1,00,000	1,00,00,00,000
6th May, 2025	30,000	1,00,000	3,00,00,00,000
28th May, 2025	5,000	1,00,000	50,00,00,000
30th June, 2025	10,000	1,00,000	1,00,00,00,000
25th August, 2025	5,000	1,00,000	50,00,00,000
29th August, 2025	10,000	1,00,000	1,00,00,00,000
14th January, 2026	5,000	1,00,000	50,00,00,000
Total	**90,000**		**9,00,00,00,000**

3) The company issued and allotted 360 Unsecured Rated Listed Perpetual Non-Convertible Debentures of ₹ 1,00,00,000/- each aggregating ₹ 3,60,00,00,000/- (Rupees Three Hundred and Sixty crores only) on various dates as follows.

Date of issue	No. of NCD's issued	Face Value (in ₹)	Aggregating to (in ₹)
25th June, 2025	25	1,00,00,000	25,00,00,000
18th July, 2025	25	1,00,00,000	25,00,00,000
27th January, 2026	60	1,00,00,000	60,00,00,000
4th March, 2026	225	1,00,00,000	2,25,00,00,000
12th March, 2026	25	1,00,00,000	25,00,00,000
Total	**360**		**3,60,00,00,000**

4) The company issued and allotted 1,25,500 Unsecured Rated Listed Redeemable Non-Convertible Debentures of ₹ 1,00,000/- each aggregating ₹ 12,55,00,00,000/- (Rupees One Thousand Two Hundred and Fifty Five crores only) on various dates as follows.

Date of issue	No. of NCD's issued	Face Value (in ₹)	Aggregating to (in ₹)
2nd April, 2025	3,500	1,00,000	35,00,00,000
22nd April, 2025	2,500	1,00,000	25,00,00,000
4th June, 2025	3,500	1,00,000	35,00,00,000
19th June, 2025	5,000	1,00,000	50,00,00,000
15th July, 2025	6,000	1,00,000	60,00,00,000
11th August, 2025	7,500	1,00,000	75,00,00,000
11th August, 2025	5,000	1,00,000	50,00,00,000
30th September, 2025	10,000	1,00,000	1,00,00,00,000
9th October, 2025	5,000	1,00,000	50,00,00,000
24th November, 2025	30,000	1,00,000	3,00,00,00,000
11th December, 2025	25,000	1,00,000	2,50,00,00,000
18th December, 2025	5,000	1,00,000	50,00,00,000
8th January, 2026	5,000	1,00,000	50,00,00,000
20th March, 2026	12,500	1,00,000	1,25,00,00,000
Total	**1,25,500**		**12,55,00,00,000**

5) On recommendation of the Board of Directors, the shareholders at the Extra-ordinary General meeting held on 20th June, 2025 accorded its approval under Section 180(1)(c) of the Act to make an overall borrowings for an amount not exceeding ₹ 70,000 crores outstanding at any point in time and for fixing of the above limit for creation of charge or security on the assets of the Company under 180(1)(a) of the Act.

6) Mr. Debabrata Sarkar (DIN: 02502618), Independent Director of the Company retired on 12th August, 2025 on completion of his tenure.

7) Pursuant to the provisions of sections 149, 152, 161 of the Companies Act, 2013 read with the applicable rules made thereunder and on recommendation of the Nomination and Remuneration Committee, the Board of Directors on 2nd September, 2025 appointed Mr. Sridharan Kesavan (DIN: 00051976) as an Additional Director in the category of Non-Executive Independent Director for a period of three years with effect from 2nd September, 2025. His appointment was regularized as a Director of the Company by the shareholders at the Extra-ordinary General meeting held on 1st December, 2025.

8) Mr. Jose Maria Alapont (DIN: 07712699) ceased to be a Non-Executive Independent Director of the company with effect from 2nd September, 2025 consequent to retirement of Directorship in M/s. Ashok Leyland Limited (Holding Company).

9) Pursuant to the provisions of Section 139 of the Companies Act, 2013 read wit applicable rules made thereunder and on recommendation of the Audit committee and Board of Directors, the Shareholders at the Annual General Meeting held on 2nd September, 2025, appointed M/s. ASA & Associates LLP, Chartered Accountants (FRN: 009571N/N500006) as Statutory Auditors of the company for a period of 3 (three) years from the financial year 2025-26 in place of M/s. Walker Chandiok & Co., LLP Chartered Accountants (Firm Registration No. 001076N/N500013) on completion of their term as the Statutory Auditors.

10) Mr. Sudhanshu Kumar Tripathi (DIN: 06431686), Non-Executive and Non- Independent Director resigned from the Directorship of the Company on 25th November, 2025.

11) Pursuant to the provisions of sections 149, 152, 161 of the Companies Act, 2013 read with the applicable rules made thereunder and on recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 25th November, 2025 appointed Mr. K M Balaji (DIN: 08064743) as an Additional Director in the capacity of Non-Executive and Non-Independent Director. His appointment was regularized as a Director of the Company by the shareholders at the Extra-ordinary General meeting held on 30th January, 2026.

12) The Company redeemed 8,000 Non-convertible Debentures of ₹ 100,000/- each aggregating to ₹ 80,00,00,000/- (Rupees Eighty crores only) on 24th January, 2026 as per the terms of issue.

13) At the Annual General Meeting of M/s. Hinduja Housing Finance Limited (Subsidiary Company) held on 16th June, 2025, the shareholders approved payment of one-time Managerial remuneration to Mr. Sachin Pillai (DIN: 06400793) Managing Director, who is also the Managing Director of the Company. While computing the Managerial Remuneration under Section 197, 198 read with Schedule V of the Companies Act, 2013, the one-time payment referred above shall be reckoned accordingly.

14) On recommendation of the Audit Committee, the Board of Directors at their meeting held on 25th November, 2025 approved the Scheme of Merger by Absorption ("Scheme") seeking merger and consolidation of businesses of Hinduja Leyland Finance Limited ("Transferor Company") into and with NDL Ventures Limited (formerly known as NXTDIGITAL Limited) ("Transferee Company") pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act. The Company received No Objection Certificate for the Scheme from the Reserve Bank of India vide letter dated 8th August, 2025. The Transferee Company also obtained approval for the scheme from the Competition Commission of India on 17th February, 2026. The Transferor and Transferee Companies applied to their respective stock exchanges on 5th December, 2025. The Company is awaiting approval for the said scheme.

15) The Company transferred an amount of ₹ 53,14,490/- (Rupees Fifty Three Lakhs Fourteen Thousand Four Hundred and Ninety only) remaining unspent for the Financial Year ended 31st March, 2026 relating to ongoing projects to a separate bank account on 30th April, 2026 as required under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

We further report that during the audit period none of the following events had taken place:

(i) Public/Rights/Preferential issue of shares/ sweat equity, etc.

(ii) Buy-back of securities

(iii) Amalgamation / reconstruction, etc.

(iv) Foreign technical collaborations

For **M/s. G Ramachandran & Associates**
Company Secretaries

G. RAMACHANDRAN
Proprietor
FCS No.9687 CoP. No.3056
PR No.: 2968/2023

Place: Chennai
Date: 20.05.2026
UDIN: F009687H000423804

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE K TO THE BOARD'S REPORT
SECRETARIAL AUDIT REPORT

ANNEXURE-A SECRETARIAL AUDIT REPORT OF EVEN DATE

To

The Members,

M/s. Hinduja Leyland Finance Limited
CIN# U65993MH2008PLC384221
Plot No. C-21, Tower C (1-3 Floors),
G Block, Bandra Kurla Complex,
Bandra (E), Mumbai,
Maharashtra 400051

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. G Ramachandran & Associates**
Company Secretaries

G. RAMACHANDRAN
Proprietor
FCS No.9687 CoP. No.3056
PR No.: 2968/2023

Place: Chennai
Date: 20.05.2026
UDIN: F009687H000423804

INDEPENDENT AUDITORS' REPORT

To the Members of Ashok Leyland Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Ashok Leyland Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2026, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment	
Carrying value of equity investment including deemed equity investment in Optare Plc and its subsidiary, Switch Mobility Automotive Limited ("Optare group"). (Refer to Note 1E.16, Note 1E.10, and Note 1D to the standalone financial statements regarding the recognition, valuation, and disclosure methods of equity instruments in subsidiaries, 'Impairment Losses' and 'Critical accounting judgements and key sources of estimation uncertainty' respectively). In the standalone financial statements of the Company, the gross carrying value of equity investment in Optare group including deemed equity is INR 3,129.83 crores as at March 31, 2026. Determination of carrying value of equity investment including deemed equity in Optare group is a key audit matter as the determination of recoverable value and/or impairment assessment involves significant management judgement. The key inputs and judgments involved in the model for impairment assessment of investment include future cash flows, the discount rate, and the long-term growth rate used.	As part of our audit, our procedures included the following: • We obtained an understanding and evaluated the design, implementation and tested the operating effectiveness of relevant internal controls to identify whether there are any indicators of impairment and where such indicators exist, the method by which the recoverable amount is determined by the management. • We evaluated the following: - Terminal growth rate by comparing it with the long-term outlook based on the relevant macroeconomic factors for the geography in which the entities are operating. - Board approved budgets considering growth and other cash flow projections provided by the Company's management and compared those with the actual results of prior years to assess the appropriateness of the forecast. - The competence, capabilities and objectivity of the management's expert involved in the valuation process. • We, along with the auditors' experts, evaluated the appropriateness of the measurement model and reasonableness of key assumptions like terminal growth rate and discount rate. • We performed sensitivity tests on the model by analysing the impact of using other possible growth rates and discount rates within a reasonable and foreseeable range. • We evaluated the adequacy of the disclosures made in the standalone financial statements.

Other Information

5. The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditors’ report thereon. The annual report is expected to be made available to us after the date of this auditors’ report.

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

   In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors’ responsibilities for the audit of the Standalone financial statements

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

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

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

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

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

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above and paragraph 15(h)(vi) below.

    (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 3.9 to the standalone financial statements;

        ii. The Company was not required to recognise a provision as at March 31, 2026 under the applicable law or Indian Accounting Standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any long term derivative contracts as at March 31, 2026.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

        iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 3.19 to the Standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

        (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 3.20 to the Standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

        (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

        v. The interim dividend declared and paid by the Company during the year including the interim dividend in respect of the prior year ended March 31, 2025 is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of interim dividend. Further, the Board of Directors of the Company has approved a second interim dividend for the year and the dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend. However, the said interim dividend was not paid as on the date of this audit report.

vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit log of modification does not contain (i) pre-modified values at database level and (ii) the changes made by certain users with specific access at database and application level. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company as per the statutory requirements for record retention.

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 26213126AARYCU6876

Place: Chennai
Date: May 28, 2026

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 15(g) of the Independent Auditors' Report of even date to the members of Ashok Leyland Limited on the standalone financial statements as of and for the year ended March 31, 2026

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Ashok Leyland Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 26213126AARYCU6876

Place: Chennai
Date: May 28, 2026

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Ashok Leyland Limited on the standalone financial statements as of and for the year ended March 31, 2026

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The property, plant and equipment of the Company are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 1.1 on property, plant and equipment and note 1.1A on right-of-use asset to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (INR in crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held (i.e. date of capitalisation)	Reason for not being held in the name of the Company
Ennore, Tamil Nadu- Freehold land	81.00	Hinduja Foundries Limited	No	Refer Note 1 below	Refer note 1.1 of the standalone financial statements
Uppal, Telangana- Freehold land	123.00	Hinduja Foundries Limited	No	Refer Note 1 below	Refer note 1.1 of the standalone financial statements
Mallavalli, Andhra Pradesh- Freehold land	13.02	Agreement for sale registered in the name of the Company. Final Conveyance deed is to be executed.	No	March 2018	Refer note 1.1 of the standalone financial statements
Sriperumbudur, Tamil Nadu- Leasehold land	11.47	Hinduja Foundries Limited	No	Refer Note 1 below	Refer note 1.1A of the standalone financial statements
Pillaipakkam, Tamil Nadu- Leasehold land	48.96	Ashok Leyland Nissan Vehicles Limited	No	Refer Note 2 below	Refer note 1.1A of the standalone financial statements
Bhandara, Maharashtra- Leasehold land	0.01	Ashok Leyland Limited (under regularisation)	No	May 1982	Refer note 1.1A of the standalone financial statements

Note 1 - Hinduja Foundries Limited (amalgamating company) merged with the Company effective October 01, 2016 pursuant to the order received from National Company Law Tribunal on April 24, 2017.

Note 2 - Ashok Leyland Nissan Vehicles Limited (amalgamating company) merged with the Company effective April 01, 2018 pursuant to the order received from National Company Law Tribunal on December 17, 2018.

(d) The company has net revalued its property, plant and equipment (including right - of - use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including right- of - use assets) or intangible assets does not arise.

(e) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements, does not arise.

ii. (a) The physical verification of inventory excluding goods - in - transit has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of INR 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. (Also, refer note 3.6.1 to the standalone financial statements)

iii. (a) The Company has made investments in three companies and eleven mutual funds and granted unsecured loans to seven companies. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates and to parties other than subsidiaries, joint ventures and associates are as per the table given below:

Amount in ₹ Crores

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year				
Subsidiaries	-	-	-	-
Joint Ventures	-	-	-	-
Associates	-	-	-	-
Others	-	-	2,390.00	-
Balance outstanding as at balance sheet date in respect of the above cases				
Subsidiaries	-	-	-	-
Joint Ventures	-	-	-	-
Associates	-	-	-	-
Others	-	-	-	-

(Also refer note 3.9.1 to the standalone financial statements)

(b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted and investments were made are not prejudicial to the Company's interest.

(c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) The loans granted during the year had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. Further there were no loans/advances in nature of loans which were granted during the year to promoters, related parties as defined in clause (76) of Section 2 of the Companies Act, 2013.

iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under. Accordingly, the reporting under clause 3(v) of the Order is not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its certain products. We have broadly reviewed the books of account maintained by the Company pursuant to the said requirement, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues, as applicable, with the appropriate authorities. Also, refer note 3.9 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) There are no statutory dues of provident fund, employees' state insurance which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2026 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Gross Demand (in ₹ crores)	Paid under Protest (in ₹ crores)	Period	Forum where the dispute is pending
State and Central Sales Tax Act	Sales tax and Value added Tax	115.71	42.33	Various periods from 1985 - 2018	Appellate Authority up to Commissioner Level
		324.57	69.96	Various periods from 1987 - 2017	Appellate Authority - Tribunal
		1.22	0.13	Various periods from 2006 - 2011	High Court
Central Excise Act, 1944	Excise duty and Cess thereon	4.36	0.06	Various periods from 2006 - 2017	Appellate Authority up to Commissioner Level
		5.11	0.48	Various periods from 1996 - 2018	Appellate Authority - Tribunal
		0.47	0.44	Various periods from 1995 - 2002	High Court
Customs Act, 1962	Customs Duty	0.34	0.02	Various periods from 2019-2023	Appellate Authority up to Commissioner Level
		21.74	1.89	Various periods from 2006 - 2016	Appellate Authority – Tribunal
Service Tax - Finance Act, 1994	Service Tax and Cess thereon	1.66	0.02	Various periods from 2008 - 2017	Appellate Authority up to Commissioner Level
		15.18	1.22	Various periods from 2005 - 2016	Appellate Authority - Tribunal
		8.08	0.42	Various periods from 2009 - 2013	High Court
Goods and Services Tax Act, 2017	Goods and Services Tax	806.00	65.80	Various periods from 2017 - 2022	Appellate Authority up to Commissioner Level
		128.53	16.81	Various periods from 2017 - 2022	Appellate Authority - Tribunal
The Income Tax Act, 1961	Income Tax	0.37	-	Assessment year 2009 - 10	Assessing Officer
		1.91	-	Assessment year 2010 - 11	Assessing Officer
		0.02	-	Assessment year 2011 - 12	Commissioner of Income-tax (Appeals)
		1.63	-	Assessment year 2014 - 15	Assessing Officer
		3.98	-	Assessment year 2017 - 18	Assessing Officer
		36.58	-	Assessment year 2022 - 23	Commissioner of Income-tax (Appeals)

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loans have been applied for the purposes for which they were obtained. Also, refer note 1.16 to the standalone financial statements.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed by us, as statutory auditors, with the Central Government. Further, no such report has been filed by any other auditor appointed by the Company under the Act. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. In respect of certain complaints, for which preliminary findings of the investigations have been provided to us by management, our consideration of the complaints having any bearing on our audit is limited to such preliminary findings.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with the directors. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the additional reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion, the Group as defined in the Reserve Bank of India (Core Investment Companies) Directions, 2025 does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and, accordingly, the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. (a) The Company does not have any amount remaining unspent under sub-section (5) of Section 135 of the Act as at balance sheet date in respect of "other than ongoing projects" of Corporate Social Responsibility. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing projects to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. (Also, refer note 3.15 to the standalone financial statements)

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 26213126AARYCU6876

Place: Chennai
Date: May 28, 2026

BALANCE SHEET AS AT MARCH 31, 2026

Particulars	Note	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	5,072.10	4,406.64
Capital work-in-progress	1.1	209.98	276.87
Right-of-use asset	1.1A	263.04	275.33
Goodwill		449.90	449.90
Other intangible assets	1.2	603.83	713.62
Intangible assets under development	1.2	269.31	147.89
Financial assets			
(i) Investments	1.3	6,559.29	5,654.26
(ii) Other financial assets	1.5	128.40	575.01
Income tax assets (net)	1.4	14.53	34.32
Other non-current assets	1.7	361.29	659.69
		13,931.67	**13,193.53**
Current assets			
Inventories	1.8	3,486.02	2,957.32
Financial assets			
(i) Investments	1.9	4,119.71	3,018.70
(ii) Trade receivables	1.10	2,950.41	2,887.32
(iii) Cash and cash equivalents	1.11A	2,031.09	2,659.82
(iv) Bank balances other than (iii) above	1.11B	945.96	46.13
(v) Other financial assets	1.12A	242.94	118.21
Other current assets	1.13	885.86	621.12
		14,661.99	**12,308.62**
Assets classified as held for sale	1.5A	-	23.68
TOTAL ASSETS		**28,593.66**	**25,525.83**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1.14	587.39	293.65
Other equity	1.15	12,526.03	11,225.14
		13,113.42	**11,518.79**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1.16	517.88	902.23
(ii) Lease liabilities		29.60	31.74
(iii) Other financial liabilities	1.17	10.99	12.57
Contract liabilities	1.18	423.97	372.86
Provisions	1.19	635.45	708.97
Deferred tax liabilities (net)	1.20	535.71	547.89
		2,153.60	**2,576.26**
Current liabilities			
Financial liabilities			
(i) Borrowings	1.21	633.82	533.21
(ii) Lease liabilities		13.74	14.54
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	1.22	231.08	56.58
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		8,098.18	7,248.11
(iv) Other financial liabilities	1.23	1,365.79	1,211.22
Contract liabilities	1.24	674.11	422.85
Provisions	1.25	1,350.34	825.15
Other current liabilities	1.26	219.02	492.78
Current tax liabilities (net)	1.6	740.56	621.69
		13,326.64	**11,426.13**
Liabilities directly associated with assets classified as held for sale	1.5B	-	4.65
TOTAL EQUITY AND LIABILITIES		**28,593.66**	**25,525.83**

The above Balance Sheet should be read in conjunction with the accompanying notes.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number : 213126

May 28, 2026
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

K.M. Balaji
Chief Financial Officer

N. Ramanathan
Company Secretary

May 28, 2026
Chennai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

Particulars	Note	Year ended March 31, 2026 ₹ Crores	Year ended March 31, 2025 ₹ Crores
Income			
Revenue from operations	2.1	44,007.03	38,752.74
Other income	2.2	315.17	250.25
Total Income		**44,322.20**	**39,002.99**
Expenses			
Cost of materials and services consumed		29,722.68	25,711.74
Purchases of stock-in-trade		1,805.39	1,680.46
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.3	(110.93)	230.58
		31,417.14	**27,622.78**
Employee benefits expense	2.4	2,606.69	2,406.27
Finance costs	2.5	169.73	216.91
Depreciation and amortisation expense	2.6	715.19	719.34
Other expenses	2.7	4,250.95	3,793.13
Total Expenses		**39,159.70**	**34,758.43**
Profit before exceptional items and tax		**5,162.50**	**4,244.56**
Exceptional items	2.8	(348.48)	103.73
Profit before tax		**4,814.02**	**4,348.29**
Tax expense:			
Current tax - Charge		1,227.06	1,497.40
Deferred tax - Charge / (Credit)		21.43	(452.40)
		1,248.49	1,045.00
Profit for the year		**3,565.53**	**3,303.29**
Other Comprehensive (Loss) / Income			
A (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		(131.26)	(7.80)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		33.03	1.96
B (i) Items that will be reclassified to Profit or Loss			
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(2.22)	(8.18)
(ii) Income tax relating to items that will be reclassified to Profit or Loss		0.57	2.06
Total Other Comprehensive (Loss) / Income		**(99.88)**	**(11.96)**
Total Comprehensive Income for the year		**3,465.65**	**3,291.33**
Earnings per share (Face value Re.1 each)	3.3		
- Basic (in ₹)		6.07	5.62
- Diluted (in ₹)		6.07	5.61

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number : 213126

May 28, 2026
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

K.M. Balaji
Chief Financial Officer

N. Ramanathan
Company Secretary

May 28, 2026
Chennai

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

Particulars		Year ended March 31, 2026	Year ended March 31, 2025
		₹ Crores	₹ Crores
Cash flow from operating activities			
Profit for the year		**3,565.53**	**3,303.29**
Adjustments for :			
Tax expense charge / (credit) - net		1,248.49	1,045.00
Depreciation and amortisation expense		695.26	696.16
Depreciation of Right-of-use asset		19.93	23.18
Share based payment cost		(38.95)	2.71
(Reversal) / Impairment of loss allowance, write off on trade receivable / other receivable (net)		(0.29)	21.06
Impairment loss in the value of equity instruments in subsidiary		4.60	3.20
Loss / (Gain) on fair valuation of investment in fellow subsidiary		33.45	(120.53)
Write off of intangible assets under development / capital work-in-progress		1.80	13.60
Foreign exchange (gain) / loss - net		(4.08)	(2.70)
Profit on sale of Property, plant and equipment (PPE) and intangible assets - net		(43.15)	(20.44)
Profit on sale of investments - net		(92.83)	(43.12)
Net Gain arising on financial asset mandatorily measured at FVTPL		(60.06)	(29.96)
Finance costs		169.73	216.91
Interest income		(66.92)	(40.27)
Dividend income		(6.01)	(48.54)
Loss / (Gain) on preclosure of leases		0.26	(0.08)
Provision for litigation		40.00	-
Adjustments for changes in:			
Trade receivables		(38.16)	653.95
Inventories		(528.70)	233.37
Other non-current and current financial assets		(17.51)	(28.96)
Movement in Interim dividend designated bank account (Refer Note 1.23)		-	1,453.48
Other non-current and current assets		(275.88)	182.64
Related party advances / receivables (net)		(103.04)	4.32
Trade payables		1,023.73	1,002.77
Non-current and current financial liabilities		140.31	141.77
Asset and liabilities classified as held for sale		-	(16.62)
Contract liabilities		302.37	36.25
Other current liabilities		(273.76)	14.67
Other non-current and current provisions		184.24	63.04
Cash from operations		**5,880.36**	**8,760.15**
Income tax paid (net of refunds, if any)		(1,088.26)	(940.73)
Net cash from operating activities	**[A]**	**4,792.10**	**7,819.42**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

Particulars		Year ended March 31, 2026	Year ended March 31, 2025
		₹ Crores	₹ Crores
Cash flow from investing activities			
Purchase of PPE and intangible assets		(1,049.53)	(954.29)
Proceeds on sale of PPE and intangible assets including sale of immovable properties		71.80	29.98
Purchase of non-current investments		(386.28)	(218.30)
Sale proceeds from redemption of preference shares by subsidiary		-	23.90
Proceeds from (purchase) / sale of current investments (net)		(1,005.46)	(2,743.40)
Investment in subsidiary pending allotment		-	(498.76)
Inter corporate deposit / Loan - repaid by subsidiary		-	95.00
Inter corporate deposits - given		(2,390.00)	(1,330.00)
Inter corporate deposits - repaid		2,390.00	1,430.00
Investment in bank deposits		(900.00)	(130.00)
Proceeds from bank deposits		-	130.00
Interest received		58.26	39.47
Dividend received		6.01	48.54
Net cash used in investing activities	**[B]**	**(3,205.20)**	**(4,077.86)**
Cash flow from financing activities			
Proceeds from issue of equity shares (including securities premium)		3.34	1.67
Proceeds from non-current borrowings		103.00	247.00
Repayments of non-current borrowings		(379.60)	(688.73)
Proceeds from current borrowings		1,111.72	4,695.02
Repayments of current borrowings		(1,111.72)	(5,029.30)
Payments of Lease liability		(14.80)	(59.33)
Interest paid		(93.64)	(149.06)
Dividend paid		(1,835.42)	(2,040.77)
Net cash used in financing activities	**[C]**	**(2,217.12)**	**(3,023.50)**
Net cash (Outflow) / Inflow	**[A+B+C]**	**(630.22)**	**718.06**

	As at March 31, 2026	As at March 31, 2025
Opening cash and cash equivalents	**2,659.82**	**1,941.87**
Exchange fluctuation on foreign currency bank balances	1.49	(0.11)
Closing cash and cash equivalents [Refer Note 1.11A to the standalone financial statements]	**2,031.09**	**2,659.82**
Non Cash financing and operating activity		
Acquisition of Right-of-use asset	**17.34**	**57.45**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Statement of Cash flows referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number : 213126

May 28, 2026
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

K.M. Balaji
Chief Financial Officer

N. Ramanathan
Company Secretary

May 28, 2026
Chennai

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

1. For the year ended March 31, 2026

A. Equity Share Capital

₹ Crores

Balance at the beginning of April 1, 2025	Changes in equity share capital during the year*	Balance at the end of March 31, 2026
293.65	293.74	587.39

* includes shares issued by way of bonus issue. Refer Note 1.14.

B. Other Equity

₹ Crores

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	
Balance as at the beginning of April 1, 2025	**263.87**	**1,917.00**	**3.33**	**41.24**	**1,022.85**	**7,975.20**	**1.65**	**11,225.14**
Profit for the year	-	-	-	-	-	3,565.53	-	3,565.53
Other comprehensive (loss)	-	-	-	-	-	(98.23)	(1.65)	(99.88)
Total Comprehensive Income for the year	-	-	-	-	-	**3,467.30**	**(1.65)**	**3,465.65**
Transactions with owners:								
Dividend paid	-	-	-	-	-	(1,835.42)	-	(1,835.42)
Transfer to general reserve pursuant to exercise of ESOP	-	-	-	(2.29)	2.29	-	-	-
Pursuant to issue of bonus shares	-	(290.32)	(3.33)	-	-	-	-	(293.65)
Pursuant to exercise of ESOP	-	3.26	-	-	-	-	-	3.26
Forfeiture of share based payments	-	-	-	(38.95)	-	-	-	(38.95)
Balance as at the end of March 31, 2026	**263.87**	**1,629.94**	-	-	**1,025.14**	**9,607.08**	-	**12,526.03**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

2. For the year ended March 31, 2025

A. Equity Share Capital

₹ Crores

Balance at the beginning of April 1, 2024	Changes in equity share capital during the year	Balance at the end of March 31, 2025
293.63	0.02	293.65

B. Other Equity

₹ Crores

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	
Balance as at the beginning of April 1, 2024	**263.87**	**1,915.35**	**3.33**	**39.68**	**1,021.70**	**5,265.04**	**7.77**	**8,516.74**
Profit for the year	-	-	-	-	-	3,303.29	-	3,303.29
Other comprehensive (loss)	-	-	-	-	-	(5.84)	(6.12)	(11.96)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**3,297.45**	**(6.12)**	**3,291.33**
Transactions with owners:								
Dividend paid	-	-	-	-	-	(587.29)	-	(587.29)
Transfer to general reserve pursuant to exercise of ESOP	-	-	-	(1.15)	1.15	-	-	-
Pursuant to exercise of ESOP	-	1.65	-	-	-	-	-	1.65
Recognition of share based payments	-	-	-	2.71	-	-	-	2.71
Balance as at the end of March 31, 2025	**263.87**	**1,917.00**	**3.33**	**41.24**	**1,022.85**	**7,975.20**	**1.65**	**11,225.14**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number : 213126

May 28, 2026
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

K.M. Balaji
Chief Financial Officer

N. Ramanathan
Company Secretary

May 28, 2026
Chennai

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1A. General information

Company Background

Ashok Leyland Limited ("the Company") (CIN: L34101TN1948PLC000105) is a public limited company incorporated and domiciled in India and governed by the Companies Act, 2013 ("Act"). The Company's registered office is situated at 1, Sardar Patel Road, Guindy, Chennai, Tamil Nadu, India. The main activities of the Company are those relating to manufacture and sale of a wide range of commercial vehicles. The Company also manufactures engines for industrial and marine applications, forgings and castings.

1B. Basis of Preparation and Presentation

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, as amended from time to time.

The standalone financial statements have been prepared on the historical cost basis except for certain assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, defined benefit plan asset as per Ind AS 19, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Act and Ind AS. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

The standalone financial statements are presented in Indian Rupees (₹) which is the functional currency of the Company and all values are rounded to the nearest crores, except where otherwise indicated.

The standalone financial statements were approved for issue by the Board of Directors on May 28, 2026.

Recent accounting pronouncements

The Ministry of Corporate Affairs vide notification dated 7 May 2025 and 13 August 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (as outlined below), and are effective for annual reporting periods beginning on or after 1 April 2025:

(a) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1

As a result of the adoption of the amendments to Ind AS 1, the company changed its accounting policy for the classification of borrowings:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Company has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification."

This new policy did not result in a change in the classification of borrowings. The company did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

(b) Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107

As a result of the adoption of the amendments to Ind AS 7 and Ind AS 107, the Company provided new disclosures for liabilities under supplier finance arrangements in Note 1.22

(c) International Tax Reform – Pillar Two Model Rules – Amendments to Ind AS 12

Impact assessment and required disclosure as per Ind AS 12 due to International Tax Reform-Pillar Two Model Rules, is updated in Note 3.1 of the standalone financial statements.

(d) Lack of Exchangeability – Amendments to Ind AS 21

The amended Ind AS 21 have added requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards or amendments not yet adopted

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1 -This amendment also includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, as outlined below.

The amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8.

The Company does not expect this amendment to have an impact on its operations or financial statements.

1C. Material Accounting Policies

1C.1 Property, plant and equipment

Cost

Property, plant and equipment are stated in the balance sheet at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses. Cost of all civil works (including electrification and fittings) is capitalised with the exception of alterations and modifications of a capital nature to existing structures where the cost of such alteration or modification is ₹ 100,000 and below.

Fixtures, plant and equipment (including patterns and dies) where the cost exceeds ₹ 10,000 and the estimated useful life is two years or more, is capitalised and stated at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses.

Depreciation/ amortisation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

Classes of Property, plant and equipment	Useful life (years)	Useful life (years) As per Schedule II
Buildings	30 / 60	30 / 60
Non-factory service installations:		
- In customer premises	12	10
Quality equipment, canteen assets, major jigs and fixtures and hand tools	5 – 12	15
Other plant and machinery	13 – 20	15
Patterns and dies	5	15
Furniture and fittings	8	10
Aircraft	18	20
Vehicles:		
- Trucks and buses including electric vehicles	5 / 10	8
- Cars and motorcycles	3	8 / 10
Office equipment	8	5
Office equipment – Data processing system (including servers)	5	6

1C.2 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately, where the cost exceeds ₹ 10,000 and the estimated useful life is two years or more, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

Internally-generated intangible assets - research and development expenditure

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

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

- technical feasibility of completing the intangible asset;
- intention to complete the intangible asset and intention/ ability to use or sell it;
- how the intangible asset will generate probable future economic benefit;
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the attributable expenditure during the development stage.

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

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets, based on technical assessment, are as follows:

Classes of Intangible Assets	Useful life (years)
Computer Software:	
Acquired	5
Developed	5/10
Technical Knowhow:	
Acquired	5/6
Developed	6/10

1C.3 Inventories

Cost of inventories are determined as follows

- Raw materials and components, stores, spares, consumable tools, stock in trade: on moving weighted average basis; and
- Work-in-progress, works-made components and finished goods: on moving weighted average basis plus appropriate share of overheads.

Cost of surplus/ obsolete/ slow moving inventories are adequately provided for.

1C.4 Revenue recognition

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

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of products

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product / based on terms of contract. The Company operates predominantly on cash and carry basis except sale to State Transport Undertaking (STU), Government and Project customers based on tender terms and certain export / domestic customers which are on credit basis. Sale of engines and gensets and ferrous castings are generally sold on credit basis to customers. The average credit period is in the range of 7 days to 90 days.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., extended warranties, freight etc). In determining the transaction price for the sale of product, the Company considers the effects of variable consideration, the existence of consideration payable to the customer, etc.

Sale of service

Revenue from services includes certain performance obligations which are recognised over a period of time as and when the services are rendered in accordance with the specific terms of contract with customer. The receipt of consideration for extended warranty services, free services, AMC and freight is generally received when consideration receivable from sale of products is received from customer. In certain cases, the AMC contracts are sold as a separate product on cash basis or on credit as per the contract with customer. On the recognition of the receivable from customer, the Company recognises a contract liability which is then recognised as revenue as once the services are rendered. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. For other cases, the revenue reflects the cash selling price that the customer would have paid for the promised services when the services are transferred to customer. Thus there is no significant financing component.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Incentives

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Significant financing component

The Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. Thus, there is no significant financing component.

Warranty obligations

Refer Note 1E.13 on warranty obligations

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

Trade receivable is an unconditional right to consideration and is part of contract balances as per Ind AS 115.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the services are provided as set out in the contract.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

1C.5 Exceptional Items

The Company considers factors including materiality, the nature and function of the items of income and expense in determining exceptional item and discloses the same in Note 2.8 to the financial statements.

1D. Critical accounting judgments and key sources of estimation uncertainty

The preparation of standalone financial statements in conformity with Ind AS requires the Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the standalone financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the critical judgements and estimations that have been made by the Management in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the standalone financial statement and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sale prices of inventory item, changes in the related laws / emission norms and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed.

Deferred income 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, unabsorbed depreciation and unused tax credits could be utilised.

Provision for product warranty

The product warranty obligations and estimations thereof are determined using historical information on the type of product, nature, frequency and average cost of warranty claims and the estimates regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can materially affect warranty expense.

Impairment of goodwill

The carrying amount of goodwill significant to the Company are stated in Note 3.16. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections covering generally a period of five years (which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations/ extrapolation of normal increase/ steady terminal growth rate which approximates the long term industry growth rates) and appropriate discount rates that reflects current market assessments of time value of money and risks specific to these investments. The Management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Fair value measurements and valuation processes

Some of the assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, third party qualified valuers perform the valuations. The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 3.6

1E. Summary of other accounting polices

1E.1 Revenue recognition

Other operating revenues

Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

Dividend, interest income and other Income

Dividend income from investments is recognised in other income when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Fee on financial guarantee provided by the Company is accrued as Other income.

All gains or losses arising from changes in the fair value of financial assets classified at FVTPL are recognized in the standalone statement of profit and loss under "Other Income" in the period in which they arise.

1E.2 Foreign currency transactions

The Company's foreign operations (including foreign branches) are an integral part of the Company's activities. In preparing the standalone financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not restated.

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

- Exchange difference on translation of derivative instruments designated as cash flow hedge (see Note 1E.16 below for hedging accounting policies).

1E.3 Borrowing costs

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

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

1E.4 Government grants

Government grants (including export incentives and incentives on specified goods manufactured in the eligible unit) are recognised only when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Grant relating to assets are netted off against the acquisition cost of the asset.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured at the difference between proceeds received and the fair value of the loan based on prevailing market rates.

1E.5 Employee benefits

Retirement benefit costs and termination benefits:

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

For defined benefit plans i.e., Company's liability towards gratuity (funded), Company's contribution to provident fund, other retirement/ termination benefits and compensated absences, the cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. In respect of provident fund, contributions made to trusts administered by the Company, the interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be contributed by the Company and charged to the standalone statement of profit and loss.

Defined benefit costs are comprised of:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity and remeasurement of net defined liability pertaining to provident fund comprise of actuarial gains/ losses (i.e., changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Liability for termination benefits like expenditure on Voluntary Retirement Scheme is recognised at the earlier of when the Company can no longer withdraw the offer of termination benefit or when the Company recognises any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1E.6 Share-based payment arrangements

Equity-settled share-based payments to employees (primarily employee stock option plan) are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding account. Where shares are forfeited due to non-achievement of defined annual performance parameters, any expenses previously recognised in relation to such shares are reversed effective from the date of the forfeiture.

Share appreciation rights granted to employees and settled in cash are accounted for as cash-settled share-based payments. The Group recognizes the services received and a corresponding liability at fair value, which is remeasured at each reporting date and at the date of settlement. Any changes in fair value are recognized in the consolidated statement of profit and loss for the respective period.

1E.7 Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the taxes are also recognised in other comprehensive income or directly in equity respectively.

Current tax

Current tax is determined on taxable profits for the period chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits (MAT credit entitlement) to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Uncertainty over income tax treatments

If there is uncertainty over tax treatment of an item, the Company will predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amounts of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. If it is not probable that tax authority will accept the tax treatment, company will show the effect of the uncertainty for each uncertain tax treatment by using either the most likely outcome or the expected outcome of the uncertainty.

1E.8 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet. Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees, and other direct costs and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment and accordingly the depreciation is computed based on estimated useful lives of the assets.

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

De-recognition

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

1E.9 Intangible assets

Intangible assets acquired separately

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition of intangible assets

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets.

1E.10 Impairment losses

At the end of each reporting period, the Company determines whether there is any indication that its assets (property, plant and equipment, intangible assets and investments in equity instruments in subsidiaries, joint ventures and associates carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount (i.e., higher of the fair value less costs of disposal and value in use) of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets under development and goodwill are tested for impairment annually at each balance sheet date. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses (other than impairment of goodwill), the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount carried had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1E.11 Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease component.

At the commencement date, Company recognises a right-of-use asset measured at cost and a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The cost of the right-of-use asset comprise of, the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received.

At the commencement date, the lease payments included in the measurement of the lease liability comprise (a) fixed payments less any lease incentives receivable; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; (c) amounts expected to be payable by the lessee under residual value guarantees; (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Depreciation on Right-of-use asset is recognised in standalone statement of profit and loss on a straight-line basis over the period of lease and the Company separately recognises interest on lease liability as a component of finance cost in standalone statement of profit and loss.

Payments associated with short-term leases and low-value assets are recognized as expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of office equipment and small items of plant and equipment and office furniture.

1E.12 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost of raw materials and components, stores, spares, consumable tools and stock-in-trade comprises cost of purchases and includes taxes and duties and is net of eligible credits under CENVAT/ VAT/GST schemes. Cost of work-in-progress, work-made components and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overheads, which is allocated on a systematic basis. Cost of inventories also includes all other related costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

1E.13 Provisions and contingent liabilities

Provisions:

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Warranties

Provisions for expected cost of warranty obligations under legislation governing sale of goods are recognised on the date of sale of the relevant products at the Management's best estimate of the expenditure required to settle the obligation which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidences.

Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

1E.14 Business Combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for in accordance with Appendix C to Ind AS 103 'Business Combinations'.

Other business combinations, involving entities or businesses are accounted for using acquisition method. Consideration transferred in such business combinations is measured at fair value as on the acquisition date, which comprises the following:

- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interests issued by the Company in exchange of control of the acquiree.

Goodwill is recognised and is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net fair value of assets and liabilities acquired.

1E.15 Goodwill

Goodwill arising on business combination is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to the Company's cash-generating unit that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash generating unit is determined for each cash generating unit based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1E.16 Financial instruments

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

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

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification of financial assets

The financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (except for financial assets carried at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

(i) Financial assets (other than investments and derivative instruments) are subsequently measured at amortised cost using the effective interest method.

Effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost:

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

Income on such debt instruments is recognised in profit or loss and is included in the “Other Income”.

The Company has not designated any debt instruments as fair value through other comprehensive income.

(ii) Financial assets (i.e., derivative instruments and investments in instruments other than equity of subsidiaries, joint ventures and associates) are subsequently measured at fair value.

Such financial assets are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss and included in the “Other Income”.

Investments in equity instruments of subsidiaries, joint ventures and associates

The Company measures its investments in equity instruments of subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27.

Impairment of financial assets

A financial asset is regarded as credit impaired or subject to significant increase in credit risk, when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets (i.e., the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in the standalone statement of profit and loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company’s own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments.

Financial liabilities

All financial liabilities (other than derivative instruments) are subsequently measured at amortised cost using the effective interest method.

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

Interest expense that is not capitalised as part of cost of an asset is included in the “Finance Costs”.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured (if not designated as at Fair value through profit or loss) at the higher of:

- the amount of impairment loss allowance determined in accordance with requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps. Further details of derivative financial instruments are disclosed in Note 3.6.

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

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at Fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Derivatives embedded in all other host contracts are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at Fair value through profit or loss.

Hedge accounting

The Company designates certain derivatives as hedging instruments in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 3.6 sets out details of the fair values of the derivative instruments used for hedging purposes.

Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the “Other Income”.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and are included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

1E.17 Assets held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and disclosed separately in balance sheet. Liabilities associated with assets classified as held for sale are estimated and disclosed separately in the balance sheet.

1E.18 Segment reporting

The Company is principally engaged in a single business segment viz. commercial vehicles and related components based on nature of products, risks, returns and the internal business reporting system. The Board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company’s performance, allocate resources based on the analysis of the various performance indicators of the Company as a single unit. Accordingly, there is no other reportable segment in terms of Ind AS 108 ‘Operating Segments’. The Company has opted for exemption under Ind AS 108 ‘Operating Segments’, as the segment reporting is reported in its consolidated financial statements.

1E.19 Earnings per share

Basic earnings per share is computed by dividing the profit or loss for the year by the weighted average number of equity shares outstanding during the year, adjusted for bonus elements in equity shares issued during the year. Diluted earnings per share is computed using the weighted average number of shares outstanding for the effects of all dilutive potential equity shares, if any.

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

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)					DEPRECIATION				NET CARRYING AMOUNT
Property, plant and equipment (PPE)	01.04.2025	Additions	Disposals	Capital Grant*	31.03.2026	01.04.2025	Charge during the year	Disposals	31.03.2026	31.03.2026
Freehold land	717.60	62.63	-	-	780.23	-	-	-	-	780.23
Buildings	1974.41	186.84	2.95	33.51	2,124.79	635.89	77.80	2.80	710.89	1,413.90
Buildings given on lease	13.24	-	-	-	13.24	2.66	0.29	-	2.95	10.29
Plant and equipment	6,006.44	519.92	134.98	26.34	6,365.04	3,858.07	380.05	125.58	4,112.54	2,252.50
Plant and equipment given on lease	0.03	-	-	-	0.03	0.01	#	-	0.01	0.02
Furniture and fittings	81.58	5.89	0.90	0.20	86.37	66.79	4.93	0.88	70.84	15.53
Furniture and fittings given on lease	0.25	-	-	-	0.25	0.25	-	-	0.25	-
Vehicles including electric vehicles	176.74	9.81	4.53	-	182.02	96.06	25.79	4.53	117.32	64.70
Aircraft	-	435.31	-	-	435.31	-	11.49	-	11.49	423.82
Office equipment	279.95	46.50	9.02	-	317.43	183.87	31.42	8.97	206.32	111.11
Total	**9,250.24**	**1,266.90**	**152.38**	**60.05**	**10,304.71**	**4,843.60**	**531.77**	**142.76**	**5,232.61**	**5,072.10**

Description	01.04.2025	Additions / Adjustments	Capitalised during the year	31.03.2026
Capital work-in-progress (CWIP)	276.87	1,200.01	1,266.90	209.98

amount is below rounding off norms adopted by the Company.

* the above capital grant is related to investment in property, plant and equipment for the manufacturing setup in Uttar Pradesh. There are no unfulfilled conditions or other forms of contingencies attached to these grants.

CWIP Ageing Schedule

₹ Crores

Amount in CWIP for a period of	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	163.29	34.53	11.56	0.60	209.98

Of the above, there are no projects where the cost has exceeded the budget and project whose completion is delayed. As at March 31, 2026, there are no temporarily suspended projects.

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (continued)

Notes:

Title deeds of Freehold land not held in the name of the Company

₹ Crores

Property Description	Asset Class	Address	Total Acres (Approx.)	Gross / Net carrying value (Refer Sub-Note 5)	Reason for not in the name of the Company	Property in the name of
Ennore, Tamil Nadu	Freehold Land	Kathivakkam High Road, Ennore, Chennai 600 057	35.22	81.00	This land was acquired from Hinduja Foundries Limited by the Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Uppal, Telangana	Freehold Land	Industrial Development Area, Uppal, Ranga Reddy District, Telangana	15.36	123.00	This land was acquired from Hinduja Foundries Limited by the Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Mallavalli, Andhra Pradesh	Freehold Land	Plot no. 2 & 3 of Model Industrial Park situated at Mallavalli Village, Bapulapadu Mandal, Krishna District	75.00	13.02	The Agreement for Sale has been registered in the name of the Company. The Conveyance Deed is to be executed by the Authority upon fulfilment of the certain conditions by the Company.	Agreement for sale registered in the name of the Company. Final Conveyance deed is to be executed.

Notes:

1. Cost of Buildings as at March 31, 2026 includes:

   a) ₹ 0.03 crores being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings there at.

   b) ₹ 1.32 crores representing cost of residential flats including undivided interest in land.

2. For details of assets given as security against borrowings, Refer Note 3.11(a).

3. For amount of contractual commitments for the acquisition of PPE, Refer Note 3.10(a).

4. Expenses capitalised ₹ 12.67 crores - Refer Notes 2.4, 2.5 and 2.7 to the Standalone Financial Statements.

5. The gross carrying value and net carrying value of buildings located on freehold and leasehold land for which title is yet to be transferred in the name of the Company amounts to ₹ 254.61 crores and Rs.193.67 crores respectively.

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

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)						DEPRECIATION						NET CARRYING AMOUNT
Property, plant and equipment (PPE)	01.04.2024	Additions	Disposals	Reclassified from held for Sale(Refer Note 1.5A & 1.5B)	Reclassified as held for Sale(Refer Note 1.5A & 1.5B)	31.03.2025	01.04.2024	Charge during the year	Disposals	Reclassified from held for Sale(Refer Note 1.5A & 1.5B)	Reclassified as held for Sale(Refer Note 1.5A & 1.5B)	31.03.2025	31.03.2025
Freehold land	717.60	-	-	-	-	717.60	-	-	-	-	-	-	717.60
Buildings	1,889.60	84.39	0.21	0.63	-	1,974.41	562.57	73.44	0.21	0.09	-	635.89	1,338.52
Buildings given on lease	13.24	-	-	-	-	13.24	2.37	0.29	-	-	-	2.66	10.58
Plant and equipment	5,853.17	260.07	107.07	0.27	-	6,006.44	3,555.28	400.36	97.60	0.03	-	3,858.07	2,148.37
Plant and equipment given on lease	0.03	-	-	-	-	0.03	0.01	#	-	-	-	0.01	0.02
Furniture and fittings	78.81	3.86	1.18	0.09	-	81.58	62.71	5.23	1.18	0.03	-	66.79	14.79
Furniture and fittings given on lease	0.25	-	-	-	-	0.25	0.25	-	-	-	-	0.25	-
Vehicles including electric vehicles	109.51	6.85	3.28	63.66	-	176.74	48.02	33.51	3.25	17.78	-	96.06	80.68
Aircraft given on lease	77.99	-	-	-	77.99	-	70.56	1.57	-	-	72.13	-	-
Office equipment	231.41	56.19	7.69	0.04	-	279.95	167.62	23.90	7.66	0.01	-	183.87	96.08
Total	**8,971.61**	**411.36**	**119.43**	**64.69**	**77.99**	**9,250.24**	**4,469.39**	**538.30**	**109.90**	**17.94**	**72.13**	**4,843.60**	**4,406.64**

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Description	01.04.2024	Additions / Adjustments	Impairment (Refer Note 2.8)	Capitalised during the year	31.03.2025
Capital work-in-progress (CWIP)	95.53	603.15	10.45	411.36	276.87

amount is below rounding off norms adopted by the Company.

CWIP Ageing Schedule

₹ Crores

Amount in CWIP for a period of	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	257.19	18.93	0.47	0.28	276.87

Of the above, there are no projects where the cost has exceeded the budget and project whose completion is delayed. As at March 31, 2025, there are no temporarily suspended projects

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (continued)

Notes:

Title deeds of Freehold land not held in the name of the Company

₹ Crores

Property Description	Asset Class	Address	Total Acres (Approx.)	Gross / Net carrying value (Refer Sub-Note 5)	Reason for not in the name of the Company	Property in the name of
Ennore, Tamil Nadu	Freehold Land	Kathivakkam High Road, Ennore, Chennai 600 057	35.22	81.00	This land was acquired from Hinduja Foundries Limited by the Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Uppal, Telangana	Freehold Land	Industrial Development Area, Uppal, Ranga Reddy District, Telangana	15.36	123.00	This land was acquired from Hinduja Foundries Limited by the Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Mallavalli, Andhra Pradesh	Freehold Land	Plot no. 2 & 3 of Model Industrial Park situated at Mallavalli Village, Bapulapadu Mandal, Krishna District	75.00	13.02	The Agreement for Sale has been registered in the name of the Company. The Conveyance Deed is to be executed by the Authority upon fulfilment of the certain conditions by the Company.	Agreement for sale registered in the name of the Company. Final Conveyance deed is to be executed.

Notes:

1. Cost of Buildings as at March 31, 2025 includes:

   a) ₹ 0.03 crores being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings there at.

   b) ₹ 1.32 crores representing cost of residential flats including undivided interest in land.

2. For details of assets given as security against borrowings, Refer Note 3.11(a).

3. For amount of contractual commitments for the acquisition of PPE, Refer Note 3.10(a).

4. Expenses capitalised Rs. 16.54 crores - Refer Notes 2.4, 2.5 and 2.7 to the Standalone Financial Statements.

5. The gross carrying value and net carrying value of buildings located on freehold and leasehold land for which title is yet to be transferred in the name of the Company amounts to ₹ 244.74 crores and Rs.192.49 crores respectively.

1.1A RIGHT-OF-USE ASSET

₹ Crores

Description	Net Carrying Amount 01.04.2025	Additions	Depreciation	Closure / Pre closure	Net Carrying Amount 31.03.2026
Leasehold Land	239.83	-	5.30	0.28	234.25
Building	30.72	17.34	12.92	6.39	28.75
Plant and equipment	3.51	-	0.44	3.03	0.04
Vehicle	1.27	-	1.27	-	-
Total	**275.33**	**17.34**	**19.93**	**9.70**	**263.04**

Notes:

Title deeds of Leasehold land not held in the name of the Company

₹ Crores

Property Description	Asset Class	Address	Total Acres (Approx.)	Gross carrying value * (Refer Note 1.1 Sub-Note 5)	Net carrying value * (Refer Note 1.1 Sub-Note 5)	Reason for not in the name of the Company	Property in the name of
Sriperumbudur, Tamil Nadu	Leasehold Land	Plot Nos. Phase II, K-1, K-2 SIPCOT Industrial Park, Sriperumbudur, Tamil Nadu	79.44	11.47	10.19	The leasehold rights were originally granted to Hinduja Foundries Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Company vide amalgamation order passed by the National Company Law Tribunal, Chennai.The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Pillaipakkam, Tamil Nadu (Refer Sub-Note 6)	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaipakkam, Sriperumbudur, Tamil Nadu	113.00	48.96	44.84	The leasehold rights were originally granted to Ashok Leyland Nissan Vehicles Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Ashok Leyland Nissan Vehicles Limited (merged with Ashok Leyland Limited)
Bhandara, Maharashtra	Leasehold Land	P O Box 15, Plot No.1, MIDC Industrial Area, Gadegao Lakhani Taluk, Bhandara, Maharashtra	15.82	0.01	0.01	This is a land leased to the Company by the Maharashtra Industrial development Corporation. However, a portion of the land (6.40 hectares) occupied and used by the Company for factory building has been considered unauthorised being a Forest Land. The Company had approached the Mumbai High Court and subsequently pursuant to its orders has applied for the regularisation of the said portion of forest land in exchange of alternate land for afforestation.	Ashok Leyland Limited (under regularisation)

* excludes security deposit

Notes:

1. Escalation clause - the percentage of escalation is up to a maximum of 15%.
2. Discounting rate used for the purpose of computing right to use asset ranges from 6% to 9%.
3. Rental amount per annum ranges from ₹ 0.02 crores to ₹ 2.58 crores, which also carries a clause for extension of agreement based on mutual understanding between Lessor and Lessee.
4. The lease period ranges from 2 years to 90 years over which the right to use asset is depreciated on a straight line basis.
5. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.
6. During the year ended March 31, 2023, a portion of leasehold land was surrendered to State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) and surrender value was received by the Company. The Company is in the process of registering the modified lease deed for the balance portion of leasehold land.

1.1A RIGHT-OF-USE ASSET

₹ Crores

Description	Net Carrying Amount 01.04.2024	Additions	Depreciation	Closure / Pre closure	Reclassified from Held for sale (Refer Note 1.5A)	Net Carrying Amount 31.03.2025
Leasehold Land	203.58	41.44	5.19	-	-	239.83
Building	23.34	16.01	14.39	0.11	5.87	30.72
Plant and equipment	4.67	-	1.16	-	-	3.51
Vehicle	3.71	-	2.44	-	-	1.27
Total	**235.30**	**57.45**	**23.18**	**0.11**	**5.87**	**275.33**

Notes:

Title deeds of Leasehold land not held in the name of the Company ₹ Crores

Property Description	Asset Class	Address	Total Acres (Approx.)	Gross carrying value * (Refer Note 1.1 Sub-Note 5)	Net carrying value * (Refer Note 1.1 Sub-Note 5)	Reason for not in the name of the Company	Property in the name of
Sriperumbudur, Tamil Nadu	Leasehold Land	Plot Nos. Phase II, K-1, K-2 SIPCOT Industrial Park, Sriperumbudur, Tamil Nadu	79.44	11.47	10.34	The leasehold rights were originally granted to Hinduja Foundries Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Company vide amalgamation order passed by the National Company Law Tribunal, Chennai.The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
Pillaipakkam, Tamil Nadu (Refer Sub-Note 6)	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaipakkam, Sriperumbudur, Tamil Nadu	113.00	48.96	45.35	The leasehold rights were originally granted to Ashok Leyland Nissan Vehicles Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Ashok Leyland Nissan Vehicles Limited (merged with Ashok Leyland Limited)
Bhandara, Maharashtra	Leasehold Land	P O Box 15, Plot No.1, MIDC Industrial Area, Gadegao Lakhani Taluk, Bhandara, Maharashtra	15.82	0.01	0.01	This is a land leased to the Company by the Maharashtra Industrial development Corporation. However, a portion of the land (6.40 hectares) occupied and used by the Company for factory building has been considered unauthorised being a Forest Land. The Company had approached the Mumbai High Court and subsequently pursuant to its orders has applied for the regularisation of the said portion of forest land in exchange of alternate land for afforestation.	Ashok Leyland Limited (under regularisation)

* excludes security deposit

Notes:

1. Escalation clause - the percentage of escalation is up to a maximum of 15%.
2. Discounting rate used for the purpose of computing right to use asset ranges from 6% to 9%.
3. Rental amount per annum ranges from Rs. 0.03 crores to Rs. 2.27 crores, which also carries a clause for extension of agreement based on mutual understanding between Lessor and Lessee.
4. The lease period ranges from 2 years to 90 years over which the right to use asset is depreciated on a straight line basis.
5. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.
6. During the year ended March 31, 2023, a portion of leasehold land was surrendered to State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) and surrender value was received by the Company. The Company is in the process of registering the modified lease deed for the balance portion of leasehold land.
7. The Company was allotted land in Lucknow, Uttar Pradesh, under the applicable State Incentive Policy and received an upfront land subsidy of Rs. 115.84 crores. The land has been mortgaged in favor of the Uttar Pradesh State Industrial Development Authority and will remain so until the commencement of commercial production. A right-of-use asset has been recognized for the net value, excluding the subsidy amount, and is being amortized over the lease term of 90 years.

1.2 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				AMORTISATION				NET CARRYING AMOUNT
Other intangible assets	01.04.2025	Additions	Disposals	31.03.2026	01.04.2025	Charge during the year	Disposals	31.03.2026	31.03.2026
Computer software									
- Developed	103.38	-	0.20	103.18	103.38	-	0.20	103.18	-
- Acquired	180.21	25.41	0.17	205.45	136.44	13.88	0.17	150.15	55.30
Technical knowhow (Includes Product Development)									
- Developed	1,569.21	28.29	1.47	1,596.03	901.37	147.60	1.47	1,047.50	548.53
- Acquired	40.48	-	-	40.48	38.47	2.01	-	40.48	-
Total	**1,893.28**	**53.70**	**1.84**	**1,945.14**	**1,179.66**	**163.49**	**1.84**	**1,341.31**	**603.83**

Description	01.04.2025	Additions / Adjustments *	Impairment	Capitlised during the year *	31.03.2026
Intangible assets under development (IAUD)	147.89	176.92	1.80	53.70	269.31

* Includes acquired computer software.

Ageing of Intangible assets under development

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	143.25	79.57	26.88	19.61	269.31

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion is delayed is as follows:

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects relating to Technical knowhow - Product development	11.69	20.20	-	-

As at March 31, 2026, there are no temporarily suspended projects.

Notes:

1. Additions to other intangible assets and Intangible assets under development include:
   Expenses capitalised ₹ 148.39 crores - Refer Notes 2.4, 2.5 and 2.7 to the standalone financial statements.
2. For amount of contractual commitments for the acquisition of intangible assets, Refer Note 3.10(a).

1.2 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)				AMORTISATION				NET CARRYING AMOUNT
Other intangible assets	**01.04.2024**	**Additions**	**Disposals**	**31.03.2025**	**01.04.2024**	**Charge during the year**	**Disposals**	**31.03.2025**	**31.03.2025**
Computer software									
- Developed	103.38	-	-	103.38	103.38	-	-	103.38	-
- Acquired	151.10	29.61	0.50	180.21	127.71	9.23	0.50	136.44	43.77
Technical knowhow (Includes Product Development)									
- Developed	1,491.72	77.49	-	1,569.21	760.84	140.53	-	901.37	667.84
- Acquired	40.48	-	-	40.48	30.37	8.10	-	38.47	2.01
Total	**1,786.68**	**107.10**	**0.50**	**1,893.28**	**1,022.30**	**157.86**	**0.50**	**1,179.66**	**713.62**

Description	01.04.2024	Additions / Adjustments*	Impairment (Refer Note 2.8)	Capitalised during the year*	31.03.2025
Intangible assets under development (IAUD)	106.00	152.14	3.15	107.10	147.89

* Includes acquired computer software.

Ageing of Intangible assets under development

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	90.92	34.17	20.74	2.06	147.89

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion is delayed is as follows:

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects relating to Technical knowhow - Product development	25.72	13.36	-	-

As at March 31, 2025, there are no temporarily suspended projects.

Notes:

1. Additions to other intangible assets and Intangible assets under development include:
   Expenses capitalised ₹ 126.34 crores - Refer Notes 2.4, 2.5 and 2.7 to the standalone financial statements.
2. For amount of contractual commitments for the acquisition of intangible assets, Refer Note 3.10(a).

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

DESCRIPTION	As at March 31, 2026		As at March 31, 2025	
	Nos	₹ Crores	Nos	₹ Crores
A) Investments in Equity Instruments (unquoted) (fully paid up unless otherwise stated)				
1) Subsidiaries (at cost)				
a) Equity Shares of ₹ 10 each				
Global TVS Bus Body Builders Limited	66,00,000	14.50	66,00,000	14.50
HLF Services Limited	2,97,000	0.56	2,97,000	0.56
Ashley Aviation Limited	4,59,00,000	44.90	4,59,00,000	44.90
Albonair (India) Private Limited	4,50,00,000	56.15	4,50,00,000	56.15
Hinduja Leyland Finance Limited (Refer Sub-Note 4 and 9)	33,32,46,338	2,131.16	33,32,46,338	2,131.16
OHM Global Mobility Private Limited (Refer Sub-Note 3)	30,00,00,000	300.00	30,00,00,000	300.00
Hinduja Tech Limited	15,39,50,000	167.57	15,39,50,000	167.57
Vishwa Buses and Coaches Limited (Refer Sub-Note 3)	4,55,00,000	45.50	3,98,00,000	39.80
b) Equity Shares of ₹ 100 each				
Gulf Ashley Motor Limited (Refer Sub-Note 3)	27,66,428	27.94	27,66,428	27.94
c) Equity Shares				
Optare Plc (Refer Sub-Note 3)				
Ordinary shares of British Pence 0.1 each	1,11,81,90,45,837	3,000.23	1,00,61,38,53,568	2,130.89
Deferred shares of British Pence 0.9 each	19,55,57,828	-	19,55,57,828	-
d) Deemed Equity				
Switch Mobility Automotive Limited (Refer Sub-Note 5)	-	129.60	-	129.60
e) Equity shares of Naira 1 each				
Ashok Leyland (Nigeria) Limited	99,99,999	0.36	99,99,999	0.36
f) Equity shares of USD 20 each				
Ashok Leyland (Chile) S.A.	28,499	3.76	28,499	3.76
g) Equity Shares of Euro 1 each				
Albonair GmbH (Refer Sub-Note 3)	5,24,95,000	460.09	5,24,95,000	460.09
h) Equity shares of UAE Dirhams of 1,000 each				
Ashok Leyland (UAE) LLC (Refer Sub-Note 3)	35,770	110.49	35,770	110.49
(including beneficial interest of ₹ 56.41 crores)				
i) Section 8 Company				
Ashok Leyland Foundation	10,000	0.01	10,000	0.01
2) Associates (at cost)				
a) Equity Shares of ₹ 10 each				
Ashok Leyland Defence Systems Limited	79,92,218	25.39	79,92,218	25.39
Mangalam Retail Services Limited	37,470	0.04	37,470	0.04
b) Equity shares of Srilankan Rupees 10 each - (quoted)				
Lanka Ashok Leyland, Plc	10,08,332	0.57	10,08,332	0.57
3) Joint Ventures (at cost)				
Equity Shares of Rs. 10 each				
Ashley Alteams India Limited (Refer Sub-Note 3)	7,59,47,500	46.51	7,59,47,500	46.51
Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)	17,27,270	1.73	17,27,270	1.73
TVS Trucks and Buses Private Limited	2,49,50,000	24.95	2,49,50,000	24.95
GRO Digital Platforms Limited	4,50,00,000	45.00	3,50,00,000	35.00
Sub Total		**6,637.01**		**5,751.97**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd.)

DESCRIPTION	As at March 31, 2026		As at March 31, 2025	
	Nos	₹ Crores	Nos	₹ Crores
Less:Impairment in Value of Investments				
Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)		1.73		1.73
Ashley Aviation Limited		44.90		44.90
Gulf Ashley Motor Limited		16.94		12.34
Albonair GmbH		460.09		460.09
Ashok Leyland (Chile) S.A.		3.76		3.76
Aggregate of Impairment in Value of Investments		**527.42**		**522.82**
Sub Total		**6,109.59**		**5,229.15**
4) Others				
a) Equity Shares of ₹ 10 each				
Rajalakshmi Wind Energy Limited (formerly Ashok Leyland Wind Energy Limited) (Refer Sub-Note 12)	78,12,950	9.12	78,12,950	9.12
Chennai Willingdon Corporate Foundation (Cost ₹ 900) (Refer Sub-Note 11)	100	#	100	#
Hinduja Energy (India) Limited (Refer Sub-Note 10) (Refer Sub-Note 11)	6,11,47,058	109.09	6,11,47,058	142.53
Kamachi Industries Limited (Refer Sub-Note 11)	-	-	5,25,000	-
Prathama Solarconnect Energy Private Limited (Refer Sub-Note 12)	1,86,56,912	8.64	1,86,56,912	8.01
HR Vaigai Private Limited (Refer Sub-Note 12)	1,78,073	0.80	1,78,073	0.74
b) Equity shares of ₹ 100 each partly paid-up				
Adyar Property Holding Co. Limited (₹ 65 paid up) [Cost ₹ 19,500] (Refer Note 3.10 (b))	300	#	300	#
Sub Total		**127.65**		**160.40**
Total Investments in Equity Instruments (net)		**6,237.24**		**5,389.55**
B) Investments in Preference Shares (At Fair value through profit or loss) (unquoted)				
1) Subsidiaries				
Ashok Leyland (UAE) LLC 6% Non-Cumulative Non-Convertible Redeemable Preference shares of AED. 1,000 each	23,000	55.61	23,000	48.67
Switch Mobility Automotive Limited (Refer Sub-Note 5) 8.5% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 100 each	3,01,00,000	233.05	3,01,00,000	183.29
2) Associates				
Ashok Leyland Defence Systems Limited 6% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹10 each	1,00,00,000	8.37	1,00,00,000	7.73
Total Investments in Preference Shares		**297.03**		**239.69**
C) Investment in Special Limited Partnership (At Fair value through profit or loss)				
Vasuki SCSp (Refer Sub-Note 7)		25.02		25.02
		25.02		**25.02**
Total		**6,559.29**		**5,654.26**

amount is below rounding off norms adopted by the Company.

1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd.)

Notes:

₹ Crores

1. Particulars	March 31, 2026	March 31, 2025
Aggregate value of unquoted investments (including deemed equity investment of ₹ 129.6 crores)	7,086.14	6,176.51
Aggregate value of quoted investments	0.57	0.57
Aggregate market value of quoted investments	80.37	27.78
Aggregate value of impairment in value of investments	527.42	522.82

2. Investments are fully paid-up shares unless otherwise stated.
3. Equity investments held in certain subsidiaries and joint ventures may be transferred or otherwise disposed of, subject to prior intimation to, or consent from, as applicable, the banks that have extended credit facilities to such entities, in the event that such transfer or disposal results in the shareholding falling below the prescribed threshold limits.
4. Lock-in commitment in the shareholders agreement: [Also refer Note 3.10(c)]

Particulars	No of Shares
Hinduja Leyland Finance Limited	2,84,72,743

5. During the year ended March 31, 2023, Switch Mobility Automotive Limited, a step-down subsidiary of the Company, settled the consideration on transfer of Electric vehicle business along with the interest accrued and working capital adjustments thereon, aggregating to ₹ 301 crores by issuing 3,01,00,000 8.5% Non-Cumulative Non-Convertible Redeemable Preference Shares (NCRPS), at a nominal value and issue price of ₹ 100/- each. Consequently, the Company recognised a deemed equity portion on fair valuation of the aforementioned preference shares of Switch Mobility Automotive Limited, being a transaction between common control entities.
6. Number of shares held by the Company includes joint holding / beneficial interest.
7. The Company holds 9.13% of Class A units in the special limited partnership.
8. The investments made by the Company is in compliance with section 180 and 186 with respect to layers of investment permitted under the Companies Act, 2013.
9. The Audit Committee and Board of Directors of Hinduja Leyland Finance Limited (HLF) and NDL Ventures Limited (NDL), at their respective meetings held on November 25, 2025, approved a Scheme of Merger by Absorption under Sections 230 to 232 of the Companies Act, 2013, for the merger of Hinduja Leyland Finance Limited with NDL Ventures Limited.The Audit Committee and Board of Directors of HLF and NDL also approved share exchange ratio of 25 equity shares of NDL for every 10 equity shares of HLF. The Board also approved the conversion of each NCD of Hinduja Leyland Finance Limited into one equivalent NCD of NDL Ventures Limited on similar terms and conditions. During FY 2025-26, the Scheme received the no-objection certificate from the Reserve Bank of India and approval from the Competition Commission of India. The BSE limited vide letter dated May 18, 2026 has conveyed its "No Objection / No adverse Observation", for the proposed scheme. The scheme will be filed with the National Company Law Tribunal , Mumbai for final approval.
10. The Company has recorded a loss on fair valuation of equity investment in Hinduja Energy (India) Limited (HEIL) amounting to ₹ 33.44 crores under other income (March 31, 2025: gain on fair valuation ₹ 120.53 crores under exceptional item) based on business plan of HEIL, external factors and the independent valuers report. The discounted cash flow method uses post tax discount rate of 12.20% (March 31, 2025 :12.50%). Both pre tax discount rate and post tax discount rate gives the same recoverable amount. Also refer Note 3.6.4(B)
11 These Investments are measured at fair value of through profit and loss.
12 The Company has invested in certain entities to secure electricity from renewable sources and are considered as associate companies under the Companies Act 2013. Under Ind AS guidelines, these entities do not qualify as associate companies due to the agreements that limit the Company's influence over financial and operational decisions. These agreements also impose limitations on the sale of shares and their associated value. Consequently, the investments are measured at amortized cost as per Ind AS 109.

	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
1.4 NON-CURRENT - INCOME TAX ASSETS (NET)		
Advance income tax (net of provision)	14.53	34.32
	14.53	**34.32**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

			As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.5	**NON-CURRENT - OTHER FINANCIAL ASSETS**			
	(Unsecured, considered good unless otherwise stated)			
	a)	Grants receivable (Refer Note 1.1)	60.05	-
	b)	Other receivables *		
		Considered doubtful	3.95	3.95
		Less: Allowance for doubtful receivables	3.95	3.95
			-	-
	c)	Others		
		i. Employee Advances	1.64	0.98
		ii. Others (paid under protest against legal dispute)	17.85	17.85
			19.49	**18.83**
	d)	Security deposits		
		Considered good	47.85	57.42
		Considered doubtful	1.29	1.29
		Less: Allowance for doubtful receivables	1.29	1.29
			47.85	**57.42**
	e)	Related parties (Refer Note 3.8)		
		Application money paid towards investment in subsidiary (Refer Note 3.19)	-	498.76
	f)	Lease rent receivable	1.01	-
			128.40	**575.01**

* includes receivable on sale of windmill undertaking of the Company.

Notes:

1. These are measured and carried at amortised cost
2. Movement in allowance for doubtful other receivables is as follows:

Particulars	March 2026	March 2025
Opening	3.95	3.95
Add: Additions	-	-
Less: Utilisations / Reversals	-	-
Closing	3.95	3.95

3. Movement in allowance for doubtful security deposits is as follows:

Particulars	March 2026	March 2025
Opening	1.29	1.33
Add: Additions	-	0.16
Less: Utilisations / Reversals	-	0.20
Closing	1.29	1.29

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.5A ASSETS CLASSIFIED AS HELD FOR SALE		
Aircraft :		
Property, plant and equipment	-	23.68
	-	**23.68**

	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.5B LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE		
Aircraft :		
Non-current and current financial liabilities (includes trade and other payables, etc)	-	4.65
	-	**4.65**

	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.6 CURRENT TAX LIABILITIES (NET)		
Provision for taxation (net of advance tax)	740.56	621.69
	740.56	**621.69**

	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.7 OTHER NON-CURRENT ASSETS		
(Unsecured, considered good unless otherwise stated)		
a) Capital advances		
i. Advances to related parties (Refer Note 3.8)	3.80	1.83
Considered good		
ii. Others		
Considered good	51.71	362.53
Considered doubtful	1.65	1.65
Less: Allowance for doubtful advances	1.65	1.65
	55.51	364.36
b) Balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc. (including paid under protest)		
Considered good	82.36	66.83
Considered doubtful	2.90	2.90
Less: Allowance for doubtful balances	2.90	2.90
	82.36	66.83

	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
c) Others		
i. Sales tax paid (including paid under protest)	197.76	209.60
ii. Other advances (includes prepaid expenses, etc.)	25.66	18.90
	223.42	228.50
	361.29	**659.69**

Notes :

1. Movement in allowance for doubtful advances towards capital advances is as follows:

Particulars	March 2026	March 2025
Opening	1.65	1.65
Add: Additions	-	-
Less: Utilisations / Reversals	-	-
Closing	1.65	1.65

2. Movement in allowance for doubtful balances towards balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc. is as follows:

Particulars	March 2026	March 2025
Opening	2.90	2.90
Add: Additions	-	-
Less: Utilisations	-	-
Closing	2.90	2.90

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

			As at March 31, 2026	As at March 31, 2025
			₹ Crores	₹ Crores
1.8	**INVENTORIES**			
	(a)	Raw materials and components	1,318.03	896.34
	(b)	Work-in-progress	480.09	342.21
	(c)	Finished goods	1,241.79	1,304.67
	(d)	Stock-in-trade		
		Spare parts and auto components (including works made)	317.90	281.97
	(e)	Stores, spares and consumable tools	128.21	132.13
			3,486.02	**2,957.32**

Notes:

		March 2026	March 2025
1.	Goods-in-transit included above are as below :		
	Raw materials and components	26.33	55.74

2. Cost of inventories (including cost of stock-in-trade purchased and write down of inventories) recognised as an expense during the year are ₹ 31,417.14 crores (2024-25: ₹ 27,622.78 crores).
3. For details of assets given as security against borrowings - Refer Notes 3.11

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.9	**CURRENT FINANCIAL ASSETS - INVESTMENTS**		
	(Unquoted unless otherwise stated)		
	Units in mutual funds	4,119.71	3,018.70
	(March 31, 2026: 3,30,52,366.17 units ; March 31, 2025: 2,02,68,236.58 units)		
		4,119.71	**3,018.70**

Note:

These are carried at fair value through profit or loss

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.10	**CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**		
	(Unsecured)		
	Considered good		
	Related parties (Refer Note 3.8)	903.19	302.99
	Others	2,161.93	2,722.97
		3,065.12	**3,025.96**
	Less: Loss allowance	114.71	138.64
		2,950.41	**2,887.32**

Ageing for trade receivable ₹ Crores

Year ended March 31, 2026	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables							
- considered good	1,697.17	972.78	39.34	65.91	17.20	49.67	2,842.07
(ii) Disputed Trade Receivables							
- considered good	-	0.07	0.06	4.03	3.69	215.20	223.05
Gross Receivables	**1,697.17**	**972.85**	**39.40**	**69.94**	**20.89**	**264.87**	**3,065.12**
Less: Loss allowance							114.71
Total							**2,950.41**

Year ended March 31, 2025	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables							
- considered good	1,411.01	1,244.93	42.70	32.21	10.07	22.95	2,763.87
(ii) Disputed Trade Receivables							
- considered good	-	0.09	0.36	3.78	10.18	247.68	262.09
Gross Receivables	**1,411.01**	**1,245.02**	**43.06**	**35.99**	**20.25**	**270.63**	**3,025.96**
Less: Loss allowance							138.64
Total							**2,887.32**

Notes :

1. Movement in loss allowance is as follows:

Particulars	March 2026	March 2025
Opening	138.64	117.70
Add: Additions	27.71	21.51
Less: Utilisations / Reversals	51.64	0.57
Closing	114.71	138.64

2. These are carried at amortised cost.
3. For details of assets given as security against borrowings - Refer Notes 3.11.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.11 A. CASH AND CASH EQUIVALENTS		
i) Balance with banks:		
a) In current accounts	35.85	31.15
b) In cash credit accounts	130.20	1,128.60
c) In deposit accounts *	1,865.00	1,500.00
ii) Cheques, drafts on hand	0.01	-
iii) Cash and stamps on hand	0.03	0.07
	2,031.09	**2,659.82**

	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.11 B. BANK BALANCES OTHER THAN (A) ABOVE		
i) Unclaimed dividend accounts (earmarked)	13.35	13.52
ii) Escrow bank account (earmarked)	32.61	32.61
iii) Deposits with original maturity of more than 3 months but less than 12 months#	900.00	-
	945.96	**46.13**

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

Includes fixed deposit of Rs. 100 crores (2024 -25 : Nil) with scheduled bank towards meeting Debenture Redemption Fund requirements under the Companies (Share Capital and Debentures) Rules, 2014

	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.12A CURRENT - OTHER FINANCIAL ASSETS		
(Unsecured, considered good unless otherwise stated)		
a) Interest accrued	11.37	2.71
b) Employee advances	23.14	24.64
c) Derivatives designated as hedging instruments carried at fair value	0.92	15.43
d) Receivable from related parties (Refer Note 3.8)	-	1.17
e) Revenue grants receivable		
Considered good	30.32	19.61
Considered doubtful	9.40	9.03
	39.72	**28.64**
Less: Allowance for doubtful receivable	9.40	9.03
	30.32	**19.61**
f) Receivable from Government authorities		
Considered good	3.75	3.75
Considered doubtful	3.90	3.90
	7.65	**7.65**
Less: Allowance for doubtful amount	3.90	3.90
	3.75	**3.75**
g) Others (includes expenses recoverable, etc.)		
Considered good		
Related parties (Refer note 3.8)	104.21	-
Others	53.05	48.45
Considered doubtful	32.30	36.55
	189.56	**85.00**
Less: Allowance for doubtful amount	32.30	36.55
	157.26	**48.45**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

			As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.12A	**CURRENT - OTHER FINANCIAL ASSETS (continued)**			
	h)	Security deposits		
		Considered good	15.38	2.45
		Considered doubtful	-	0.07
			15.38	2.52
		Less:Allowance for doubtful deposits	-	0.07
			15.38	**2.45**
	i)	Lease rent receivables	0.80	-
			242.94	**118.21**

Notes:

1. These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss / other comprehensive income.
2. Movement in Allowance for doubtful receivable (Revenue grants receivable) is as follows:

Particulars	March 2026	March 2025
Opening Balance	9.03	9.03
Add: Additions	0.37	-
Less: Utilisations / Reversals	-	-
Closing Balance	9.40	9.03

3. Movement in Allowance for doubtful receivable (others) is as follows:

Particulars	March 2026	March 2025
Opening Balance	36.55	36.55
Add: Additions	-	-
Less: Utilisations / Reversals	4.25	-
Closing Balance	32.30	36.55

4. Movement in Allowance for doubtful receivable (Receivable from government authorities) is as follows:

Particulars	March 2026	March 2025
Opening Balance	3.90	3.90
Add: Transfer	-	-
Less: Utilisations / Reversals	-	-
Closing Balance	3.90	3.90

5. Movement in Allowance for doubtful security deposits is as follows:

Particulars	March 2026	March 2025
Opening Balance	0.07	0.07
Add: Addition	-	-
Less: Utilisations / Reversals	0.07	-
Closing Balance	-	0.07

6. There are no Intercorporate deposits granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) that are repayable on demand and that are without specifying any terms or period of repayment.

		As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.13	**OTHER CURRENT ASSETS**		
	(Unsecured, considered good unless otherwise stated)		
	a) Supplier advances		
	Considered good	70.90	21.87
	Considered doubtful	0.97	0.97
		71.87	22.84
	Less: Allowance for doubtful advances	0.97	0.97
		70.90	21.87
	b) Balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc.	745.84	512.41
	c) Others*	69.12	86.84
		885.86	**621.12**
	*** Includes:**		
	- Prepaid expenses	68.04	83.14

Note:

Movement in Allowance for doubtful advances is as follows:

Particulars	March 2026	March 2025
Opening	0.97	0.97
Add: Additions	-	-
Less: Utilisations / Reversals	-	-
Closing	0.97	0.97

		As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.14	**EQUITY SHARE CAPITAL**		
	Authorised		
	27,85,60,00,000 (March 2025: 27,85,60,00,000) Equity shares of Re.1 each	2,785.60	2,785.60
		2,785.60	**2,785.60**
	Issued		
	a) 4,58,12,25,592 (March 2025: 2,29,02,12,796) Equity shares of Re. 1 each	458.13	229.02
	b) 1,29,26,28,960 (March 2025: 64,63,14,480) Equity shares of Re. 1 each issued through Global Depository Receipts	129.26	64.63
		587.39	**293.65**
	Subscribed and fully paid up		
	a) 4,58,12,25,592 (March 2025: 2,29,02,12,796) Equity shares of Re. 1 each	458.13	229.02
	b) 1,29,26,28,960 (March 2025: 64,63,14,480) Equity shares of Re. 1 each issued through Global Depository Receipts	129.26	64.63
		587.39	**293.65**
	Add: Forfeited shares (amount originally paid up in respect of 760 shares) #	0.00	0.00
		587.39	**293.65**

amount is below rounding off norms adopted by the Company.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Shares held by promoters as at March 31, 2026				
S. No	Name of the Promoter	No. of Shares	%of total shares	% Change during the year
1	Hinduja Automotive Limited (including shares held through GDRs through JP Morgan Chase Bank NA)	2,69,72,57,636	45.920	(0.006)
2	Hinduja Bank (Switzerland) Ltd (held on behalf of Hinduja Automotive Limited)	28,98,08,128	4.934	(0.001)
3	Hinduja Foundries Holdings Limited	1,42,54,758	0.243	0.000
	Total	**3,00,13,20,522**	**51.097**	**(0.007)**

Shares held by promoters as at March 31, 2025				
S. No	Name of the Promoter	No. of Shares	%of total shares	% Change during the year
1	Hinduja Automotive Limited (including shares held through GDRs through JP Morgan Chase Bank NA)	1,34,86,28,818	45.926	(0.003)
2	Hinduja Bank (Switzerland) Ltd (held on behalf of Hinduja Automotive Limited)	14,49,04,064	4.935	-
3	Hinduja Foundries Holdings Limited	71,27,379	0.243	-
	Total	**1,50,06,60,261**	**51.104**	**(0.003)**

Notes:

1. **Reconciliation of number of equity shares subscribed**

Particulars	March 2026	March 2025
Balance as at the beginning of the year	2,93,65,27,276	2,93,63,27,276
Add: Issued by way of Bonus shares (Refer Sub-Note 5 (b))	2,93,65,27,276	-
Add: Issued under ESOP (Refer Note 3.4)	8,00,000	2,00,000
Balance as at end of the year	5,87,38,54,552	2,93,65,27,276

2. As on March 31, 2026, there are 70,57,40,280 (March 2025: 35,28,70,140) equity shares representing the outstanding Global Depository Receipts (GDRs). The balance GDRs have been converted into equity shares.

3. **Shares held by the Holding Company**

   Hinduja Automotive Limited, the holding company, holds 2,32,86,65,484 (March 2025: 1,16,43,32,742) Equity shares and 65,84,00,280 (March 2025: 32,92,00,140) Global Depository Receipts (GDRs) equivalent to 65,84,00,280 (March 2025: 32,92,00,140) Equity shares of Re. 1 (March 2025: Re. 1) each aggregating to 50.85% (March 2025: 50.861%) of the total share capital.

4. **Shareholders other than the Holding Company holding more than 5% of the equity share capital**

   There are no shareholders holding more than 5% of the equity share capital of the Company other than the Holding Company as at March 31, 2026 and March 31, 2025.

5. **Rights, preferences and restrictions in respect of equity shares and GDRs issued by the Company**

   a) The Equity shareholders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by / in terms of their issue under the provisions of the Companies Act, 2013.

   b) During the year ended March 31, 2026, the Company had issued bonus shares in the ratio 1:1 i.e. 1 (One) equity shares of Re. 1 each for every 1 (One) fully paid-up equity share of Re. 1/- each. Accordingly, the Company had allotted 2,93,65,27,276 number of equity shares. Consequent to the above, the total number of GDRs stands increased from 35,28,70,140 to 70,57,40,280.

      Aggregate number of equity shares issued as bonus shares issued for consideration other than cash during the period of five years immediately preceding the reporting date are 2,93,65,27,276

   c) The rights, preferences and restrictions of the GDR holders are governed by the terms of their issue, and the provisions of the Companies Act, 2013. Each GDR holder is entitled to receive 1 equity share [March 2025: 1 equity share] of Re. 1 each, per GDR, and their voting rights can be exercised through the Depository.

   d) Effective June 17, 2024, the ratio between the GDRs and Shares of the Company has been changed from 60 : 1 (One GDR equivalent to 60 underlying shares) to 1:1 (One GDR is equivalent to one underlying share). Accordingly, 59 new GDRs were issued by the Depository for every 1 existing GDR held by the GDR holder(s) on the GDR Record Date viz., June 10, 2024 in line with the new ratio.

      Consequent to the above ratio change, the total number of GDRs stands increased from 58,81,169 to 35,28,70,140. There is no change to the underlying shares / equity share capital of the Company, due to the ratio change of the GDRs.

6. The Company allotted 8,00,000 (March 2025: 2,00,000) equity shares pursuant to the exercise of options under Employee Stock Option Plan Scheme. For Information relating to Employees Stock Option Plan Scheme including details of options outstanding as at March 31, 2026 - Refer Note 3.4.

		Note	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.15	**OTHER EQUITY**			
	Capital Reserve	A	263.87	263.87
	Securities Premium	B	1,629.94	1,917.00
	Capital Redemption Reserve	C	-	3.33
	Share Options Outstanding Account	D	-	41.24
	General Reserve	E	1,025.14	1,022.85
	Cash Flow Hedge Reserve	F	-	1.65
	Retained Earnings	G	9,607.08	7,975.20
			12,526.03	**11,225.14**

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

Notes:

A. Capital reserve represents reserve created pursuant to the business combinations.

B. Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.

C. Capital redemption reserve represent the reserve arising pursuant to the business combination during 2016-17.

D. Share options outstanding account relates to stock options granted by the Company to employees under an employee stock options plan. (Refer Note 3.4)

E. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

F. Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated in this reserve are reclassified to profit or loss only when the hedged transaction affects the profit or loss.

G. For the year ended March 31, 2026, the Board of Directors approved two interim dividends. The first, amounting to ₹ 1.00 per equity share of face value Re.1.00 each, was approved at the Board meeting held on November 12, 2025. A second interim dividend of ₹ 2.50 per equity share was approved at the meeting held on May 28, 2026. Accordingly, the total interim dividend declared for the year amounts to ₹ 3.50 per share (Interim dividend for March 2025: ₹ 6.25 per equity share). Revaluation reserve amounting to ₹ 1,210.21 crores transferred to retained earnings on transition date may not be available for distribution.

			As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.16	**NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**			
	a)	**Secured borrowings**		
		i. Term loan from banks	456.38	636.48
		ii. Non-convertible debentures	-	199.34
	b)	**Unsecured borrowings**		
		i. Interest free sales tax loans	61.50	66.41
			517.88	**902.23**

Notes:

1. These are carried at amortised cost.
2. Refer Note 1.21 for current maturities of non-current borrowings.
3. Refer Note 3.11 for security and terms of the borrowings
4. The Company has been authorised to issue 3,65,00,000 (March 2025: 3,65,00,000) Non-Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10 each valuing ₹ 36.50 crores (March 2025: ₹ 36.50 crores) and 7,70,00,000 (March 2025: 7,70,00,000) Non-Convertible Redeemable Preference Shares of ₹ 100 each valuing ₹ 770.00 crores (March 2025: ₹ 770.00 crores). No preference shares has been issued during the year.
5. The Company's loan agreements require compliance with certain covenants, including maintenance of prescribed coverage ratios, debt leverage ratios, networth thresholds, promoter shareholding levels, security cover and credit rating. The Company has complied with all applicable covenants as at March 31, 2026. As on date, there are no indications that the Company would have any dificulty in complying with the applicable covenants.
6. The Company has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreement.
7. The Company is not declared as a wilful defaulter by any bank or financial institution or government or any government authority.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.17	**NON-CURRENT - OTHER FINANCIAL LIABILITIES**		
	a) Capital creditors	-	1.06
	b) Others (includes security deposit payable, etc)	10.99	11.51
		10.99	**12.57**

Note:

These are carried at amortised cost.

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.18	**NON-CURRENT CONTRACT LIABILITIES**		
	Income received in advance (Refer Note 3.7)	423.97	372.86
		423.97	**372.86**

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.19	**NON-CURRENT PROVISIONS**		
	a) Provision for employee benefits		
	i. Others including post retirement benefits	24.35	130.17
	b) Others		
	i. Product warranties	605.22	573.06
	Ii. Others (including litigation matters)	5.88	5.74
		635.45	**708.97**

Notes:

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

Particulars	March 2026	March 2025
Opening (Current (Refer Note 1.25) and Non-current)	1,123.80	987.73
Add: Addition (net)	986.37	842.71
Less: Utilisations	854.46	706.64
Closing (Current (Refer Note 1.25) and Non-current)	1,255.71	1,123.80

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 ranges upto 72 months (March 31, 2025: upto 72 months).

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

Particulars	March 2026	March 2025
Opening	5.74	5.72
Add: Additions	0.14	0.02
Less: Transfer / Reversal	-	-
Closing	5.88	5.74

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.20	**DEFERRED TAX LIABILITIES (NET)**		
	a) Deferred tax liabilities	695.14	677.64
	b) Deferred tax (assets)	(159.43)	(129.75)
		535.71	**547.89**

Note:
Refer Note 3.1 for details of deferred tax liabilities and assets.

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.21	**CURRENT FINANCIAL LIABILITIES - BORROWINGS**		
	Short term loans from banks (Unsecured)	150.00	150.00
	Current maturities of long-term debts	483.82	383.21
		633.82	**533.21**

Notes:
1. These are carried at amortised cost.
2. Refer Note 3.11 for security and terms of the borrowings.
3. Refer Note 1.16 for details of debt covenants.
4. The Company has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements.
5. Current maturities of long term debts:

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Secured	478.91	325.45
Unsecured	4.91	57.76

6. Net debt reconciliation:

	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Cash and cash equivalents	2,031.09	2,659.82
Liquid investments	4,119.71	3,018.70
Current borrowings	(150.78)	(150.87)
Non-current borrowings	(1,003.93)	(1,289.57)
Derivative (Liability) / Asset	(16.10)	12.19
Lease Liability	(43.34)	(46.28)
Net debt / surplus	**4,936.65**	**4,203.99**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	Other assets		Liabilities from financing activities				Total
	Cash and cash equivalents	Liquid investments	Non-current borrowings	Current borrowings	Derivative Asset / (Liability)	Lease Liabilities	
Net debt / surplus as at March 31, 2024	**1,941.87**	**225.16**	**(1,777.16)**	**(484.87)**	**51.99**	**(44.87)**	**(87.88)**
Cash flows (net)	718.06	2,743.40	441.73	334.28	-	17.96	4,255.43
Foreign exchange adjustments (Realised / Unrealised)	(0.11)	-	43.47	-	-	-	43.36
Profit on sale of liquid investments (net)	-	43.12	-	-	-	-	43.12
Interest expense	-	-	(113.27)	(33.68)	-	(3.47)	(150.42)
Interest paid	-	-	115.66	33.40	-	-	149.06
Other non-cash movements							
- Fair value adjustments	-	7.02	-	-	(39.80)	-	(32.78)
- Addition / Deletion (Net) relating to lease liability	-	-	-	-	-	(15.90)	(15.90)
Net debt / surplus as at March 31, 2025	**2,659.82**	**3,018.70**	**(1,289.57)**	**(150.87)**	**12.19**	**(46.28)**	**4,203.99**
Cash flows (net)	(630.22)	1,005.46	276.60	-	-	14.80	666.64
Foreign exchange adjustments (Realised / Unrealised)	1.49	-	7.47	-	-	-	8.96
Profit on sale of liquid investments (net)	-	92.83	-	-	-	-	92.83
Interest expense	-	-	(81.72)	(10.26)	-	(3.99)	(95.97)
Interest paid	-	-	83.29	10.35	-	-	93.64
Other non-cash movements							
- Fair value adjustments	-	2.72	-	-	(28.29)	-	(25.57)
- Addition / Deletion (Net) relating to lease liability	-	-	-	-	-	(7.87)	(7.87)
Net debt / surplus as at March 31, 2026	**2,031.09**	**4,119.71**	**(1,003.93)**	**(150.78)**	**(16.10)**	**(43.34)**	**4,936.65**

Note:

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

			As at March 31, 2026	As at March 31, 2025
			₹ Crores	₹ Crores
1.22	**CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES**			
	Trade payables - including acceptances			
	a)	Total outstanding dues of micro enterprises and small enterprises [Refer Note 3.14]	231.08	56.58
	b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	8.098.18	7,248.11
			8,329.26	**7,304.69**

Trade Payables ageing schedule ₹ Crores

		As at March 31, 2026						
		Outstanding for following periods from due date of payment						
Particulars		Un-billed (includes accrued expenses / liabilities)	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - Micro and Small Enterprises	2.34	228.42	-	-	-	0.32	231.08
(ii)	Undisputed dues - Others	1,049.59	6,460.29	570.12	17.05	0.82	0.31	8,098.18
(iii)	Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-	-
Total		**1,051.93**	**6,688.71**	**570.12**	**17.05**	**0.82**	**0.63**	**8,329.26**

1.22 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES (Contd.)

		As at March 31, 2025						
		Outstanding for following periods from due date of payment						
Particulars		Un-billed (includes accrued expenses / liabilities)	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - Micro and Small Enterprises	0.49	55.77	-	-	0.32	-	56.58
(ii)	Undisputed dues - Others	928.75	5,542.83	770.13	2.10	3.33	0.97	7,248.11
(iii)	Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-	-
Total		**929.24**	**5,598.60**	**770.13**	**2.10**	**3.65**	**0.97**	**7,304.69**

Notes:

1. These are carried at amortised cost.
2. Includes acceptances amounting to ₹ 247.04 crores (March 2025: ₹ 309.15 crores)

Supplier financing arrangements for trade payables

Some of the suppliers of the Company elect to factor a portion of their receivables using the Trade Receivable Discounting System (TReDS) platform introduced by the Reserve Bank of India. We provide suppliers and the banks with visibility of approved invoices on the TReDS platform, which helps them receive cash from the banks before the invoice due date, if they choose to do so. Payment dates and terms for the Company do not vary based on whether the supplier chooses to factor their receivable. The Company evaluates these arrangements to assess if the payable holds the characteristics of a trade payable or should be classified as a financial liability. As at March 31, 2026, all such liabilities were classified as trade payables.

₹ Crores

Carrying amount trade payables (subject to supplier financing arrangement)	As at March 31, 2026
Presented in trade payables	5.29
of which suppliers have received payment from finance provider	5.29
Range of payment due dates	
Liabilities that are part of the arrangement (in days)	20-45
Comparable trade payables that are not part of the arrangement (in days)	20-45

There is no effect of any non-cash changes on the above carrying amount of trade payables.

Further, the Company has not provided comparative information in respect of the amendments to Ind AS 7 and Ind AS 107 relating to supplier finance arrangements, as it has applied the transitional relief available on initial adoption of these amendments, which allows entities not to present comparative disclosures for prior periods.

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			As at March 31, 2026	As at March 31, 2025
			₹ Crores	₹ Crores
1.23	**CURRENT - OTHER FINANCIAL LIABILITIES**			
	a)	Interest accrued but not due on borrowings	2.67	4.34
	b)	Dividend Payable		
		i) Unclaimed	13.35	13.52
	c)	Employee benefits	563.13	520.77
	d)	Capital creditors		
		i) Total outstanding dues of micro enterprises and small enterprises [Refer Note 3.14]	17.20	16.34
		ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	98.99	100.42
	e)	Derivatives designated in hedging relationships carried at fair value	17.02	3.24
	f)	Others *	653.43	552.59
			1,365.79	**1,211.22**
	* Includes:			
	- Refund liabilities		617.85	521.43

Notes:

1. Refer Note 3.11 for security and terms of the borrowings.
2. These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss / other comprehensive income.
3. Refer Note 1.16 for details of debt covenants.

			As at March 31, 2026	As at March 31, 2025
			₹ Crores	₹ Crores
1.24	**CURRENT CONTRACT LIABILITIES**			
	a)	Income received in advance	319.36	259.71
	b)	Advance from customers	354.75	163.14
			674.11	**422.85**

Note:

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

			As at March 31, 2026	As at March 31, 2025
			₹ Crores	₹ Crores
1.25	**CURRENT PROVISIONS**			
	a)	Provision for employee benefits		
		i. Compensated absences	253.12	149.02
		ii. Gratuity (Refer Note 3.2)	200.41	5.85
		iii. Others including post retirement benefits	136.10	70.31
	b)	Others		
		i. Product warranties	650.49	550.74
		ii. Others (including litigation matters)	110.22	49.23
			1,350.34	**825.15**

Notes:

1. For movement in Provision for product warranties refer note 1.19.
2. Movement in Provision for others (including litigation matters) is as follows :

Particulars	March 2026	March 2025
Opening	49.23	51.69
Add: Additions / Transfer	66.84	-
Less: Utilisations / Reversal	5.85	2.46
Closing	110.22	49.23

			As at March 31, 2026	As at March 31, 2025
			₹ Crores	₹ Crores
1.26	**OTHER CURRENT LIABILITIES**			
	a)	Statutory liabilities	219.00	483.57
	b)	Others	0.02	9.21
			219.02	**492.78**

		Year ended March 31, 2026 ₹ Crores	Year ended March 31, 2025 ₹ Crores
2.1 REVENUE FROM OPERATIONS			
a) Sale of products			
- Commercial vehicles		36,842.91	32,383.69
- Engines and gensets		1,414.29	1,190.17
- Ferrous castings and patterns		602.41	572.24
- Spare parts and others		4,450.37	3,977.90
	(A)	**43,309.98**	**38,124.00**
b) Sale of services	**(B)**	1,257.11	1,264.42
c) Other operating revenues			
- Export incentives		70.68	50.09
- Scrap sales		110.63	96.80
- Others		53.54	23.00
	(C)	**234.85**	**169.89**
	(A+B+C)	**44,801.94**	**39,558.31**
Less: Rebates and discounts		794.91	805.57
		44,007.03	**38,752.74**

	Year ended March 31, 2026 ₹ Crores	Year ended March 31, 2025 ₹ Crores
2.2 OTHER INCOME		
a) Interest income from financial assets measured at amortised cost		
i. Loans to related parties (Refer Note 3.8)	-	0.44
ii. Others	66.92	39.83
	66.92	**40.27**
b) Dividend income from subsidiaries and associates Non-current investments (Refer Note 3.8)	6.01	48.54
c) Profit on sale of investments - net Current investments	92.83	43.12
d) Other non-operating income		
i. Profit on sale of Property, Plant and Equipment (net)	43.15	20.44
ii. Net (loss) / gain arising on financial asset mandatorily measured at FVTPL	26.61	29.96
iii. Others (Refer Note 3.8)	79.65	67.92
	149.41	**118.32**
	315.17	**250.25**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		Year ended March 31, 2026 ₹ Crores	Year ended March 31, 2025 ₹ Crores
2.3	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**		
	Changes in inventories		
	- Finished goods and stock-in-trade	26.95	228.61
	- Work-in-progress	(137.88)	1.97
	Net change	**(110.93)**	**230.58**

		Year ended March 31, 2026 ₹ Crores	Year ended March 31, 2025 ₹ Crores
2.4	**EMPLOYEE BENEFITS EXPENSE**		
	a) Salaries and wages	2,247.00	2,075.85
	b) Contribution to provident and other funds	150.40	132.78
	c) Share based payments expenses*	(10.70)	2.71
	d) Staff welfare expenses	245.55	220.78
		2,632.25	**2,432.12**
	Less: Expenses capitalised	25.56	25.85
		2,606.69	**2,406.27**

* Includes share options given by the Company to employees under employee stock option plan amounting to (₹38.95) crores (March 2024-25 ₹ 2.71 crores) and Cash settled share based payments (Refer Note 3.4).

Note:

Employee benefits expense include:		
- CSR Expenditure (Refer Note 3.15)	2.15	1.53

		Year ended March 31, 2026 ₹ Crores	Year ended March 31, 2025 ₹ Crores
2.5	**FINANCE COSTS**		
	Interest expense	91.29	142.25
	Less: Expenses capitalised	21.24	17.36
		70.05	**124.89**
	Unwinding of discount on provisions	95.69	88.55
	Interest on lease liability	3.99	3.47
		169.73	**216.91**

Note:

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year - 7.49% p.a (March 31, 2025 - 7.70% p.a).

	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
2.6 DEPRECIATION AND AMORTISATION EXPENSE		
A) Property, plant and equipment		
(i) Buildings	77.80	73.44
(ii) Plant and equipment	380.05	400.36
(iii) Furniture and fittings	4.93	5.23
(iv) Vehicles including electric vehicles	25.79	33.51
(v) Office equipment	31.42	23.90
(vi) Aircraft	11.49	-
(vii) Assets given on lease		
- Buildings	0.29	0.29
- Plant and equipment	#	#
- Aircraft	-	1.57
	531.77	**538.30**
B) Other intangible assets		
(i) Computer software		
- Acquired	13.88	9.23
(ii) Technical knowhow (Includes Product Development)		
- Developed	147.60	140.53
- Acquired	2.01	8.10
	163.49	**157.86**
C) Depreciation of Right-of-use asset	19.93	23.18
	715.19	**719.34**

amount is below rounding off norms adopted by the Company.

Note:

Also Refer Notes 1.1, 1.2 and 1.1A

		Year ended March 31, 2026 ₹ Crores	Year ended March 31, 2025 ₹ Crores
2.7	**OTHER EXPENSES**		
	(a) Consumption of stores and tools	95.37	92.22
	(b) Power and fuel	273.80	258.80
	(c) Rent (Refer Note 3.5)	8.15	7.18
	(d) Repairs and maintenance		
	- Buildings	69.29	69.69
	- Plant and machinery	148.41	127.78
	- Others	105.56	92.44
	(e) Insurance	38.65	31.49
	(f) Rates and taxes, excluding taxes on income	23.90	20.57
	(g) Research and development (includes materials consumed and testing charges)	175.30	152.11
	(h) Service and product warranties	1,038.72	913.44
	(i) Packing and forwarding charges	921.57	887.44
	(j) Selling and administration expenses - net ^ (Includes advertisement expenditure, consultancy charges, etc (Refer Note 3.13))	513.70	388.39
	(k) Annual maintenance contracts	279.99	247.56
	(l) Impairment loss allowance / write off on trade receivable (net)	3.65	21.06
	(m) Impairment loss allowance / write off on other receivable (net)	(3.95)	-
	(n) Miscellaneous including operational expenses* (includes hire charges, travel expenditure etc.)	673.10	582.63
		4,365.21	**3,892.80**
	Less: Expenses capitalised	114.26	99.67
		4,250.95	**3,793.13**

Notes:

* Miscellaneous expenses includes a contribution of ₹ 108 crores (2024-25: ₹ 100 crores) to an Electoral Trust in accordance with Section 182 of the Companies Act, 2013.

^ Selling and administration expenses include:

- Directors' sitting fees	1.05	0.91
- Commission to Non Whole-time Directors	8.85	7.60
- CSR Expenditure (Refer Note 3.15)	64.30	15.49

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

			Year ended March 31, 2026	Year ended March 31, 2025
			₹ Crores	₹ Crores
2.8	**EXCEPTIONAL ITEMS**			
	a)	Impairment (Loss) in the value of investments		
		- Ashley Aviation Limited	-	(3.20)
	b)	Gain on fair valuation of Investment in Hinduja Energy (India) Limited (Refer Note 1.3 and 3.6)	-	120.53
	c)	Write off of intangible assets under development / capital work in progress	-	(13.60)
	d)	Provision for litigation	(40.00)	-
	e)	Impact of new Labour Codes	(308.48)	-
			(348.48)	**103.73**

Note:

On November 21, 2025, the Government of India notified the four consolidated Labour Codes namely, the Code on Wages 2019, the Industrial Relations Code 2020, the Code on Social Security 2020, and the Occupational Safety, Health and Working Conditions Code 2020, replacing 29 existing labour laws. Pursuant to the draft Central Rules and FAQs issued by the Ministry of Labour and Employment to facilitate assessment of financial implications arising from the revised regulatory framework, the Company has evaluated the incremental impact based on the best information currently available and in line with the guidance issued by the Institute of Chartered Accountants of India. The impact being one time and non-recurring in nature, the Company has presented the incremental effect comprising gratuity and compensated absences aggregating to ₹ 308.48 Crores , primarily attributable to changes in wage definition, as "Impact of new Labour Codes" as "Exceptional item" in the Standalone Financial Statements for the year ended March 31, 2026. On May 8, 2026, the Government of India notified Central Rules. However corresponding State Rules and certain other operations clarifications under the new Labour codes are yet to be notified. The Company continues to monitor the finalisation of State Rules, and further clarifications, and will record any additional accounting impact, as required.

			Year ended March 31, 2026	Year ended March 31, 2025
			₹ Crores	₹ Crores
3.1	**INCOME TAXES RELATING TO CONTINUING OPERATIONS**			
3.1.1	**Income tax recognised in profit or loss**			
	Current tax			
	In respect of the current year		1,269.31	1,503.02
	In respect of prior years		(42.25)	(5.62)
		(A)	**1,227.06**	**1,497.40**
	Deferred tax			
	In respect of the current year		7.31	(471.16)
	In respect of prior years		14.12	4.04
	Adjustments to deferred tax attributable to changes in tax rates and laws		-	14.72
		(B)	**21.43**	**(452.40)**
	Total income tax expense recognised in profit or loss	**(A + B)**	**1,248.49**	**1,045.00**

			Year ended March 31, 2026	Year ended March 31, 2025
			₹ Crores	₹ Crores
3.1.2	**Income tax expense for the year reconciled to the accounting profit:**			
	Profit before tax		4,814.02	4,348.29
	Income tax rate		25.168%	34.944%
	Income tax expense		1,211.59	1,519.47
	Effect of income that is taxed at lower rate		-	-
	Effect of previously unrecognised and unused tax losses and tax credits		-	(448.00)
	Effect of concessions and other allowances		(8.21)	(23.40)
	Effect of exceptional items, disallowances and reversals (net)		73.24	(16.21)
	Effect of different tax rates of branches operating in overseas jurisdictions		-	-
	Effect of tax in respect of prior years		(28.13)	(1.57)
	Effect on account of rate changes		-	14.71
	Income tax expense recognised in profit or loss		**1,248.49**	**1,045.00**

The Company has opted to apply the concessional corporate tax rate prescribed under Section 115BAA of the Income-tax Act, 1961, effective from the current financial year.

			Year ended March 31, 2026	Year ended March 31, 2025
			₹ Crores	₹ Crores
3.1.3	**Income tax recognised in other comprehensive income**			
	Deferred tax			
	Arising on income and expenses recognised in other comprehensive income:			
	Fair value remeasurement of hedging instruments entered into for cash flow hedges		-	0.57
	Remeasurement of defined benefit obligation		(33.03)	(1.96)
		A	**(33.03)**	**(1.39)**
	Arising on income and expenses reclassified from equity to profit or loss:			
	Relating to cash flow hedges		(0.57)	(2.63)
		B	**(0.57)**	**(2.63)**
	Total income tax recognised in other comprehensive income	**(A+B)**	**(33.60)**	**(4.02)**

3.1.4 Analysis of deferred tax assets / liabilities: ₹ Crores

March 31, 2026	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Unused tax credits - (utilised)	DTL unwinding due to change in tax rate / law	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Property, Plant & Equipment and intangible assets	(667.57)	(19.66)	-	-	0.01	(687.22)
Right-of-use asset	(9.50)	1.58	-	-	-	(7.92)
Lease Liability	10.09	(1.01)	-	-	-	9.08
Voluntary retirement scheme compensation	1.78	(1.60)	-	-	-	0.18
Expenditure allowed upon payments	76.95	2.08	33.03	-	-	112.06
Cash flow hedges	(0.57)	-	0.57	-	-	-
Other temporary differences	40.93	(2.82)	-	-	-	38.11
	(547.89)	**(21.43)**	**33.60**	**-**	**0.01**	**(535.71)**

March 31, 2025	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Unused tax credits - (utilised)	DTL unwinding due to change in tax rate / law	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Property, Plant & Equipment and intangible assets	(682.04)	28.77	-	-	(14.30)	(667.57)
Right-of-use asset	(8.77)	(0.73)	-	-	-	(9.50)
Lease Liability	9.50	0.59	-	-	-	10.09
Voluntary retirement scheme compensation	6.98	(5.20)	-	-	-	1.78
Expenditure allowed upon payments	72.54	2.45	1.96	-	-	76.95
Unused tax credit (MAT credit entitlement)	-	448.00	-	(448.00)	-	-
Cash flow hedges	(2.63)	-	2.06	-	-	(0.57)
Other temporary differences	48.11	(6.77)	-	-	(0.41)	40.93
	(556.31)	**467.11**	**4.02**	**(448.00)**	**(14.71)**	**(547.89)**

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.

	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
3.1.5 Unrecognised deductible temporary differences, unused tax losses and unused tax credits		
- Unused tax losses (capital)	22.04	21.79
	22.04	**21.79**

Notes:

1. These will expire in various years from FY 2026-27 to FY 2033-34
2. The above are gross amounts on which appropriate tax rates would apply.
3. The Company has not recognised deferred tax asset in respect of deductible temporary difference relating to certain investments as presently it is not probable that future taxable capital gain will be available in the foreseeable future to recover such deferred tax assets.
4. The Company has not recognised deferred tax liabilities on taxable temporary differences arising from investments in subsidiaries, as it has the ability to control the timing of the reversal of these differences and it is probable that such differences will not reverse in the foreseeable future.
5. The Ultimate Holding Company's consolidated revenue exceeds the threshold prescribed under the OECD framework on Pillar Two. Pillar Two legislation has been enacted in certain jurisdictions where the Company operates. Based on the current assessment, the Company does not expect a material impact on its standalone financial statements from the application of Pillar Two rules.

3.2 Employee benefit plans (Including Retirement benefit plans)

3.2.1 Defined contribution plans

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

The total expense recognised in profit or loss of ₹ 35.77 crores (2024-25: ₹ 30.67 crores) represents contribution paid/ payable to these schemes by the Company at rates specified in the schemes.

3.2.2 Compensated absence and Defined benefit plans

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

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

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

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

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

	Particulars	As at March 31, 2026	As at March 31, 2025
3.2.3	**The principal assumptions used for the purposes of the actuarial valuations were as follows:**		
	Gratuity		
	Discount rate	7.33%	6.59%
	Expected rate of salary increase	6.00%	6.00%
	Average past service	15.92	17.44
	Average Longevity at retirement age - future service	11.80	10.77
	Attrition rate	3.00%	3.00%
	Compensated absences		
	Discount rate	7.33%	6.59%
	Expected rate of salary increase	6.00%	6.00%
	Attrition rate	3.00%	3.00%
	Other defined benefit plans		
	Discount rate	7.33%	6.59%

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

3.2 Employee benefit plans (Including Retirement benefit plans) (Contd.)

	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
		₹ Crores	₹ Crores
3.2.4	**Amounts recognised in total comprehensive income in respect of these defined benefit plans and compensated absence are as follows:**		
	Gratuity		
	Current service cost	29.43	23.44
	Past Service Cost	198.83	-
	Net interest (income)	0.50	(0.13)
	Components of defined benefit costs recognised in profit or loss	**228.76**	**23.31**
	Remeasurement on the net defined benefit liability comprising:		
	Actuarial (gain)/loss arising from changes in financial assumptions	(38.72)	11.98
	Actuarial (gain)/loss arising from experience adjustments	104.63	(6.68)
	Actuarial (gain)/loss on plan assets	(4.26)	(2.76)
	Components of defined benefit costs recognised in other comprehensive income	**61.65**	**2.54**
	Total	**290.41**	**25.85**
	Compensated absences and other defined benefit plans		
	Current service cost	24.46	20.99
	Past Service Cost	92.18	-
	Net interest expense	11.60	9.98
	Actuarial (gain)/loss arising from changes in financial assumptions	(14.77)	4.25
	Actuarial (gain)/loss arising from experience adjustments	(0.96)	(18.77)
	Components of Compensated absences and defined benefit costs recognised in profit or loss	**112.51**	**16.45**

The current service cost, past service cost and the net interest expense for the year are included in "Contribution to provident and other funds" and "Salaries and wages" under employee benefits expense in profit or loss (Refer Note 2.4) and Exceptional items (Refer Note 2.8)

	Particulars	As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
3.2.5	**The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans and compensated absence is as follows:**		
	Gratuity		
	Present value of defined benefit obligation	776.00	499.68
	Fair value of plan assets	575.59	493.83
	Net liability arising from defined benefit obligation (funded)	**200.41**	**5.85**
	Compensated absences and other defined benefit plans		
	Present value of compensated absences and other defined benefit obligation	262.08	157.79
	Fair value of plan assets	-	-
	Net liability arising from Compensated absences and defined benefit obligation (unfunded)	**262.08**	**157.79**

Gratuity and Compensated absences are reflected in "Provision for employee benefits" under provisions. [Refer Notes 1.25].

3.2 Employee benefit plans (Including Retirement benefit plans) (Contd.)

	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
		₹ Crores	₹ Crores
3.2.6	**Movements in the present value of the defined benefit obligation and Compensated absences were as follows:**		
	Gratuity		
	Opening defined benefit obligation	499.68	473.10
	Current service cost	29.43	23.44
	Past Service Cost (Refer Note 2.8)	198.83	-
	Interest cost	34.48	31.79
	Actuarial (gain)/loss arising from changes in financial assumptions	(38.72)	11.98
	Actuarial (gain)/loss arising from experience adjustments	104.63	(6.68)
	Benefits paid	(52.33)	(33.95)
	Closing defined benefit obligation	**776.00**	**499.68**
	Compensated absences and other defined benefit plans		
	Opening defined benefit obligation	157.79	146.43
	Current service cost	24.46	20.99
	Past Service Cost (Refer Note 2.8)	92.18	-
	Interest cost	11.60	9.98
	Actuarial (gain)/loss arising from changes in financial assumptions	(14.77)	4.25
	Actuarial (gain)/loss arising from experience adjustments	(0.96)	(18.77)
	Benefits paid	(8.22)	(5.09)
	Closing Compensated absences and defined benefit obligation	**262.08**	**157.79**

	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
		₹ Crores	₹ Crores
3.2.7	**Movements in the fair value of the plan assets were as follows:**		
	Gratuity		
	Opening fair value of plan assets	493.83	456.77
	Interest on plan assets	33.98	31.92
	Remeasurements due to Actual return on plan assets less interest on plan assets	4.26	2.76
	Contributions	95.85	36.33
	Benefits paid	(52.33)	(33.95)
	Closing fair value of plan assets	**575.59**	**493.83**

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 ₹ 38.24 crores (2024-2025: ₹ 34.68 crores).

3.2 Employee benefit plans (Including Retirement benefit plans) (Contd.)

3.2.8 Significant actuarial assumptions for the determination of the defined benefit 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.

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Gratuity		
If the discount rate is 50 basis points higher/lower, the defined benefit obligation would:		
decrease by	28.79	18.06
increase by	22.31	14.18
If the expected salary increases/decreases by 50 basis points, the defined benefit obligation would:		
increase by	22.82	14.51
decrease by	29.50	18.52
Compensated absences		
If the discount rate is 50 basis points higher/lower, the obligation would:		
decrease by	9.20	5.54
increase by	9.82	5.92
If the expected salary increases/decreases by 50 basis points, the obligation would:		
increase by	9.68	5.70
decrease by	9.15	5.38

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

Furthermore, in presenting the above sensitivity analysis, the present value of the 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 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 ₹ 274.00 crores (March 2025: ₹ 53.00 crores) to the defined benefit plans (gratuity - funded) during the next financial year.

The average duration of the benefit obligation (gratuity) is 7.10 years (March 2025: 7.00 years).

3.2 Employee benefit plans (Including Retirement benefit plans) (Contd.)

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 lower in the recent 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.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Provident Fund		
Discount rate	7.33%	6.59%
Remaining term to maturity of portfolio (years)	11.80	10.80
Expected guaranteed interest rate		
First year	8.25%	8.25%
Thereafter	8.25%	8.25%
Attrition rate	3.00%	3.00%

The amount included in the balance sheet arising from the Company's obligation in respect of its provident fund plan is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Provident Fund		
Present value of defined benefit obligation	1,854.17	1,732.20
Fair value of plan assets	1,730.18	1,662.74
Net (liability) arising from defined benefit obligation (funded)	**(123.99)**	**(69.46)**

The Net liability is reflected in "Provision for employee benefits" under provisions. [Refer Notes 1.25].

The amount recognised in total comprehensive income and the movement in fair value assets and present value obligations pertaining to year ended March 31, 2026 is as follows :

Amounts recognised in total comprehensive income in respect of these provident fund are as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
Provident Fund		
Current service cost	63.05	52.61
Net interest expense	4.58	4.98
Components of provident fund recognised in profit or loss	**67.63**	**57.59**
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain)/loss arising from changes in financial assumptions	(3.59)	1.41
Adjustment relating to opening balance of member fund and plan asset	0.08	(0.62)
Actuarial (gain)/loss arising from experience adjustments	37.47	30.01
Actuarial (gain)/loss on plan assets	35.73	(25.54)
Components of provident fund recognised in other comprehensive income	**69.69**	**5.26**
Total	**137.32**	**62.85**

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 2.4).

3.2 Employee benefit plans (Including Retirement benefit plans) (Contd.)

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
Opening defined benefit obligation	1,732.20	1,589.73
Adjustment relating to opening present value obligation	0.07	(1.87)
Employer Contribution	63.05	52.61
Employee Contribution	169.11	144.15
Interest cost	113.32	110.75
Actuarial (gain)/loss arising from changes in financial assumptions	(3.59)	1.41
Actuarial (gain)/loss arising from experience adjustments	37.47	30.01
Benefits paid	(257.46)	(194.59)
Closing defined benefit obligation	**1,854.17**	**1,732.20**

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
Provident Fund		
Opening fair value of plan assets	1,662.74	1,517.64
Adjustment relating to opening fair value of plan assets	(0.01)	(1.27)
Interest on plan assets	108.74	105.77
Actuarial gain/(loss) on plan assets	(35.73)	25.54
Contributions	251.90	209.65
Benefits paid	(257.46)	(194.59)
Closing fair value of plan assets	**1,730.18**	**1,662.74**

The Company funds the contribution to administered trusts, which manages the plan assets in accordance with provident fund norms.

The breakup of the plan assets into various categories is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Central and State Government Securities including Public Sector Undertaking securities	76%	78%
Corporate Bonds	16%	16%
Mutual Funds	4%	2%
Special Deposit Scheme	4%	4%

Significant actuarial assumptions for the determination of the provident fund are discount rate and interest rate guarantee. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period.

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
If the discount rate is 50 basis points higher/lower, the defined benefit obligation would:		
decrease by	2.32	1.85
increase by	2.41	1.91

The Company is sensitive to Interest rate guarantee wherein any increase or decrease in the interest rate by 25 basis points results in an increase in present value obligation by 1.72% (March 2025: 1.80%) or decrease in present value obligation by 1.67% (March 2025: 1.63%.)

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

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		Year ended March 31, 2026	Year ended March 31, 2025
		₹	₹
3.3	**Earnings per share**		
	Basic earnings per share	6.07	5.62
	Diluted earnings per share	6.07	5.61
	Face value per share	1.00	1.00

		Year ended March 31, 2026	Year ended March 31, 2025
		₹ Crores	₹ Crores
3.3.1	**Basic earnings per share**		
	Profit for the year attributable to equity shareholders	3,565.53	3,303.29

		Year ended March 31, 2026	Year ended March 31, 2025
		Nos.	Nos.
	Weighted average number of equity shares used in the calculation of basic earnings per share	5,87,34,65,511	5,87,29,83,006

		Year ended March 31, 2026	Year ended March 31, 2025
		₹ Crores	₹ Crores
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:		
	Profit for the year attributable to equity shareholders	3,565.53	3,303.29

		Year ended March 31, 2026	Year ended March 31, 2025
		Nos.	Nos.
	Weighted average number of equity shares used in the calculation of basic earnings per share	5,87,34,65,511	5,87,29,83,006
	Adjustments :		
	Dilutive effect - Number of shares relating to employee stock options	-	1,08,64,892
	Weighted average number of equity shares used in the calculation of diluted earnings per share	**5,87,34,65,511**	**5,88,38,47,898**

During the year ended March 31, 2026, the Company had issued bonus shares in the ratio 1:1 i.e. 1 (One) equity shares of Re. 1/- each for every 1 (One) fully paid-up equity share of Re. 1/- each. To comply with the requirements of Ind AS, the Earnings per share (both basic and diluted) for the comparative period have been calculated after adjustment of the number of bonus shares issued. Also, Refer Note 1.14.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.4 Share based payments

3.4.1 Details of employees stock option plan of the Company

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

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

Option series	Number	Grant date	Expiry date	Exercise price ₹	Fair value at grant date ₹
ESOP 3 (Refer Note below)	20,00,000	July 19, 2017	July 19, 2027	83.50	57.42
ESOP 5 (Refer Note below)	1,31,00,000	March 20, 2019	March 20, 2030	91.40	40.19

Note:

Under ESOP 3 and ESOP 5 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

There are no options granted during the year. Options granted in the earlier years 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.

3.4.3 Movements in share options during the year

	Year ended March 31, 2026 Numbers	Weighted average exercise price	Year ended March 31, 2025 Numbers	Weighted average exercise price
Outstanding at the beginning of the year	92,35,000	91.06	94,35,000	90.90
Bonus on Outstanding (Refer Note 1.14(5)(b))	92,35,000	-		
Granted during the year	-	-	-	-
Forfeited during the year	1,76,70,000	-	-	-
Exercised during the year	8,00,000	83.50	2,00,000	83.50
Outstanding at the end of the year	-	-	92,35,000	91.06

Weighted Average share price on date of exercise of option ₹ 135.74 (2025: ₹ 216.32)

The above ESOP Plan was forfeited due to non-achievement of defined annual performance parameters and subsequently the said ESOP plan was terminated.

3.4.4 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 ₹ Nil (as at March 31, 2025: ₹ 91.06) and a weighted average remaining contractual life of Nil years (as at March 31, 2025: 3.88 years).

3.4.5 Share Appreciation rights

During the year, the Nomination and Remuneration Committee approved the grant of 2,68,48,171 Phantom Stock Appreciation Rights (PSARs) and 15,87,042 Phantom Restricted Stock Units (PRSUs) to eligible employees.

These awards entitle the eligible employees to receive cash payments over a vesting period ranging from one to three years. The payout under the PSARs and PRSUs will be based on the appreciation in the Company's share price, determined as the increase between the share price at the grant date and the share price at the respective vesting dates.

The fair value of the PSARs and PRSUs was determined using the Monte Carlo Simulation Model using the following inputs at the grant date and as at March 31, 2026.

Particulars	March 31, 2026
Share Price at the measurement date (₹ per share) - PSARs	103.60
Share Price at the measurement date (₹ per share) - PRSUs	1.00
Expected Volatility (%)	14.50
Risk Free Interest rate (%)	5.80 to 6.20
Carrying amount of liability - (₹ crores)	28.25

There were no PSARs and PRSUs granted in prior years.

3.5 Lease arrangements

Company as lessee

Expenses for the year ended March 31, 2026 includes lease expense classified as short term lease expenses aggregating to ₹ 17.22 crores (March 31, 2025: ₹ 27.16 crores) which are not required to be recognised as part of the practical expedient under Ind AS 116.

Expenses for the year ended March 31, 2026 includes lease expense classified as variable lease payments aggregating to ₹ 53.33 crores (March 31, 2025: ₹ 69.19 crores).

The total cash outflow for leases for the year ended March 31, 2026 is ₹ 85.35 crores (March 31, 2025: ₹ 155.68 crores).

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 corporate plan for working capital, capital outlay and long-term product and strategic involvements. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

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

	March 31, 2026	March 31, 2025
	₹ Crores	₹ Crores
Debt (long-term and short-term borrowings and lease liabilities net off effective interest rate adjustment)	1,195.04	1,481.72
Total Equity	13,113.42	11,518.79
Debt equity ratio	0.09	0.13

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

3.6.2 Financial risk management

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

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

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

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

(A) Market risk

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

(1) <u>Foreign currency risk management:</u>

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

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.6 Financial Instruments (Contd.)

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, 2026 (all amounts are in equivalent ₹ in Crores):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	144.17	44.56	99.61	789.24	521.01	268.23	168.62
EUR	18.29	10.39	7.90	1.52	0.65	0.87	(7.03)
GBP	3.63	-	3.63	-	-	-	(3.63)
JPY	1.71	0.78	0.93	-	-	-	(0.93)
AED	2.45	-	2.45	59.98	-	59.98	57.53
Others	10.13	-	10.13	23.84	-	23.84	13.71

As on March 31, 2025 (all amounts are in equivalent ₹ in Crores):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure*	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	134.97	69.37	65.60	425.88	403.07	22.81	(42.79)
EUR	9.75	3.62	6.13	3.83	3.32	0.51	(5.62)
GBP	2.37	0.21	2.16	1.15	-	1.15	(1.01)
JPY	2.09	1.65	0.44	-	-	-	(0.44)
SGD	58.87	58.87	-	-	-	-	-
AED	1.28	-	1.28	55.32	-	55.32	54.04
Others	2.86	-	2.86	6.90	-	6.90	4.04

* Includes trade receivables for which remittance is in transit.

Foreign currency sensitivity analysis:

Movement in the functional currencies of the Company against major foreign currencies may impact the Company's Profit and loss. Any weakening of the functional currency may impact the Company's export proceeds, import payments and cost of borrowings.

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

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

3.6 Financial Instruments (Contd.)

₹ Crores

	USD impact	
	March 31, 2026	March 31, 2025
Profit or loss	3.37	0.86
Equity	3.37	0.86

	EUR impact	
	March 31, 2026	March 31, 2025
Profit or loss	0.14	0.11
Equity	0.14	0.11

	GBP impact	
	March 31, 2026	March 31, 2025
Profit or loss	0.07	0.02
Equity	0.07	0.02

	JPY impact	
	March 31, 2026	March 31, 2025
Profit or loss	0.02	0.01
Equity	0.02	0.01

	AED impact	
	March 31, 2026	March 31, 2025
Profit or loss	1.15	1.08
Equity	1.15	1.08

	Impact of other currencies	
	March 31, 2026	March 31, 2025
Profit or loss	0.27	0.08
Equity	0.27	0.08

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

Figures in Crores

March 31, 2026	Foreign currency		Notional value in INR	Fair value assets / (liabilities) in INR (Refer Note)	Maturity date	Hedge ratio	Weighted Average rate
Fair value hedges:							
Buy USD - Sell INR	USD	0.47	44.56	0.92	April 2026 - May 2026	1 : 1	USD 1 : INR 93.15
Sell USD - Buy INR	USD	5.49	521.01	(17.00)	April 2026 - October 2026	1 : 1	USD 1 : INR 92.47
Sell EUR - Buy INR	EUR	0.01	0.65	(0.01)	April 2026	1 : 1	EUR 1 : INR 108.15
Buy EUR - Sell INR	EUR	0.10	10.39	(0.01)	May 2026	1 : 1	EUR 1 : INR 109.85
Buy JPY - Sell INR	JPY	1.31	0.78	-	April 2026 - May 2026	1 : 1	JPY 1 : INR 0.60

3.6 Financial Instruments (Contd.)

Figures in Crores

March 31, 2025	Foreign currency		Notional value in INR	Fair value assets / (liabilities) in INR (Refer Note)	Maturity date	Hedge ratio	Weighted Average rate
Cash flow hedges:							
Sell USD - Buy INR	USD	0.57	49.02	1.14	April 2025 - July 2025	1 : 1	USD 1 : INR 87.73
Buy USD - Sell INR	USD	1.99	169.67	(2.30)	April 2025 - July 2025	1 : 1	USD 1 : INR 87.26
Fair value hedges:							
Buy USD - Sell INR	USD	0.81	69.37	(0.90)	April 2025 - June 2025	1 : 1	USD 1 : INR 86.93
Sell USD - Buy INR	USD	4.72	403.07	6.88	April 2025 - June 2025	1 : 1	USD 1 : INR 87.27
Sell EUR - Buy INR	EUR	0.04	3.32	0.02	May 2025	1 : 1	EUR 1 : INR 93.25
Buy EUR - Sell INR	EUR	0.04	3.62	#	May 2025	1 : 1	EUR 1 : INR 92.93
Buy JPY - Sell INR	JPY	2.90	1.65	(0.01)	April 2025 - May 2025	1 : 1	JPY 1 : INR 0.58
Buy GBP - Sell INR	GBP	#	0.21	#	May 2025	1 : 1	GBP 1 : INR 111.47

Note:

Included in the balance sheet under 'Current - other financial assets' and 'Current - other financial liabilities'. [Refer Notes 1.12A and 1.23]

amount is below rounding off norms adopted by the Company.

(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. 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 vice versa using interest rate swap contracts.

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

	March 31, 2026	March 31, 2025
	₹ Crores	₹ Crores
Variable rate Borrowings	403.13	402.00
Fixed rate Borrowings *	682.50	967.69
	1,085.63	**1,369.69**

* includes variable rate borrowings amounting to ₹ Nil (March 31, 2025: ₹ 57.76 crores) 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 / loss for the year ended March 31, 2026 would decrease / increase by ₹ 1.01 crores (March 31, 2025 decrease / increase by ₹ 0.50 crores). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

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

The Company had taken foreign currency and interest rate swap (FCIRS) contracts for hedging its foreign currency and interest rate risks related to certain external commercial borrowings. The mark-to-market gain / (loss) as at March 31, 2026 is ₹ Nil (March 31, 2025: ₹ 7.39 crores)

3.6 Financial Instruments (Contd.)

(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's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company is exposed to credit risk from trade receivables, bank balances, inter-company loans, financial guarantees, mutual funds and other financial assets.

Credit risk on Trade receivables:

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 except sale to State Transport Undertaking (STU), Government and project customers based on tender terms and certain export / domestic customers which are on credit basis. The average credit period is in the range of 7 days to 90 days. However, in select cases, credit is extended which is backed by Security deposit/ Bank guarantee/ Letter of credit and other forms. The Company creates specific provisions for disputes and the expected credit losses for such receivables are insignificant.

The Company makes a loss allowance using simplified approach for expected credit loss (ECL) and on a case to case basis. ECL are the weighted average of credit losses with the expected risk of default occurring as the weights (historically not significant). ECL is difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. The ageing on trade receivable is given in note 1.10.

The Company's trade and other receivables consist of a large number of customers, across geographies, hence the Company is not exposed to concentration risk except in case of a subsidiary.

Others:

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings. The credit risk on intercompany loans, financial guarantees and other financial assets are evaluated to be immaterial.

The Company's investments in highly liquid mutual funds are considered low-risk. The credit ratings of the respective fund houses are carefully evaluated prior to making any investment decision.

(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 deposits 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, 2026	March 31, 2025
	₹ Crores	₹ Crores
From Banks		
- Secured	2,000.00	2,203.00
- Unsecured	854.34	816.90
Total	**2,854.34**	**3,019.90**

Further to the above, the Company has an option to issue commercial paper for an amount of ₹ 2,000 crores (March 31, 2025 ₹ 2,000 crores). The Company also constantly monitors funding options available in the debt and capital markets with a view to maintain financial flexibility.

3.6 Financial Instruments (Contd.)

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.

₹ Crores

March 31, 2026	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	8,329.26	-	-	8,329.26
Other financial liabilities	1,346.10	10.99	-	1,357.09
Borrowings	697.67	558.53	16.91	1,273.11
Lease liabilities	18.31	25.85	35.16	79.32
	10,391.34	**595.37**	**52.07**	**11,038.78**

₹ Crores

March 31, 2025	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	7,304.69	-	-	7,304.69
Other financial liabilities	1,203.64	12.57	-	1,216.21
Borrowings	614.03	945.77	62.16	1,621.96
Lease liabilities	18.42	23.67	33.12	75.21
	9,140.78	**982.01**	**95.28**	**10,218.07**

As there is immaterial expected credit loss on the financial guarantees given to Subsidiaries, the Company has not recognised a liability towards financial guarantee as at the end of the reporting period. Accordingly, not included in the above table. (Refer Note 3.9.2 for details of financial guarantees availed by the group companies as at March 31, 2026 and March 31, 2025).

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.

₹ Crores

March 31, 2026	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Foreign exchange forward contracts	17.02	-	17.02
	17.02	**-**	**17.02**

₹ Crores

March 31, 2025	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Foreign exchange forward contracts	3.24	-	3.24
	3.24	**-**	**3.24**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.6 Financial Instruments (Contd.)

3.6.3 Categories of Financial assets and liabilites:

₹ Crores

	As at March 31, 2026	As at March 31, 2025
Financial assets		
Investments (net of impairment) measured at cost	6,109.59	5,229.15
a. Measured at amortised cost:		
Cash and cash equivalents	2,031.09	2,659.82
Other bank balances	945.96	46.13
Trade Receivables (net of allowance)	2,950.41	2,887.32
Investments	18.56	17.87
Others (net of allowance)	370.42	677.79
b. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):		
Investments	4,550.85	3,425.94
Derivatives designated in hedge accounting relationships	0.92	15.43
Financial liabilities		
a. Measured at amortised cost:		
Borrowings	1,151.70	1,435.44
Trade Payables	8,329.26	7,304.69
Other financial liabilities	1,359.76	1,220.55
b. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):		
Derivatives designated in hedge accounting relationships	17.02	3.24

3.6.4 Fair value measurements:

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

The carrying amounts of current financial assets and liabilites are considered to be the same as their fair values, due to their short-term nature. Difference between fair value of non-current financial instruments carried at amortised cost and their carrying value is not considered to be material to the financials statements. The fair values for loans, security deposits are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(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, 2026	March 31, 2025		
Derivative instruments, i.e. forward foreign currency contracts, currency and interest rate swaps	Assets – ₹ 0.92 Crores; and Liabilities – ₹ 17.02 Crores	Assets – ₹ 15.43 Crores; and Liabilities – ₹ 3.24 Crores	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.

3.6 Financial Instruments (Contd.)

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, 2026	March 31, 2025				
Investments in mutual funds	₹ 4,119.71 crores	₹ 3,018.70 crores	Level 1	Net assets value in an active market	Not applicable	Not applicable
Investments in unquoted preference shares	Preference shares of: Switch Mobility Automotive Limited - ₹ 233.05 crores (Refer Note 1.3) Ashok Leyland (UAE) LLC ₹ 55.61 crores (Refer Note 1.3) Ashok Leyland Defence Systems Limited - ₹ 8.37 crores (Refer Note 1.3)	Preference shares of: Switch Mobility Automotive Limited - ₹ 183.29 crores (Refer Note 1.3) Ashok Leyland (UAE) LLC ₹ 48.67 crores (Refer Note 1.3) Ashok Leyland Defence Systems Limited - ₹ 7.73 crores (Refer Note 1.3)	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 and Investment in special limited partnership	Equity shares of: Hinduja Energy (India) Limited - ₹ 109.09 crores (Refer Note 1.3) Others - ₹ 25.02 crores (Refer Note 1.3)	Equity shares of: Hinduja Energy (India) Limited - ₹ 142.53 crores (Refer Note 1.3) Others - ₹ 25.02 crores (Refer Note 1.3)	Level 3	Income approach and Net Asset Value (Realisable value) approach – in these approaches, the 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 and 4)

Notes:

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

2) Other things remaining constant, a 5% increase/ decrease in the WACC or discount rate used would decrease/ increase the fair value of the unquoted preference shares by ₹ 85.31 crores / ₹ 155.38 crores (as at March 31, 2025: ₹ 72.18 crores / ₹ 131.68 crores).

3) Other things remaining constant, 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 ₹ 15.16 crores / ₹ 15.84 crores (as at March 31, 2025: ₹ 15.53 crores / ₹ 16.14 crores).

4) Other things remaining constant, a 5% increase/ decrease in the revenue would increase/ decrease the fair value of the unquoted equity instruments by ₹ 59.80 crores / ₹ 59.86 crores (as at March 31, 2025: ₹ 60.17 crores / ₹ 59.13 crores).

5) 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 a gain of ₹ 57.34 crores (for the year ended March 31, 2025: gain of ₹ 22.94 crores). The Company has also recognised a fair value loss on unquoted equity instruments amounting to ₹ 33.44 crores during the year, which has been included under Other Income (Refer Note 2.2). In the previous year ended March 31, 2025, a fair value gain of ₹ 120.53 crores was recognised in exceptional item (Refer Note 2.8).

3.7 Revenue from contracts with customers:

3.7.1 Disaggregated revenue information

Particulars	March 31, 2026	March 31, 2025
	₹ Crores	₹ Crores
Type of goods and service		
a) Sale of products		
- Commercial vehicles	36,842.91	32,383.69
- Engines and gensets	1,414.29	1,190.17
- Ferrous castings and patterns	602.41	572.24
- Spare parts and others	4,450.37	3,977.90
	43,309.98	**38,124.00**
b) Sale of services		
- Freight and related services	642.85	670.57
- Annual Maintenance Contracts	284.73	270.01
- Warranty services	68.23	60.82
- Others	261.30	263.02
	1,257.11	**1,264.42**
c) Other operating revenues		
- Scrap sales	110.63	96.80
- Others	53.54	23.00
	164.17	**119.80**
Less: Rebates and discounts	794.91	805.57
Total revenue from contracts with customers	**43,936.35**	**38,702.65**
India	40,846.22	36,571.31
Outside India	3,090.13	2,131.34
Total revenue from contracts with customers	**43,936.35**	**38,702.65**

₹ Crores

Timing of revenue recognition	March 31, 2026		March 31, 2025	
Particulars	At a point in time	Over a period of time	At a point in time	Over a period of time
- Sale of products and other operating revenue	43,474.15	-	38,220.80	-
- Sale of Services - Freight and related services	-	642.85	-	670.57
- Sale of Services - Annual Maintenance Contracts, warranty services and others	94.73	519.53	123.83	493.02
Less: Rebates and discounts	794.91	-	805.57	-
Total revenue from contracts with customers	**42,773.97**	**1,162.38**	**37,539.06**	**1,163.59**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.7 Revenue from contracts with customers (Contd.)

3.7.2 Contract balances

Particulars	March 31, 2026	March 31, 2025
	₹ Crores	₹ Crores
Trade receivables (Refer Note 1.10)	2,950.41	2,887.32
Contract liabilities (Refer Notes 1.18 and 1.24)	1,098.08	795.71

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

Contract liabilities includes advance received from customers and income received in advance arising due to allocation of transaction price towards maintenance contracts, freight on shipments not yet delivered to customer and unexpired service warranties. There is no significant change in contract liabilities.

3.7.3 Revenue recognised in relation to contract liabilities

Particulars	March 31, 2026	March 31, 2025
	₹ Crores	₹ Crores
Revenue recognised from contract liabilities at the beginning of the year	405.01	468.49
Revenue recognised from performance obligations satisfied in previous years	14.92	-

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

Particulars	March 31, 2026	March 31, 2025
	₹ Crores	₹ Crores
Contracted price	44,731.26	39,508.22
Adjustments		
Rebates and discounts	(794.91)	(805.57)
Revenue from contract with customers	**43,936.35**	**38,702.65**

3.7.5 Unsatisfied or partially unsatisfied performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

Particulars	March 31, 2026	March 31, 2025
	₹ Crores	₹ Crores
Within one year	685.35	478.12
More than one year	429.33	372.86
	1,114.68	**850.98**

The remaining performance obligations expected to be recognised in more than one year relate to the extended warranty and other obligation which is expected to be recognised over a period of 24 months to 72 months.The Company applies practical expedient of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

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 SPF *
(Holding Company of Machen Development Corporation, Panama)

Subsidiaries

Albonair (India) Private Limited
Albonair GmbH, Germany
- Albonair (Taicang) Automotive Technology Co. Limited., China

Ashok Leyland (Nigeria) Limited
Gulf Ashley Motor Limited
OHM Global Mobility Private Limited
Optare Plc, UK
- Optare UK Limited
- Switch Mobility Limited, UK (Formerly Optare Group Limited)
  - Switch Mobility Automotive Limited
  - Switch Mobility Europe S.I, Spain
  - OHM International Mobility Limited, United Kingdom ....Liquidated on December 02, 2024

Ashok Leyland (Chile) S.A.
Hinduja Leyland Finance Limited
- Hinduja Housing Finance Limited
- Gaadi Mandi Digital Platforms Limited

HLF Services Limited
Global TVS Bus Body Builders Limited
Ashok Leyland (UAE) LLC
- LLC Ashok Leyland Russia .... Liquidated on December 12, 2024
- Ashok Leyland West Africa SA .... Dissolved on February 19, 2026
- Ashok Leyland Saudi Company .... From November 28, 2025

Ashley Aviation Limited
Hinduja Tech Limited
- Hinduja Tech (Shanghai) Co., Limited
- Hinduja Tech Inc, United States of America
  - Drive System Design Inc, USA
- Hinduja Tech Canada Inc, Canada
- Hinduja Tech Limited, UK
  - Drive System Design Limited, UK
    - Drive System Design SRO, Czech

3.8 Related party disclosure (Contd.)

- Hinduja Tech GmbH, Germany
  - TECOSIM Group GmbH, Germany.. From November 29, 2024
    - TECOSIM GmbH, Germany.. From November 29, 2024
    - TECOSIM Limited, UK.. From November 29, 2024
    - TECOSIM Engineering S.R.L, Romania.. From November 29, 2024
    - TECOSIM Inc., USA .... From November 29, 2024
    - TECOSIM Japan Limited, Japan.. From November 29, 2024
    - TECOSIM Engineering Services Private Limited, India.. From November 29, 2024

Vishwa Buses and Coaches Limited

Ashok Leyland Foundation .... From July 08, 2024

b) Other related parties

Fellow subsidiaries

Gulf Oil Lubricants India Limited

Hinduja Renewables Private Limited

Prathama Solarconnect Energy Private Limited

GOCL Corporation Limited

HR Vaigai Private Limited

Hinduja Rooftop Private Limited

Tirex Transmission Private Limited

Hinduja Foundries Holdings Limited

Associates

Ashok Leyland Defence Systems Limited

Lanka Ashok Leyland, Plc

Mangalam Retail Services Limited

Joint Ventures

Ashley Alteams India Limited

Gro Digital Platforms Limited

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

Zebeyond Limited, UK

TVS Trucks and Buses Private Limited

Entity which is Subsidiary of Associate of Holding Company

DA Stuart India Private Limited

Entity under the significant influence of Key Management Personnel

Hinduja Foundation

Entities where control exist

Ashok Leyland Educational Trust

3.8 Related party disclosure (Contd.)

Employee Trust

Ashok Leyland Employees Gratuity Fund

Ashok Leyland Superannuation Fund

Ashok Leyland Employees Ennore Provident Fund Trust

Ashok Leyland Senior Executives Provident Fund Trust

Ashok Leyland Employees Hosur Provident Fund Trust

Ashok Leyland Employees Bhandara Provident Fund Trust

Ashok Leyland Employees Alwar Provident Fund Trust

Ennore Foundries Limited Employees Provident Fund

Ennore Foundries Gratuity Fund

Ennore Foundries Employees Pension cum Insurance Fund

Ennore Foundries Senior Executives Superannuation Fund

Key management personnel

Mr. Dheeraj G Hinduja, Executive Chairman

Mr. Shenu Agarwal, Managing Director and Chief Executive Officer

Mr. Gopal Mahadevan, Whole-time Director # .... Upto May 23, 2026

Mr. K.M Balaji, Chief Financial Officer........ From June 01, 2024

Prof. Dr. Andreas H Biagosch ....Upto July 25, 2024

Mr. Jean Brunol ....Upto July 25, 2024

Mr. Jose Maria Alapont ....Upto September 02, 2025

Ms. Manisha Girotra........Upto June 28, 2025

Mr. Sanjay K Asher

Mr. Shom Ashok Hinduja

Mr. Saugata Gupta

Dr. Venkataramani Sumantran........From May 24, 2024

Dr. C B Rao........ Upto July 31, 2024

Mr. Thomas Dauner .... From June 04, 2024

Ms. Geeta Mathur ....From August 25, 2025

Mr. Sridharan Kesavan ....From August 25, 2025

Mr. Sven Christoph Ennerst .... From June 01, 2025

Notes:

Transaction with Rajalakshmi Wind Energy Limited (erstwhile Ashok Leyland Wind Energy Limited), HR Vaigai Private Limited and Prathama Solarconnect Energy Private Limited have not been disclosed as being with an associate since the Company does not have significant influence over Rajalakshmi Wind Energy Limited, HR Vaigai Private Limited and Prathama Solarconnect Energy Private Limited, although the Company holds 26% of the equity share capital of Rajalakshmi Wind Energy Limited, HR Vaigai Private Limited and Prathama Solarconnect Energy Private Limited respectively.

* The Company has intimated Ocorian Trust (Isle Of Man) Limited as significant beneficial owner pursuant to the Companies (Significant Beneficial Owners) Rules, 2018.

Chief Financial Officer till May 31, 2024

3.8 Related party disclosure (Contd.)

c) Related Party Transactions - summary

₹ Crores

		Subsidiaries		Fellow Subsidiaries		Associates		Joint Ventures		Entity which is Subsidiary of Associate of Holding Company		Entity under the significant influence of Key Management Personnel		Holding Company		Entities where control exist		Employee Trust		Key Management Personnel		Total	
	Transactions during the year ended March 31	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
1	Purchase of raw materials, components and traded goods (net of GST)	1,516.52	1,357.66	169.14	147.60	2.42	66.86	260.18	216.92	10.20	7.11	-	-	-	-	-	-	-	-	-	-	1,958.46	1,796.15
2	Sales and services (net of GST)	2,095.14	1,228.40	93.15	81.24	530.87	264.47	676.71	228.20	-	-	-	-	-	-	-	-	-	-	-	-	3,395.87	1,802.31
3	Other operating Income	0.63	-	-	-	-	-	1.94	1.17	-	-	-	-	-	-	-	-	-	-	-	-	2.57	1.17
4	Other expenditure incurred / (recovered) (net)	113.77	67.45	91.63	59.66	3.84	(3.75)	42.42	28.94	0.29	3.26	0.54	5.72	0.07	0.03	(0.83)	(0.74)	-	-	0.19	0.28	251.92	160.85
5	Interest and other income	17.27	19.29	-	-	1.20	1.04	0.30	0.03	0.01	-	-	-	-	-	-	-	-	-	-	-	18.78	20.36
6	Purchase of assets	0.37	11.81	3.75	0.63	-	-	2.24	-	-	-	-	-	-	-	-	-	-	-	-	-	6.36	12.44
7	Sale of asset	-	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10
8	Dividend payments	-	-	4.45	4.95	-	-	-	-	-	-	-	-	933.46	1,038.01	-	-	-	-	-	-	937.91	1,042.96
9	Dividend Income	3.22	48.13	-	-	2.79	0.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.01	48.54
10	Remuneration to key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70.75	60.40	70.75	60.40
11	Commission and sitting fees to key management personnel *	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.90	8.51	9.90	8.51
12	Financial guarantees issued	-	1,054.89	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,054.89
13	Financial guarantees released	384.06	1,070.97	-	-	-	-	0.75	2.50	-	-	-	-	-	-	-	-	-	-	-	-	384.81	1,073.47
14	Investments in shares of	376.28	203.21	-	5.09	-	-	10.00	10.00	-	-	-	-	-	-	-	-	-	-	-	-	386.28	218.30
15	Loan Repaid	-	95.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95.00
16	Contribution to employee related trusts made during the year including loans and interest recovered	-	-	-	-	-	-	-	-					-	-	-	-	356.44	259.59	-	-	356.44	259.59
17	Application money paid towards investment in	-	498.76	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	498.76

* includes commission and sitting fees to other directors aggregating to ₹ 9.90 crores (2025 : ₹ 8.51 crores)

All the transactions are at arms length in line with the related party transactions policy of the Company

3.8 Related party disclosure (Contd.)

d) Related Party balances - summary

₹ Crores

		Subsidiaries		Fellow Subsidiaries		Associates		Joint Ventures		Entity which is Subsidiary of Associate of Holding Company		Entities where control exist		Employee Trust		Key Management Personnel		Total	
	Balances as on March 31	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
1	Trade receivables (Refer Note 1.10)	666.06	222.73	46.32	25.67	168.92	52.93	21.89	1.41	-	-	-	0.25	-	-	-	-	903.19	302.99
2	Other financial and non-financial assets (Refer Note 1.7 and 1.12A)	104.21	1.17	-	-	-	-	3.80	1.83	-	-	-	-	-	-	-	-	108.01	3.00
3	Trade and other payables	229.22	294.60	53.81	33.70	0.92	9.64	70.53	28.23	6.20	-	-	-	215.23	18.42	42.32	37.57	618.23	422.16
4	Financial guarantees	785.71	1,020.83	-	-	-	-	-	0.75	-	-	-	-	-	-	-	-	785.71	1,021.58
5	Application money paid towards investment in	-	498.76	-	-	-	-	-	-	-	-	-		-		-	-	-	498.76

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.8 Related party disclosure (Contd.)

e) Significant Related Party Transactions

₹ Crores

Transactions during the year ended March 31		2026	2025
1.	**Purchase of raw materials, components and traded goods (net of GST)**		
	Ashley Alteams India Limited	200.54	153.50
	Gulf Oil Lubricants India Limited	169.14	147.60
	Global TVS Bus Body Builders Limited	253.67	136.35
	Albonair (India) Private Limited	894.15	898.60
	Vishwa buses and coaches Limited	320.57	280.36
	Ashok Leyland Defence Systems Limited	2.42	66.86
2.	**Sales and services (net of GST)**		
	Gulf Ashley Motor Limited	219.72	185.09
	Ashok Leyland (UAE) LLC	1,788.19	998.32
	Lanka Ashok Leyland Plc	312.21	160.48
	Switch Mobility Automotive Limited	85.09	43.28
	Gulf Oil Lubricants India Limited	93.15	81.24
	TVS Trucks and Buses Private Limited	676.04	227.87
3.	**Other Operating Income**		
	Ashley Alteams India Limited	1.94	1.17
	Switch Mobility Automotive Limited	0.63	-
4.	**Other expenditure incurred / (recovered) (net)**		
	Hinduja Automotive Limited, United Kingdom	0.07	0.03
	Gulf Ashley Motor Limited	8.55	6.61
	HLF Services Limited	13.57	15.12
	Ashok Leyland Defence Systems Limited	3.97	(3.55)
	Hinduja Tech Limited	50.75	43.82
	Lanka Ashok Leyland Plc	(0.13)	(0.20)
	Albonair GmbH, Germany	(0.03)	0.06
	Ashok Leyland (UAE) LLC	(3.77)	(0.32)
	Hinduja Renewables Private Limited	8.52	7.90
	Gro digital platforms Limited	36.27	27.64
	Prathama Solarconnect Energy Private Limited	45.88	41.82
	Switch Mobility Automotive Limited	(9.94)	(1.06)
	Albonair (India) Private Limited	(5.60)	(3.53)
	Drive System Design Limited, UK	12.63	6.63
	DA Stuart India Private Limited	0.29	3.26
	HR Vaigai Private Limited	10.46	5.76
	Ashley Aviation Limited	8.62	1.34
	Ashok Leyland Foundation	44.40	-
	TVS Trucks and Buses Private Limited	6.19	1.31
5.	**Interest and other income**		
	Ashok Leyland Defence Systems Limited	1.20	1.04
	Albonair (India) Private Limited	0.65	0.63
	Ashley Aviation Limited	0.05	2.26
	Switch Mobility Automotive Limited	9.66	10.71
	Albonair GmbH, Germany	0.73	0.52
	Optare Plc, UK	-	0.07
	Vishwa buses and coaches Limited	0.87	0.90
	Switch Mobility Limited, UK	4.93	4.09
6.	**Purchase of assets**		
	Ashley Alteams India Limited	2.23	-
	Hinduja Tech Limited	0.33	11.70
	Hinduja Renewables Private Limited	3.50	-
7.	**Sale of assets**		
	Vishwa buses and coaches Limited	-	0.10
8.	**Dividend payment**		
	Hinduja Automotive Limited, United Kingdom	933.46	1,038.01
	Hinduja Foundries Holdings Limited	4.45	4.95
9.	**Dividend income**		
	Ashok Leyland Defence Systems Limited	2.20	-
	Lanka Ashok Leyland Plc	0.59	0.41
	Albonair (India) Private Limited	-	45.00
	Ashok Leyland (UAE) LLC	3.22	3.13
10.	**Financial guarantees issued**		
	Switch Mobility Limited, UK (Formerly Optare Group Limited)	-	930.26
	Albonair GmbH, Germany	-	124.63

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.8 Related party disclosure (Contd.)

e) Significant Related Party Transactions (Contd.)

₹ Crores

	Transactions during the year ended March 31	2026	2025
11.	**Financial guarantees released**		
	Ashley Alteams India Limited	0.75	2.50
	Optare Plc, UK	-	33.19
	Switch Mobility Limited, UK (Formerly Optare Group Limited)	384.06	908.74
	Albonair GmbH, Germany	-	129.04
12.	**Investment in shares of**		
	Ashley Aviation Limited	-	3.20
	Vishwa buses and coaches Limited	5.70	-
	Gro digital platforms Limited	10.00	10.00
	Optare Plc, UK	370.58	-
	Hinduja Leyland Finance Limited	-	200.00
	HR Vaigai Private Limited	-	5.09
	Ashok Leyland Foundation	-	0.01
13.	**Commission and sitting fees to key management personnel**		
	Commission and sitting fees to other directors in aggregate	9.90	8.51
14.	**Contribution to employee related trusts made during the year including loans and interest recovered**		
	Ashok Leyland Employees Ennore Provident Fund Trust	65.60	55.12
	Ashok Leyland Employees Hosur Provident Fund Trust	67.32	51.63
	Ashok Leyland Senior Executives Provident Fund Trust	83.99	73.05
	Ashok Leyland Employees Gratuity Fund	95.85	34.08
	Ashok Leyland Superannuation Fund	19.45	17.55
	Ennore Foundries Gratuity Fund	-	2.26
	Ennore Foundries Limited Employees Provident Fund	13.45	13.47
15.	**Loan repaid**		
	Switch Mobility Automotive Limited	-	95.00
16.	**Remuneration to key management personnel ***		
	Mr. Shenu Agarwal		
	Short term employee benefits	18.16	12.22
	Other long term employee benefits	0.16	0.08
	Mr. Gopal Mahadevan		
	Short term employee benefits	13.65	13.73
	Other long term employee benefits	0.08	0.08
	Share-based payment	-	0.84
	Mr. Dheeraj G Hinduja,		
	Short term employee benefits	31.17	28.65
	Other long term employee benefits	0.08	0.08
	Mr. K M Balaji		
	Short term employee benefits	7.37	4.65
	Other long term employee benefits	0.08	0.07
17.	**Application money paid towards investment in**		
	Optare Plc, UK	-	498.76

* Excludes contribution for gratuity and compensated absences and long term incentive plan as the incremental liability has been accounted for the Company as a whole.

f. Details of loans / intercorporate deposits (excluding interest accrued) as required under regulation 53(1)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

₹ Crores

Name of the Company	March 2026				March 2025			
	Status	Outstanding amount	Maximum loan outstanding during the year	Investment in shares of the Company	Status	Outstanding amount	Maximum loan outstanding during the year	Investment in shares of the Company
Switch Mobility Automotive Limited	Subsidiary	-	-	-	Subsidiary	-	95.00	-

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.9 Contingent liabilities

	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Claims against the Company not acknowledged as debts (net)		
i) Sales tax / VAT / GST #	232.34	260.03
ii) Excise duty #	8.92	9.03
iii) Service Tax #	24.06	59.36
iv) Customs Duty #	0.41	0.43
v) Others	77.14	39.41

These have been disputed by the Company on account of issues of applicability and classification.

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

Notes :

1. The Company evaluated the impact of the Supreme Court Judgement in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and the Management believes that further clarity is required on this matter for the time period prior to 31st March 2019. However, it is not likely to have a significant impact and accordingly, no provision has been made in the Standalone Financial Statements.

   The Company is involved in various claims and actions in the ordinary course of business. The Company accrues a liability when a loss is considered probable and the amount can be reasonably estimated. In the opinion of the management the outcome of any existing claims, legal and regulatory proceedings, if decided adversely, is not expected to have a material adverse effect on the business, financial condition, results of operations and cash flows of the Company based on the current position of such claims/legal actions.

2. The Ministry of Environment, Forest and Climate Change notified the Environment Protection (End-of-Life Vehicles) Rules, 2025, through a notification dated January 06, 2025, which is effective from April 01, 2025. According to these rules, obligations must be met by vehicle manufacturers in respect of vehicle introduced in the Domestic Market for the period up to March 31, 2026, by purchasing Extended Producer Responsibility (EPR) certificates to fulfil its responsibility of meeting the scrapping targets of End-of-Life Vehicles (ELV). It is anticipated that the Government will define the pricing of EPR certificate and operational mechanism in due course. Currently, the management is evaluating various business models to comply with the rules. Due to lack of information about the pricing mechanism and evolving matters, reliable financial estimate of the obligation cannot be made. Accordingly, the Company will continue to assess the ability to reliably estimate its obligations under the ELV Rules as and when the details of implementation framework are available.

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

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025	Maximum amount outstanding during the year	Purpose
i) Intercorporate deposits outstanding (Refer Sub-Note 1)				
- Hinduja Group Limited	-	-	100.00	For Operating expenses and working capital purposes
- Hinduja Realty Ventures Limited	-	-	100.00	For Operating expenses and working capital purposes
- Indusind Media & Communications Limited	-	-	100.00	For Operating expenses and working capital purposes
- OneOTT Intertainment Limited	-	-	100.00	For Operating expenses and working capital purposes
- In Entertainment (India) Limited	-	-	100.00	For Operating expenses and working capital purposes
- Hinduja Healthcare Limited	-	-	70.00	For Operating expenses and working capital purposes
- Hinduja Properties Limited	-	-	100.00	For Operating expenses and working capital purposes

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

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025	Maximum amount outstanding during the year	Purpose
ii) Guarantees availed				
- Switch Mobility Limited, UK	633.12	891.90	1,022.08	Guarantees for term loan / working capital loan
- Ashley Alteams India Limited	-	0.75	0.75	Guarantees for term loan
- Albonair GmbH	152.59	128.93	153.36	Guarantees for working capital loan
iii) Application money paid towards investment in subsidiary				
- Optare plc, UK	-	498.76		Refer Note 3.19

Notes:

1. The terms are in compliance with Section 186(7) of the Companies Act, 2013.
2. For Investments Refer Note 1.3 and 1.9.

3.9.2 Others

The value of corporate guarantee given to bank for the loan taken by subsidiary companies for the year ended March 31, 2026 is ₹ 785.71 crores (March 31, 2025: ₹ 1,021.58 crores).

3.10 Commitments

		As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
a)	Capital commitments (net of advances) not provided for [including ₹ 27.34 Crores (March 2025: ₹ 28.03 Crores) in respect of intangible assets]	460.19	727.75
b)	Uncalled liability on partly paid shares / investments [Refer Note 1.3]	#	#
c)	Other commitments		
	i) Financial support given to certain subsidiaries, joint ventures, etc. (including undertaking provided to customers of certain subsidiaries).		
	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.

Amount is below rounding off norms adopted by the Company.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.11 Details of Non-current borrowings:

₹ Crores

		As at March 31, 2026				As at March 31, 2025		
		Non-current	Current Maturities	Total	Particulars of Redemption / Repayment	Non-current	Current Maturities	Total
a.	**Secured borrowings:**							
i.	Term Loans							
	TL - 12	-	100.00	100.00	Repayable annually in 5 equal installments starting from September 9, 2022	100.00	100.00	200.00
	TL - 13	-	-	-	The loan was fully repaid on May 12, 2025	-	55.00	55.00
	TL - 14	-	-	-	The loan was fully repaid on August 31, 2025	-	12.50	12.50
	TL - 15	37.50	28.75	66.25	Repayable quarterly in 20 installments of varying amounts starting from July 1, 2023	66.25	21.25	87.50
	TL - 16	80.00	40.00	120.00	Repayable annually in 5 equal installments starting from March 25, 2025	120.00	40.00	160.00
	TL - 17	56.25	56.25	112.50	Repayable semi annually in 12 installments of varying amounts starting from September 30, 2022	112.50	56.25	168.75
	TL - 18	282.63	54.25	336.88	Repayable quarterly in 24 installments of varying amounts starting from September 30, 2025	237.73	9.27	247.00
		456.38	**279.25**	**735.63**		**636.48**	**294.27**	**930.75**
ii.	Non-Convertible Debentures (NCD)							
	Series 3	-	200.00	200.00	Bullet repayment at the end of 5 years from the date of allotment i.e. March 17, 2027	200.00	-	200.00
		-	**200.00**	**200.00**		**200.00**	**-**	**200.00**
iii.	SIPCOT Soft loan	-	-	-	The loan was fully repaid on July 28, 2025	-	31.18	31.18
		-	**-**	**-**		**-**	**31.18**	**31.18**

(i) TL -12 - Term loan was secured by way of first ranking charge on the specified plant and machinery of a manufacturing unit of the Company located at Pantnagar to the extent of loan amount outstanding.

(ii) TL - 13 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Company located at Hosur to the extent of 1.25 times of the amount of loan. Term loan has been fully repaid during the year and satisifaction of charge has been duly filed with Registrar of Companies.

(iii) TL - 14 - Term loan was secured by way of exclusive charge on the specified plant and machinery and other movable fixed assets of a manufacturing unit of the Company located at Pantnagar to the extent of 1.10 times of the amount of loan. Term loan has been fully repaid during the year and satisifaction of charge has been duly filed with Registrar of Companies.

(iv) TL - 15 - Term loan was secured by way of exclusive charge on the specified plant and machinery and other movable fixed assets of the manufacturing units of the Company located at Pantnagar and Hosur to the extent of 1.25 times of the amount of loan.

3.11 Details of Non-current borrowings: (Contd.)

(v) TL -16 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Company located at Chennai and Hosur to the extent of loan amount outstanding.

(vi) TL -17 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Company located at Hosur to the extent of 1.10 times of the amount of loan.

(vii) TL-18 Term Loan was secured by way of exclusive charge on the aircraft to the extent of the loan.

(viii) NCD - Series 3 - 7.30% AL 2027 are secured by way of First Ranking charge over specific plant and machinery of manufacturing unit situated at Hosur to the extent of 1.10 times of the amount of debentures and interest accrued thereon.

(ix) The above SIPCOT soft loan are secured by way of first charge on the fixed assets created and the same shall be on pari passu with other first charge holders of LCV division. SIPCOT soft loan has been fully repaid during the year and satisifaction of charge has been duly filed with Registrar of Companies.

The Company has registered the charges / satisfaction / modification of charges with the Registrar of Companies within the stipulated period.

₹ Crores

		As at March 31, 2026				As at March 31, 2025		
		Non-current	Current Maturities	Total	Particulars of Repayment	Non-current	Current Maturities	Total
b.	**Unsecured borrowings:**							
i.	**ECB loans**							
	ECB -16	-	-	-	The loan was fully repaid on November 18, 2025	-	57.76	57.76
		-	**-**	**-**		**-**	**57.76**	**57.76**
ii.	**Interest free sales tax loans**							
	Programme II	61.50	4.91	66.41	Varying amounts repayable on a periodical basis ending in June 2028	66.41	-	66.41
		61.50	**4.91**	**66.41**		**66.41**	**-**	**66.41**

The above term loans, external commercial borrowings and loans from others carry varying rates of interest ranging with maximum rate of interest going upto 8.65 % p.a. (March 31, 2025: 9.35% p.a). The weighted average rate of interest of these loans is around 6.83 % p.a (2024-2025 : 7.22% p.a).

3.12 Details of current borrowings

		As at March 31, 2026	Particulars of Repayment	As at March 31, 2025
		₹ Crores		₹ Crores
a.	**Unsecured borrowings**			
i	- STL 28	-	Repaid on April 11, 2025	150.00
ii	- STL 29	150.00	Repayable on June 25, 2026	-
		150.00		**150.00**

The above outstanding borrowing carry interest rate of 6.30% p.a (March 31, 2025: 7.30% p.a). The weighted average rate of interest of the borrowing is around 6.30% p.a (2024-2025: 7.30% p.a).

The carrying value of the above borrowings (as reflected in Notes 1.16 and 1.21) are measured at amortised cost using effective interest method while the above borrowings represents principal amount outstanding.

3.13 Other Information (including foreign currency transactions)

		Year ended March 31, 2026	Year ended March 31, 2025
		₹ Crores	₹ Crores
3.13.1	**Auditors' remuneration**		
	Included under selling and administration expenses - net [Refer Note 2.7]		
	i) For financial audit	2.53	2.25
	ii) For other services - limited review, certification work, etc.	1.35	1.32
	iii) For reimbursement of expenses	0.08	0.11
3.13.2	**Total research and development costs charged to the Statement of Profit and Loss (including expenses capitalised)** [including amount shown under Note 2.7]	577.94	529.58
3.13.3	**Impact of exchange (gain) / loss for the year in the Statement of Profit and Loss due to:**		
	a) Translation / settlement (net) *	(8.97)	(2.74)
	* Included under selling and administration expenses [Refer Note 2.7]		
	b) Depreciation on exchange difference capitalised #	24.55	31.87
	# Included under depreciation and amortisation expense [Refer Note 2.6]		
	c) Exchange (gain) / loss treated as adjustment to finance costs [Refer Note 2.5]	(1.40)	(8.67)

3.14 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:

₹ Crores

Particulars		March 2026	March 2025
i)	Principal amount paid after appointed date during the year	-	-
ii)	Amount of interest due and payable for the delayed payment of principal amount	-	-
iii)	Principal amount remaining unpaid as at year end (overdue)	-	-
iv)	Principal amount remaining unpaid as at year end (not due)	247.96	72.60
v)	Interest due and payable on principal amount unpaid as at the year end	-	-
vi)	Total amount of interest accrued and unpaid as at year end	0.32	0.32
vii)	Further interest remaining due and payable for earlier years	0.32	0.32

Also refer notes 1.22 and 1.23

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.15 CSR Expenditure:

₹ Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
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 (including unspent amount of previous year, as applicable)	66.45	37.98
Surplus carried forward from previous year set off during the year	(18.26)	(20.96)
Opening surplus, carried forward to next year	-	-
Amount of expenditure incurred		
(i) Construction / acquisition of any asset	-	-
(ii) Ongoing projects*	45.22	29.10
(iii) On purposes other than (i) & (ii) above	2.97	6.17
Total amount of expenditure incurred	48.19	35.27
* Includes unspent amounts as at the year end, relating to ongoing projects, which were deposited into a separate earmarked bank account within 30 days from the end of the financial year	1.64	-
Amount spent during the year carried forward to next year *	-	18.26
Shortfall if any excluding amounts transferrable to earmarked bank account / Schedule VII	-	-
Total of previous years shortfall	-	-
Reason for shortfall	Expenses considered in line with progress of the ongoing projects	Not applicable
Nature of CSR activities	- Education - Environmental sustainability - Eradicating hunger, poverty, malnutrition and preventive healthcare	- Education, - Environmental sustainability, - Eradicating hunger, poverty, malnutrition and preventive healthcare
Details of related party transactions where CSR is entrusted to a related party		
Contributed to Hinduja Foundation	-	5.72
Contributed to Ashok Leyland Foundation	44.40	-
Opening balance of earmarked bank account relating to CSR activities	-	-
Addition for the year	-	-
Utilisation from the balance for the year	-	-
Closing balance of earmarked bank account relating to CSR activities	-	-
Opening balance of provision relating to CSR activities	-	-
Addition	1.64	-
Utilisation	-	-
Closing balance of provision relating to CSR activities	1.64	-

* Considered as prepaid expenses for the year ended March 31, 2025

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3.16 Goodwill

	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Gross Goodwill at the beginning of the year	449.90	449.90
Accumulated impairment at the beginning / end of the year	-	-
Carrying amount of Goodwill	**449.90**	**449.90**

Allocation of goodwill to cash-generating units

Pursuant to business combination, Light Commercial Vehicle division (LCV division) is identified as a separate cash generating unit. Goodwill has been allocated for impairment testing purposes to this cash-generating unit.

Cash-generating units to which goodwill is allocated are tested for impairment annually at each reporting date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit. The Company has used post tax discount rate of 18.0% (March 2025: 19.0%) and terminal growth rate of 3% (March 2025: 3%) for the purpose of impairment testing based on the next five years projected cash flows. Both pre tax and post tax discount rates give the same recoverable amount. The Company believes that any reasonable further change in the key assumptions on which recoverable amount is based, would not cause the carrying amount to exceed its recoverable amount.

Also Refer Notes 1D and 1E.15

3.17 Financial Ratios

Ratios	FY 2025-2026	FY 2024-2025	% of Change
Debt equity ratio #	0.09	0.13	-29%
Debt service coverage ratio #	9.64	4.51	114%
Current ratio	1.10	1.08	2%
Trade receivable turnover ratio^	15.08	12.00	26%
Inventory turnover ratio	9.75	8.99	9%
Trade payable turnover ratio	4.74	4.70	1%
Net capital turnover ratio *	39.68	175.67	-77%
Return on capital employed (%)	37.11%	34.41%	8%
Return on equity (%)	28.95%	32.50%	-11%
Net profit margin %	8.10%	8.52%	-5%

The Company earns a return on investment ranging from 4.59 % to 7.70 % p.a on fixed deposit and mutual funds.

* The reason for change in ratio by more than 25% is mainly on account of increase in Company's average working capital in the current year as compared to previous year.

Repayment of debt and due to higher profitability during the year ended March 31, 2026.

^ The reason for change in ratios by more than 25% is mainly due to increase in revenue during the year ended March 31, 2026 in comparison with year ended March 31, 2025.

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

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

3.19 During the year, the Company invested GBP 30 million (₹ 370.58 crores) on March 24, 2026 in Optare Plc, UK (its subsidiary) [Intermediary 1]. Intermediary 1 invested the entire proceeds received from the Company, amounting to GBP 30 million on March 27, 2026 in Switch Mobility Limited, UK (its subsidiary) [Ultimate Beneficiary].

For the year ended March 31, 2025, the Company paid share application money on March 27, 2025, amounting to GBP 45 million (₹ 498.76 crores) towards additional equity investment in Optare Plc, UK (its subsidiary) [Intermediary 1], and the shares were subsequently allotted on April 02, 2025. During the year, Intermediary 1 invested, directly and indirectly, in Switch Mobility Limited, UK (its subsidiary) [Ultimate Beneficiary], amounting to GBP 31.62 million through multiple tranches on April 24, 2025 - GBP 2.0 million, May 20, 2025 - GBP 2.5 million, June 05, 2025 - GBP 7.12 million, June 25, 2025 - GBP 4.5 million, August 22, 2025 - GBP 4.0 million, September 23, 2025 - GBP 4.5 million, November 26, 2025 - GBP 4.0 million, and February 19, 2026 - GBP 3.0 million.

The Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013, to the extent applicable, and these transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Except as detailed above, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

3.25 The figures for the previous year have been reclassified / regrouped wherever necessary including for amendments relating to Schedule III of the Companies Act, 2013 for better understanding and comparability.The reclassifications / regroupings do not have material impact on the standalone financial statements.

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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number : 213126

May 28, 2026
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

K.M. Balaji
Chief Financial Officer

N. Ramanathan
Company Secretary

May 28, 2026
Chennai

INDEPENDENT AUDITORS' REPORT

To the Members of Ashok Leyland Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Ashok Leyland Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures (refer note 3.1 to the consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2026, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2026, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. The following Key Audit Matters were included in the Memorandum of Work performed issued by other auditor whose audit report dated May 20, 2026, containing an unmodified audit opinion on the consolidated financial information of Hinduja Leyland Finance Limited, a subsidiary of the Holding Company issued jointly by independent firms of Chartered Accountants:

(a) Hinduja Leyland Finance Limited

Key audit matter	How our audit addressed the key audit matter
a. Impairment of financial assets (loans) based on Expected Credit Losses (ECL)	
As of March 31, 2026, the Company reported total gross loans of ₹ 49,156.66 crores (March 31, 2025: ₹ 37,904.53 crores) and expected credit loss provision of ₹ 1,279.86 crores (March 31, 2025: ₹ 888.22 crores). Ind AS 109, Financial Instruments (Ind AS 109) requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on the financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. Expected credit loss cannot be measured precisely but can only be estimated through use of statistics. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates and applying appropriate measurement principles, including additional considerations on account of Reserve Bank of India guidelines in relation to restructuring. The Company has involved an external expert to measure probability of default (PD), loss given default (LGD), in accordance with Ind AS 109. The Company measures 12-month ECL for Stage 1 assets and lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgement and assumptions involved in measuring ECL is required with respect to:	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the expected credit losses through procedures which included, but were not limited to the following: • Examined the policy approved by the Board of Directors ('Board') with respect to process and procedures for assessing and measuring credit risk on the lending exposures of the Company and evaluated its appropriateness in accordance with the requirements of Ind AS 109. • Evaluated the design and tested the operating effectiveness of controls across the process relevant to ECL measurement, including around the judgements and estimates made by the management. These controls, amongst others, included controls over the allocation of assets into stages along with management's monitoring and completeness of the underlying data used in the models, credit monitoring, passing of journal entries and preparing disclosures. • With respect to management expert involved for the Company's modelling approach, we obtained the deliverables of the expert submitted to the management and assessed the professional competence and objectivity of such management expert. • Tested the completeness of loans included in the ECL calculations as of March 31, 2026 by reconciling such data with the balances as per loan book register.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

- Segmentation of loan assets in buckets based on common risk characteristics.
- Staging of loans and in particular determining the criteria, which includes qualitative factors for identifying a significant increase in credit risk (i.e. Stage 2) and credit-impaired (i.e. Stage 3) including the days past due.
- Factoring in future macro-economic and industry specific estimates and forecasts.
- Past experience on customer behaviour on repayments.
- Varied statistical modelling techniques to determine PD, LGD and exposure at default (EAD) basis the default history of loans, subsequent recoveries made.
- Effect of discounting the cash flows by estimating the timing of expected credit shortfalls associated with the defaults.

Impairment losses in addition to the model-driven ECL results are recorded as overlays by management, to address known impairment model limitations or emerging trends as well as risks not captured by models.

As at March 31, 2026, overlays represent approximately 22% of the ECL balances. These adjustments required significant management judgement.

Determining ECL on the financial assets also requires compliance with key disclosure requirements as prescribed under the standards and by the Reserve Bank of India, to explain the key judgements and assumptions made by the management in the measurement.

Considering the significance of the above matter to the financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.

</td><td>

- Tested, on a sample basis, the appropriateness of determining EAD, the data used in the PD and LGD model for ECL calculation by reconciling it to the source information systems of the Company. Further, tested classification of assets into stage 1, 2 and 3 categories, on a sample basis, to verify that these were allocated to the appropriate stage.
- Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Challenged the management on post model adjustments, considering the size and complexity of management overlays, in order to assess the reasonableness of the adjustments.
- Performed an overall assessment of the ECL provision levels at each stage, including management's assessment and provision on account of the Company's portfolio as well as the macroeconomic environment.
- On a test check basis, ensured compliance with RBI Master Circular on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances' ('IRACP') upgradation and provisioning of non-performing assets (NPAs) and ensured that the Company has considered NPAs as credit impaired loans.
- Obtained written representations from the management in relation to appropriateness of such ECL methodology and reasonableness of the judgments and assumptions used.
- Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable Indian Accounting Standards and related RBI circulars.

</td></tr>
<tr><td colspan="2">b. Financial assets measured at fair value through other comprehensive income (FVTOCI)</td></tr>
<tr><td>

As at March 31, 2026, the Company has loans amounting to ₹ 36,668.59 crores (March 31, 2025: ₹ 27,141.24 crores) that are carried and measured at FVTOCI in accordance with Ind AS 109.

The classification of such loans at FVTOCI is dependent on the business model adopted by the Company to manage such financial assets in order to generate cash flows.

The management has determined that their business model of aforesaid loans is to collect contractual cash flows (solely payments of principal and interest on the amount outstanding) and also to sell such financial assets, and hence, such loans are classified at FVTOCI in accordance with the principles of Ind AS 109.

In measuring these loans, valuation methods are used based on inputs that are not directly observable from market information and certain other unobservable inputs. The management has used the services of an independent professional valuer for arriving at the fair value of aforesaid loan assets. Such fair value is derived using discounted cash flow models wherein the key assumptions include discount rate and adjustment for credit risk including default risk.

Given the subjectivity involved in ascertaining the business model and the fair valuation of the aforesaid loans, relative significance of these loans to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.

</td><td>

Our audit procedures in relation to financial assets measured at FVTOCI included, but were not limited, to the following:

- Obtained an understanding of the 'Business Model Policy Note' approved by the Board of Directors of the Company, and evaluated whether the identified loan portfolio would satisfy the conditions of Ind AS 109 for measurement at FVTOCI.
- Assessed the design and tested the operating effectiveness of management's key internal controls over inputs used in the valuation model.
- Obtained the valuation report of the management's valuation expert involved and assessed the expert's competence and objectivity in performing the valuation of these loans.
- With the support of our internal specialists, assessed whether the valuation methodology adopted by the management's expert is appropriate and tested the reasonableness of the underlying assumptions used such as discount rates to estimate the fair value of the said loans by performing independent sensitivity analysis. Also, tested the completeness of source data and arithmetical accuracy of the management working.
- Assessed the appropriateness and adequacy of disclosures made in the financial statements with respect to Company's exposure to financial instrument valuation risk as per the requirements of the Indian Accounting standards.
- Obtained written representations from the management in relation to reasonableness of the assumptions and judgments used in the valuation of these loans.

</td></tr>
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<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">c. Information Technology ("IT") Systems and Controls for the financial reporting process</td></tr>
<tr><td>The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed in numerous locations on a daily basis. The financial accounting system of the Company is integrated with several other modules including Loan Management, Originating and Collection modules and other workflows.

As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.

The accuracy and reliability of the financial reporting process depends on the IT systems and the related control environment, including:
• IT general controls over user access management and change management across applications, networks, database, and operating systems;
• IT application controls.

Due to the pervasive nature and importance of the role of IT systems and related control environment on the Company's financial reporting process, we have identified testing of such IT systems and related control environment as a key audit matter for the current year audit.</td><td>In our audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures with the involvement of our IT specialists, which included but were not limited to, the following:
• Obtained an understanding of the Company's IT related control environment, IT applications, databases and IT Infrastructure. Based on our understanding, we have evaluated and tested relevant IT general controls and IT application controls on the systems identified as relevant for our audit of the financial statements.
• On such in-scope IT systems, we have tested key IT general controls with respect to the following domains:
a. User access management, which includes user access provisioning, de-provisioning, access review, password policies, sensitive access rights and segregation of duties to ensure that privileged access to applications, operating system and databases in the production environment were granted only to authorized personnel;
b. Program change management, which includes controls on moving program changes to production environment by authorised personnel as per defined policy and procedures along with adequate segregation of environment;
c. Other areas that were assessed under the IT control environment included backup management.
• Reviewed the report of Information System Audit carried out in the current and previous years by a firm engaged by management, pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting and discussed the deficiencies with the management along with corresponding mitigating actions undertaken.
• Evaluated the design and tested the operating effectiveness of key automated controls within various business processes, including testing of relevant system logic and corresponding automated calculations and process for automated accounting entries, as applicable. Where deficiencies were identified, tested compensating controls and / or performed additional substantive audit procedures as required to mitigate any risk of material misstatement with respect to related financial statement line item.
• Obtained written representations from management on whether IT general controls and automated IT controls are designed and were operating effectively during the year.</td></tr>
</table>

(b) Hinduja Housing Finance Limited - Subsidiary of Hinduja Leyland Finance Limited

Key audit matter	How our audit addressed the key audit matter
a. Impairment of Loans to Customers	
Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ("ECL") estimation model. As at March 31, 2026, the Company has total gross loan assets of ₹ 11,703.36 crores against which an impairment loss of ₹ 182.55 crores has been recorded. The calculation of impairment losses on loans is complex and is based on the application of significant management judgements, estimates and the use of different modelling techniques and assumptions, which have a material impact on reported profits. The Company has applied a three-stage approach based on changes in credit quality to measure expected credit loss on loans. The key areas where we identified greater levels of management judgement are: • Staging of loans and determining the criteria for a significant increase in credit risk. • Model estimations – the most significant judgment aspects are determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD") • Determining macro-economic factors impacting credit quality of receivables ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecast of future economic conditions which could impact the credit quality of the Company's loans and advances. In view of such a high degree of Management's judgement involved in estimation of ECL, it is a key audit matter.	**Our key audit procedures included:** • Review of the Company's accounting policies for impairment of loan assets in terms of accounting principles laid down in Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued from time to time. • Understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation to evaluate the reasonableness of the Management estimates. • Assessed and tested the design and operating effectiveness of key manual and automated controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Also, evaluated the controls over the modelling process, validation of data and related approvals. • Assessed the criteria for staging of loans based on their past due status. Also performed analytical reviews of disaggregated data. • Tested a sample of performing (stage 1) loans to assess whether any Significant Increase in Credit Risk (SICR) or loss indicators were present requiring them to be classified under higher stages. • Test-checked the computation of ECL, including assumptions and underlying computation. Assessed the disclosures included in the financial statements.
b. IT Systems and Controls	
The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems. Existence of gaps in IT control environment could result in risk of material misstatement in the financial accounting and reporting records. Accordingly, we identified IT systems and controls over financial reporting as a key audit matter for the Company.	**Our key audit procedures included:** Obtained an understanding of the Company's IT related control environment, IT applications, databases, and IT Infrastructure. Based on our understanding, we have evaluated and tested relevant IT general controls and IT application controls on the systems identified as relevant for our audit of the financial statements. We have tested key IT general controls with respect to the following domains: • User access management, which includes user access provisioning, de-provisioning, access review and access rights; • Program change management, which includes controls on program changes by authorised personnel. • Other areas included backup management, business continuity management and third-party management. • We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important for financial reporting and various configuration and other identified application controls. • Tested the design and operating effectiveness of key automated controls including testing of relevant system logic, automated calculations, and accounting entries. • We reviewed the report of the professional firm engaged by the management for review of information system and security assessment.

Key audit matter	How our audit addressed the key audit matter
c. Financial assets measured at fair value through other comprehensive income (FVTOCI)	
As at March 31, 2026, the Company has loans amounting to ₹ 2,028.11 crores – net of impairment (March 31, 2025: ₹ 2,149.17 crores – net of impairment) that are carried and measured at fair value through other comprehensive income (FVOCI) in accordance with Ind AS 109. The classification of loans at FVTOCI is dependent on the business model of the Company whereby the management has determined that the aforesaid loans are to collect contractual cash flows and also to sell such financial assets. The fair value arrived by the management's valuation expert is derived using discounted cashflow models wherein the key assumptions include expected future cash flows, prepayment rate and discount rate. Given the business model assessment, the fair valuation of the aforesaid loans and relative significance of these loans to the financial statements, we determined this to be a key audit matter.	**Our key audit procedures included:** • Obtained an understanding of the Business Model Assessment Policy approved by the Board of Directors of the Company. • Evaluated the criteria adopted by the management in identification of the loan portfolio and reviewed the input used by the management in fair valuation. • Assessed the management's valuation expert's competence in performing the valuation of these loans. • Reviewed the valuation report, valuation methodology and underlying assumptions used to estimate the fair value. Also, test checked the arithmetical accuracy of the workings. • Reviewed the appropriateness and adequacy of disclosures made in the financial statements as per the requirements of Ind AS. • Obtained written representations from the management in relation to reasonableness of the assumptions and judgements used in the valuation of these loans.

Also, refer to the Key Audit Matter included by us in our audit report of even date on the Standalone financial statements of the Holding Company.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and , in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

9. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the respective companies.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. The consolidated financial statements/financial information of four subsidiaries, and financial statements of seven subsidiaries included in the consolidated financial statements, reflect total assets of ₹ 80,284.90 crores and net assets of ₹ 12,011.42 crores as at March 31, 2026, total revenues of ₹ 17,094.41 crores, total net profit after tax of ₹ 600.71 crores, and total comprehensive income of ₹ 1,552.91 crores for the year ended March 31, 2026 and cash inflow (net) of ₹ 333.63 crores for the year ended on that date, has been considered in the consolidated financial statements. The financial statements/ financial information of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the Holding Company's management and other auditors, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries is based on the reports of the other auditors and the procedures performed by us.

16. We did not audit the financial statement of two subsidiaries whose financial statements reflect total assets of ₹ 3.82 crores and net assets of ₹ 1.37 crores as at March 31, 2026, total revenues of

₹ 60.42 crores, total net loss after tax of ₹ 2.22 crores and total comprehensive loss of ₹ 2.21 crores and cash inflow (net) of ₹ 0.02 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of ₹ 32.17 crores and total comprehensive income of ₹ 32.17 crores for the year ended March 31, 2026 as considered in the consolidated financial results, in respect of two associates and two joint ventures whose financial statements have not been audited by us. The financial statements of these subsidiaries, associates and joint ventures have been audited by other auditors whose reports have been furnished to us by the Holding Company's management. Our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors furnished to us by the Holding Company's management. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

17. We did not audit the consolidated financial information of one subsidiary and financial information of two subsidiaries and three step-down subsidiaries whose financial information reflect total assets of ₹ 316.01 crores and net assets of ₹ (2.20) crores as at March 31, 2026, total revenue of ₹ 377.89 crores, total net loss after tax of ₹ 9.01 crores, and total comprehensive loss of ₹ 9.10 crores for the year ended March 31, 2026 and cash outflow (net) of ₹ 2.25 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of ₹ 19.32 crores and total comprehensive income (comprising of net profit and other comprehensive income) of ₹ 21.82 crores for the year ended March 31, 2026 as considered in the consolidated financial statements, in respect of two joint ventures and one associate whose financial information have not been audited by us. The financial information of these subsidiaries, step-down subsidiaries, joint ventures and associate are unaudited and have been furnished to us by the management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, step-down subsidiaries, joint ventures and associate and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, step-down subsidiaries, joint ventures and associate is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

18. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraph 3(xxi) of CARO 2020.

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, associates and joint ventures incorporated in India, none of the directors of the Group companies, its associates and joint ventures incorporated in India is disqualified as on March 31, 2026 balance sheet date from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 19(b) above and paragraph 19(h)(vi) below.

    (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiaries, associates and joint venture companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associates and joint ventures - Refer note 3.11 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts as at March 31, 2026. The Group, its associates and joint ventures did not have any long-term derivative contracts as at March 31, 2026 for which there were any material foreseeable losses. – Refer note 3.6 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, associates and joint ventures incorporated in India during the year.

iv. (a) The respective managements of the Holding Company and its subsidiaries, joint venture and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, joint ventures and associates respectively that, to the best of their knowledge and belief, other than as disclosed in note 3.17 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, joint ventures and associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, joint ventures and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective managements of the Holding Company and its subsidiaries, joint ventures and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, joint ventures and associates respectively that, to the best of their knowledge and belief, other than as disclosed in the note 3.18 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries, joint ventures, associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, joint ventures and associates shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries, joint ventures and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The interim dividend declared and paid by the Holding Company; and the dividend declared and paid by an associate company during the year is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of dividend/ interim dividend. Further, the Board of Directors of the Holding Company has approved a second interim dividend for the year and the dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of interim dividend. The other subsidiaries, associates and joint ventures, incorporated in India have not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries, associates and joint ventures, which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Group and such associates and joint ventures have used accounting software for maintaining books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the respective software :

i. In respect of Holding company, the audit log of modification does not contain (i) pre-modified values at database level and (ii) the changes made by certain users with specific access at database and application level. Further, with respect to another accounting software of a third party service provider used for the preparation of the consolidated financial statement, in the absence of any information pertaining to audit trail in the database level in the independent service auditor's report, we are unable to comment on the audit trail (edit log) feature at the database level in that accounting software.

ii. In respect of a subsidiary, audit trail (edit log) was not enabled at the database level to log any direct data changes.

During the course of performing our procedures, we and the auditors of the above referred subsidiaries, associates and joint ventures, did not notice any instance of the audit trail feature being tampered with, in respect of the accounting software where the audit trail feature was enabled and operated during the year. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Holding Company and above referred subsidiaries, associates and joint ventures as per the statutory requirements for record retention.

20. Except for managerial remuneration aggregating to ₹ 0.84 Crores in respect a step-down subsidiary of the Holding Company, the managerial remuneration paid/ provided for by the Group, its associates and joint ventures incorporated in India is in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V to the Act. As stated in note 3.25 to the consolidated financial Statements, the amount paid/ provided by the step-down subsidiary of the Holding Company is subject to approval of shareholders of the step-down subsidiary by way of special resolution in the ensuing annual general meeting of the step-down subsidiary of the Holding Company as required by Section 197 read with Schedule V to the Act.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 26213126HJNLCB6659

Place: Chennai
Date: May 28, 2026

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 19(g) of the Independent Auditors' Report of even date to the members of Ashok Leyland Limited on the consolidated financial statements as of and for the year ended March 31, 2026

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to financial statements of Ashok Leyland Limited (hereinafter referred to as "the Holding Company") and its subsidiaries, its associates and joint ventures, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to one joint venture company incorporated in India namely Ashok Leyland John Deere Construction Equipment Company Private Limited, pursuant to Ministry of Corporate Affairs Notification GSR 583(E) dated June 13, 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiaries, its associates and joint ventures, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matter' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiaries, its associates and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to eleven subsidiaries, a step-down subsidiary, two associates and two joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 26213126HJNLCB6659

Place: Chennai
Date: May 28, 2026

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 18 of the Independent Auditors' Report of even date to the members of Ashok Leyland Limited on the consolidated financial statements as of and for the year ended March 31, 2026

We report that there are no qualifications or adverse remarks included in the CARO 2020 report issued by us in respect of the standalone financial statements of the Holding Company and by the other auditors of the subsidiaries, joint ventures and associates in their CARO 2020 reports on the financial statements of those companies included in these consolidated financial statements, except that the auditors of the following company have reported qualifications or adverse remarks in their CARO 2020 report on the financial statements of the company:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Clause number of the CARO report which contains the qualification or adverse remarks
1.	Hinduja Tech Limited	U72400TN2009PLC072067	Subsidiary	(iv)

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 26213126HJNLCB6659

Place: Chennai
Date: May 28, 2026

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2026

Particulars	Note	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	7,506.70	5,822.99
Capital work-in-progress	1.1	548.80	358.79
Right-of-use asset	1.1a	476.27	466.15
Goodwill (including consolidation)		1,350.84	1,335.89
Other intangible assets	1.2	1,101.34	1,211.76
Intangible assets under development	1.2	390.88	218.50
Investments - Accounted for using equity method	1.3	196.01	140.17
Financial assets			
(i) Investments	1.3	949.02	1,802.56
(ii) Loans	1.5	42,471.06	34,234.96
(iii) Other financial assets	1.6	1,275.74	726.12
Deferred tax assets (net)	1.7	336.51	168.33
Income tax assets (net)	1.8	156.26	169.10
Contract Assets	1.4	7.37	-
Other non-current assets	1.9	531.62	819.08
		57,298.42	**47,474.40**
Current assets			
Inventories	1.10	4,671.80	3,986.08
Financial assets			
(i) Investments	1.11	6,322.05	4,666.92
(ii) Trade receivables	1.12	3,087.44	3,346.87
(iii) Cash and cash equivalents	1.13a	6,280.89	6,544.77
(iv) Bank balances other than (iii) above	1.13b	4,476.33	718.67
(v) Loans	1.14	16,591.62	13,384.96
(vi) Other financial assets	1.15	927.94	584.35
Current Tax Assets (Net)	1.8a	16.71	4.33
Contract Assets	1.16	113.46	56.09
Other current assets	1.17	1,254.08	923.52
		43,742.32	**34,216.56**
Assets classified as held for sale	1.17A	-	23.68
TOTAL ASSETS		**1,01,040.74**	**81,714.64**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1.18	587.39	293.65
Other equity	1.19	13,654.30	11,938.44
Equity attributable to owners of the Company		**14,241.69**	**12,232.09**
Non-controlling interest		4,304.55	3,612.77
Total equity		**18,546.24**	**15,844.86**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1.20	46,016.36	36,382.92
(ii) Lease liabilities		202.37	185.40
(iii) Other financial liabilities	1.21	171.13	117.06
Contract liabilities	1.22	413.77	372.86
Provisions	1.23	816.29	848.00
Deferred tax liabilities (net)	1.24	1,725.08	1,399.02
Other non-current liabilities	1.25	31.82	13.06
		49,376.82	**39,318.32**
Current liabilities			
Financial liabilities			
(i) Borrowings	1.26	17,633.44	13,318.18
(ii) Lease Liabilities		83.53	75.61
(iii) Trade payables	1.27		
a) Total outstanding dues of micro enterprises and small enterprises		301.45	95.28
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		8,989.79	7,924.20
(iv) Other financial liabilities	1.28	2,594.04	2,219.38
Contract liabilities	1.29	753.52	477.51
Provisions	1.30	1,611.34	1,118.96
Other current liabilities	1.31	383.42	685.23
Current tax liabilities (net)	1.32	767.15	632.95
		33,117.68	**26,547.30**
Liabilities directly associated with assets classified as held for sale	1.17B	-	4.16
TOTAL EQUITY AND LIABILITIES		**1,01,040.74**	**81,714.64**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

This is the Consolidated Balance Sheet referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number : 213126

May 28, 2026
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

K.M. Balaji
Chief Financial Officer

N. Ramanathan
Company Secretary

May 28, 2026
Chennai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

Particulars	Note	Year ended March 31, 2026 ₹ Crores	Year ended March 31, 2025 ₹ Crores
Income			
Revenue from operations	2.1	48,313.71	42,333.28
Income from financing operations (Refer Note 3.8 (i))	2.1	8,048.37	6,201.86
Other income	2.2	584.82	358.46
Total Income		**56,946.90**	**48,893.60**
Expenses			
Cost of materials and services consumed		32,227.15	27,684.39
Purchases of stock-in-trade		1,895.13	1,733.58
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(266.33)	261.59
		33,855.95	**29,679.56**
Employee benefits expense	2.3	4,733.51	4,161.30
Finance costs	2.4	4,704.65	3,930.21
Depreciation and amortisation expense	2.5	1,137.56	1,086.65
Other expenses	2.6	5,793.38	4,834.58
Impairment loss allowance / write off relating to financing activities	2.6	1,234.24	651.95
Total Expenses		**51,459.29**	**44,344.25**
Profit before Share of profit of associates and joint ventures, exceptional items and tax		**5,487.61**	**4,549.35**
Share of profit of associates and joint ventures (net)		51.62	31.58
Profit before exceptional items and tax		**5,539.23**	**4,580.93**
Exceptional items	2.7	(384.44)	15.40
Profit / (Loss) before tax		**5,154.79**	**4,596.33**
Tax expense:			
Current tax - charge		1,561.44	1,725.86
Deferred tax - (credit)		(127.63)	(512.32)
		1,433.81	1,213.54
Profit / (Loss) for the year		**3,720.98**	**3,382.79**
Other Comprehensive Income / (Loss)			
A (i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of defined benefit plans		(131.31)	(12.59)
- Share of other comprehensive income in associates and joint ventures		0.44	(0.23)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		33.04	3.17
B (i) Items that will be reclassified to Profit or Loss			
- Exchange differences in translating the financial statements of foreign operations		32.29	(25.24)
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		447.60	(29.90)
- Gain/(Loss) on fair valuation of loans relating to financing activities		803.45	1,237.63
- Share of other comprehensive income in associates and joint ventures		2.92	1.58
(ii) Income tax relating to items that will be reclassified to Profit or Loss		(314.88)	(303.99)
Total Other Comprehensive Income		**873.55**	**870.43**
Total Comprehensive Income for the year		**4,594.53**	**4,253.22**
Profit for the year attributable to			
Owners of the Company		3,471.03	3,106.80
Non-controlling interests		249.95	275.99
Other Comprehensive Income for the year attributable to			
Owners of the Company		502.62	513.14
Non-controlling interests		370.93	357.29
Total Comprehensive Income for the year attributable to			
Owners of the Company		3,973.65	3,619.94
Non-controlling interests		620.88	633.28
Earnings per equity share (Face value Re.1 each)	3.4		
- Basic (in ₹)		5.91	5.29
- Diluted (in ₹)		5.91	5.28

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number : 213126

May 28, 2026
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and Chief Executive Officer
DIN : 03485730

K.M. Balaji
Chief Financial Officer

N. Ramanathan
Company Secretary

May 28, 2026
Chennai

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

Particulars		Year Ended March 31, 2026	Year Ended March 31, 2025
		₹ Crores	₹ Crores
Cash flow from operating activities			
Profit for the year		**3,720.98**	**3,382.79**
Adjustments for :			
Tax expense charge / (credit) - net		1,433.81	1,213.54
Share of Profit of Associates and Joint Ventures (Net)		(51.62)	(31.58)
Depreciation and amortisation expense		1,060.58	1,006.68
Depreciation of right-of-use asset		76.98	79.97
Share based payment cost		(28.98)	13.82
Impairment allowance / (reversal) in value of net assets of subsidiary		-	(7.82)
Write off / impairment of Property, plant and equipment		15.74	-
Write off / impairment of goodwill and intangible assets		51.84	13.60
Impairment (reversal) / loss allowance / write off on trade receivable / other receivable / loans (net)		1,245.19	685.68
Net Loss / (Gain) arising on financial asset mandatorily measured at FVTPL		(4.40)	-
Net (gain)/ loss arising on financial asset mandatorily measured at FVTPL		-	(7.48)
Expenses for credit exposures		-	22.65
Fair value gain on remeasurement of Compulsorily Convertible Preference Shares		-	(41.23)
Foreign exchange loss / (gain) - net		(29.06)	(2.52)
Profit on sale of Property, plant and equipment (PPE) and intangible assets - net		(45.66)	(22.56)
Profit on sale of investments - net		(92.83)	(43.12)
Loss / (Gain) on fair valuation of investment in fellow subsidiary		33.45	(120.53)
Gain on preclosure of leases		0.26	(0.08)
Finance costs (excluding financial services costs)		426.11	397.31
Interest income		(219.05)	(94.55)
Provision for Litigation expenses		40.00	-
Operating profit before working capital changes		**7,633.34**	**6,444.57**
Adjustments for changes in :			
Trade receivables		280.69	489.92
Inventories		(685.72)	21.93
Non-current and current financial assets (including financial services receivable)		(12,256.27)	(9,057.16)
Other non-current and current assets		(353.85)	224.98
Movement in Interim Dividend remitted to designated bank account		-	1,453.48
Asset and liabilities classified as held for sale		-	(16.29)
Utilisation from escrow account		(4.14)	(20.72)
Contract Assets		(64.74)	(9.00)
Related party advances / receivables (net)		-	5.24
Trade payables		1,270.62	1,224.73
Non-current and current financial liabilities		474.13	211.06
Other non-current and current liabilities		(283.05)	88.08
Non-current and current contract liabilities		316.92	10.33
Other non-current and current provisions		200.47	207.58
Cash from / (Used in) operations		**(3,471.60)**	**1,278.73**
Income tax paid (net of refunds, if any)		(1,423.11)	(1,150.26)
Net cash from / (Used in) operating activities	**[A]**	**(4,894.71)**	**128.47**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

Particulars		Year Ended March 31, 2026	Year Ended March 31, 2025
		₹ Crores	₹ Crores
Cash flow from investing activities			
Purchase of PPE and intangible assets		(2,945.48)	(1,648.08)
Proceeds on sale of PPE and intangible assets including sale of immovable properties		128.56	49.10
Purchase of non-current investments		163.12	5.08
Proceeds from sale / (Purchase) of current investments (net)		(1,093.55)	(2,743.40)
Proceeds from sale of non-current investments relating to financing activities		924.13	1,142.79
Purchase of non-current investments relating to financing activities		(267.38)	(1,265.52)
Proceeds from (purchase) / sale of current investments (net) relating to financing activities		(464.99)	(1,240.94)
Proceeds from bank deposits		1,928.32	493.93
Investment in bank deposits		(5,682.44)	(775.69)
Payment of consideration for Business Combination		-	(194.61)
Inter Corporate Deposits / Loan given		(2,390.00)	(1,420.00)
Inter Corporate Deposits / Loan repaid		2,450.00	1,750.00
Interest received		171.88	89.07
Receipt of asset related government grant		62.04	-
Net cash from / (used in) investing activities	**[B]**	**(7,015.79)**	**(5,758.27)**
Cash flow from financing activities			
Proceeds from issue of equity shares (including securities premium)		3.34	1.67
Issue of shares to non-controlling interest shareholders		-	0.80
Proceeds from non-current borrowings		28,032.26	22,696.79
Repayments of non-current borrowings		(13,687.71)	(11,405.40)
Proceeds from current borrowings		21,827.74	19,985.81
Repayments of current borrowings		(22,312.94)	(22,227.42)
Proceeds under a supplier finance arrangement		151.92	-
Repayments under a supplier finance arrangement		(64.66)	-
Payments of Lease liability		(81.68)	(140.59)
Issue of Compulsorily Convertible Preference Shares by subsidiary		-	392.04
Purchase of stake in a subsidiary		(81.36)	-
Interest paid		(334.26)	(305.35)
Dividend paid		(1,835.42)	(2,040.77)
Net cash used in financing activities	**[C]**	**11,617.23**	**6,957.58**
Net cash Inflow / (Outflow)	**[A+B+C]**	**(293.27)**	**1,327.78**

	As at March 31, 2026	As at March 31, 2025
Opening cash and cash equivalents	**6,544.77**	**5,217.32**
Exchange fluctuation on foreign currency bank balances	29.39	(0.33)
Closing cash and cash equivalents (Refer Note 1.13a)	**6,280.89**	**6,544.77**
Non cash financing and operating activities		
Acquisition of right-of-use asset	**85.93**	**175.15**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Cash flows referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number : 213126

May 28, 2026
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

K.M. Balaji
Chief Financial Officer

N. Ramanathan
Company Secretary

May 28, 2026
Chennai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

1. For the year ended March 31, 2026

A Equity Share Capital

₹ Crores

Balance at the beginning of April 1, 2025	Changes in equity share capital during the year *	Balance at the end of March 31, 2026
293.65	293.74	587.39

* includes shares issued by way of bonus issue. Refer Note 1.18.

B Other Equity

₹ Crores

Particulars	Shares application money pending Allotment relating to a subsidiary	Reserves and Surplus							Items of Other Comprehensive Income				
		Capital Reserve	Securities Premium	Capital Redemption Reserve	Share Options Outstanding Account	General Reserve	Statutory Reserve	Retained Earnings	Foreign Currency Translation Reserve	Fair Valuation of Loan Relating to Financing Activities	Cash Flow Hedge Reserve	Attributable to owners of the Company	Non-controlling interests
Balance as at the beginning of April 1, 2025	**0.11**	**263.87**	**2,556.28**	**3.33**	**56.70**	**1,022.85**	**487.22**	**6,358.35**	**(68.13)**	**1,271.14**	**(13.28)**	**11,938.44**	**3,612.77**
Profit for the year	-	-	-	-	-	-	-	3,471.03	-	-	-	3,471.03	249.95
Other comprehensive (loss) / income	-	-	-	-	-	-	-	(99.60)	29.30	367.47	205.45	502.62	370.93
Total Comprehensive Income / (Loss) for the year	-	-	-	-	-	-	-	**3,371.43**	**29.30**	**367.47**	**205.45**	**3,973.65**	**620.88**
Transactions with owners:													
Dividends paid	-	-	-	-	-	-	-	(1,835.42)	-	-	-	(1,835.42)	-
Forfeiture of share based payments	-	-	-	-	(38.95)	-	-	-	-	-	-	(38.95)	-
Recognition of share based payments	-	-	-	-	6.76	-	-	-	-	-	-	6.76	-
On issue of shares / Pursuant to exercise of ESOP	(0.11)	-	3.22	-	-	-	-	-	-	-	-	3.11	-
Change in interests between the owners and NCI	-	-	-	-	-	-	-	(138.93)	-	-	-	(138.93)	70.90
Transfer to general reserve pursuant to exercise of ESOP	-		-	-	(2.29)	2.29	-	-	-	-	-	-	-
Pursuant to issue of bonus shares	-	-	(290.19)	(3.33)	-	-	-	-	-	-	-	(293.52)	-
Transfer to / from retained earnings	-	-	-	-	-	-	112.33	(112.33)	-	-	-	-	-
Others	-	-	-	-	-	-	-	39.16	-	-	-	39.16	-
Balance as at the end of March 31, 2026	-	**263.87**	**2,269.31**	-	**22.22**	**1,025.14**	**599.55**	**7,682.26**	**(38.83)**	**1,638.61**	**192.17**	**13,654.30**	**4,304.55**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

2. For the year ended March 31, 2025

A. Equity Share Capital

₹ Crores

Balance at the beginning of April 1, 2024	Changes in equity share capital during the year	Balance at the end of March 31, 2025
293.63	0.02	293.65

B. Other Equity

₹ Crores

Particulars	Shares application money pending Allotment relating to a subsidiary	Reserves and Surplus							Items of Other Comprehensive Income				
		Capital Reserve	Securities Premium	Capital Redemption Reserve	Share Options Outstanding Account	General Reserve	Statutory Reserve	Retained Earnings	Foreign Currency Translation Reserve	Fair Valuation of Loan Relating to Financing Activities	Cash Flow Hedge Reserve	Attributable to owners of the Company	Non-controlling interests
Balance as at the beginning of April 1, 2024	**0.54**	**263.87**	**2,546.86**	**3.33**	**47.46**	**1,021.70**	**383.91**	**3,772.80**	**(45.73)**	**710.13**	**6.12**	**8,710.99**	**2,809.97**
Profit for the year	-	-	-	-	-	-	-	3,106.80	-	-	-	3,106.80	275.99
Other comprehensive Income / (loss)	-	-	-	-	-	-	-	3.00	(23.03)	561.01	(27.84)	513.14	357.29
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,109.80**	**(23.03)**	**561.01**	**(27.84)**	**3,619.94**	**633.28**
Transactions with owners:													
Dividends paid / payable	-	-	-	-	-	-	-	(587.29)	-	-	-	(587.29)	-
Recognition of share based payments	-	-	-	-	11.19	-	-	-	-	-	-	11.19	-
On issue of shares / Pursuant to exercise of ESOP	(0.43)	-	1.53	-	-	-	-	-	-	-	-	1.10	-
Change in interests between the owners and NCI	-	-	7.09	-	-	-	4.52	161.83	0.63	-	8.44	182.51	169.52
Transfer to general reserve / securities premium pursuant to exercise of ESOP	-	-	0.80	-	(1.95)	1.15	-	-	-	-	-	-	-
Transfer to / from retained earnings	-	-	-	-	-	-	98.79	(98.79)	-	-	-	-	-
Balance as at the end of March 31, 2025	**0.11**	**263.87**	**2,556.28**	**3.33**	**56.70**	**1,022.85**	**487.22**	**6,358.35**	**(68.13)**	**1,271.14**	**(13.28)**	**11,938.44**	**3,612.77**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number : 213126

May 28, 2026
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

K.M. Balaji
Chief Financial Officer

N. Ramanathan
Company Secretary

May 28, 2026
Chennai

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1A. General information

Background

Ashok Leyland Limited ("the Parent Company") (CIN: L34101TN1948PLC000105) is a public limited company incorporated and domiciled in India and governed by the Companies Act, 2013 ("Act"). The Parent Company's registered office is situated at 1, Sardar Patel Road, Guindy, Chennai, Tamil Nadu, India. The Parent Company has sixteen subsidiaries, four joint ventures and three associates. The main activities of the Parent Company along with its subsidiaries, joint ventures and associates relate to manufacture, sale, vehicle and housing finance, IT services and services related to a wide range of commercial vehicles. Also Refer Note 3.14. The Parent Company also manufactures engines for industrial and marine applications, forgings and castings. The Parent Company together with its subsidiaries is hereinafter referred to as the "Group".

1B. Basis of Preparation and Presentation

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, as amended from time to time.

The consolidated financial statements have been prepared on the historical cost basis except for certain assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, defined benefit plan asset as per Ind AS 19, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act and Ind AS. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

The consolidated financial statements are presented in Indian Rupees (Rs.) and all values are rounded to the nearest crores, except where otherwise indicated.

The consolidated financial statements were approved for issue by the Board of Directors on May 28, 2026.

Recent accounting pronouncements

The Ministry of Corporate Affairs vide notification dated 7 May 2025 and 13 August 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (as outlined below), and are effective for annual reporting periods beginning on or after 1 April 2025:

(a) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1

As a result of the adoption of the amendments to Ind AS 1, the Group changed its accounting policy for the classification of borrowings:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification."

This new policy did not result in a change in the classification of borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

(b) Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107

As a result of the adoption of the amendments to Ind AS 7 and Ind AS 107, the Group provided new disclosures for liabilities under supplier finance arrangements in Notes 1.27 and 3.13.

(c) International Tax Reform – Pillar Two Model Rules – Amendments to Ind AS 12

Impact assessment and required disclosure as per Ind AS 12 due to International Tax Reform-Pillar Two Model Rules, is updated in Note 3.2 of the consolidated financial statements.

(d) Lack of Exchangeability – Amendments to Ind AS 21

The amended Ind AS 21 have added requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards or amendments not yet adopted

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1 - This amendment also includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, as outlined below.

The amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8.

The Group does not expect this amendment to have an impact on its operations or consolidated financial statements.

1C. Material Accounting Policies

1C.1 Property, plant and equipment

Cost:

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses. Cost of all civil works (including electrification and fittings) is capitalised with the exception of alterations and modifications of a capital nature to existing structures where the cost of such alteration or modification is ₹ 1,00,000 and below.

Fixtures, plant and equipment (including patterns and dies) where the cost exceeds ₹ 10,000 and the estimated useful life is two years or more, is capitalised and stated at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses.

Depreciation / amortisation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II to the Act, are as follows:

Classes of property, plant and equipment	Useful life (years)	Useful life (years) As per Schedule II
Buildings	10 – 60	30 / 60
Non-factory service installations:		
- In customer premises	12	10
Quality equipment, canteen assets, major jigs and fixtures and hand tools	5 -12	15
Other plant and machinery	2 – 21	15
Patterns and dies	5	15
Furniture and fittings	2-12	10
Aircraft	18	20
Vehicles (including given on lease):		
- Trucks and buses including electric vehicles	5 -12	8
- Cars and motorcycles	3	8/10
Office equipment	2 – 8	5
Office equipment – Data processing system (including servers)	5	6

1C.2 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately, where the cost exceeds ₹ 10,000 and the estimated useful life is two years or more, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

Customer relationships acquired as part of a business combination are initially recognized at their fair value on the acquisition date and are subsequently amortized on a straight-line basis over their estimated useful life.

Internally-generated intangible assets - research and development expenditure

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

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

- technical feasibility of completing the intangible asset;
- intention to complete the intangible asset and intention/ ability to use or sell it;
- how the intangible asset will generate probable future economic benefit;
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the attributable expenditure during the development stage.

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets, based on technical assessment, are as follows:

Classes of Intangible Assets	Useful life (years)
Computer Software:	
Acquired	2-10
Developed	5/10
Technical Knowhow:	
Acquired	5/6
Developed	6/10
Customer relationships	5
Trademark	10

1C.3 Inventories

Cost of inventories are determined as follows:

- Raw materials and components, stores, spares, consumable tools, traded goods: on moving weighted average basis; and
- Work-in-progress, works-made components and finished goods: on moving weighted average basis plus appropriate share of overheads.

Cost of surplus/ obsolete/ slow moving inventories are adequately provided for.

1C.4 Revenue recognition

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

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of Products

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product / based on terms of contract. The Group operates predominantly on cash and carry basis except sale to State Transport Undertaking (STU), Government and Project customers based on tender terms and certain export customers and domestic customers which are on credit basis. Sale of engines and gensets and ferrous castings are generally sold on credit basis to customers.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., extended warranties, freight etc.). In determining the transaction price for the sale of product, the Group considers the effects of variable consideration, the existence of consideration payable to the customer, etc.

Sale of Services

Revenue from services includes certain performance obligations which are recognised over a period of time as and when the services are rendered in accordance with the specific terms of contract with customer. The receipt of consideration for extended warranty services, free services, AMC and freight is generally received when consideration receivable from sale of products is received from customer. In certain cases, the AMC contracts are sold as a separate product on cash basis or on credit as per the contract with customer. On the recognition of the receivable from customer, the Group recognises a contract liability which is then recognised as revenue, once the services are rendered. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. For other cases, the revenue reflects the cash selling price that the customer would have paid for the promised services when the services are transferred to customer. Thus, there is no significant financing component.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Incentives

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Significant financing component

The Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. Thus, there is no significant financing component.

Warranty obligations

Refer Note 1E.18 on warranty obligations.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

Trade receivable is an unconditional right to consideration and is part of contract balances as per Ind AS 115.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the services are provided as set out in the contract.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Interest / Finance Income relating to financing activities

EIR Method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Financing component recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the consolidated statement of profit and loss.

Interest Income

The Financing component calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as ‘stage 3’, the Financing component calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Financing component reverts to calculating interest income on a gross basis.

1C.5 Exceptional Items

The Group considers factors including materiality, the nature and function of the items of income and expense in determining exceptional item and discloses the same in Note 2.7 to the consolidated financial statements.

1D. Critical accounting judgments and key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with Ind AS requires the Group’s Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the consolidated financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the critical judgements and estimations that have been made by the Management in the process of applying the Group’s accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill

The carrying amount of goodwill significant to the Group are stated in Note 3.14. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections covering generally a period of five years (which are based on key assumptions such as margins, expected growth rates based on past experience and Management’s expectations/ extrapolation of normal increase/ steady terminal growth rate which approximates the long term industry growth rates) and appropriate discount rates that reflects current market assessments of time value of money and risks specific to these investments. The Management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Impairment of financial asset relating to financing activities

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Financing component’s expected credit loss (“ECL”) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Financing component’s criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss (“LTECL”) basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macro-economic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default (“PD”), exposure at default (“EAD”) and loss given default (“LGD”).

d) Selection of forward-looking macro-economic scenarios and their probability, to derive the economic inputs into ECL models.

Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, changes in the related laws / emission norms and losses associated with obsolete / slow-moving / redundant inventory items. The Group has, based on these assessments, made adequate provision in the books.

Taxation

Determining of income tax liabilities using tax rates and tax laws that have been enacted or substantially enacted requires the Management to estimate the level of tax that will be payable based upon the Group's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

Deferred income 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, unabsorbed depreciation and unused tax credits could be utilized.

Provision for product warranty

The Group's product warranty obligations and estimations thereof are determined using historical information on the type of product, nature, frequency and average cost of warranty claims and the estimates regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can materially affect warranty expense.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuations. The Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 3.6.

Business model assessment relating to financing activities

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Financing component determines the business model at a level that reflects how Group's of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Financing component monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Financing component's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

1E. Summary of other accounting polices

1E.1 Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and its subsidiaries. The Parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries.

When the Parent Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent Company considers all relevant facts and circumstances in assessing whether or not the Parent Company's voting rights in an investee are sufficient to give it power, including rights arising from other contractual arrangements.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Parent Company.

1E.2 Goodwill

Goodwill arising on business combination is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash-generating unit is determined for each legal entity and LCV division of Parent Company based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1E.3 Business combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for in accordance with Appendix C to Ind AS 103 'Business Combinations'.

Other business combinations, involving entities or businesses are accounted for using acquisition method. Consideration transferred in such business combinations is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree.

Goodwill is recognised and is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree, over the net fair value of assets and liabilities acquired.

1E.4 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

When there is any objective evidence of impairment, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the investment becomes a subsidiary, the Group accounts for its investment in accordance with Ind AS 103 'Business Combination'. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures it at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest is included in the determination of the gain or loss on disposal of the associate or joint venture.

1E.5 Revenue recognition

Other Operating Revenues

Other operating revenues comprise of income from ancillary activities incidental to the operations of the Group and is recognised when the right to receive the income is established as per the terms of the contract.

Dividend, interest income and other Income

Dividend income from investments is recognised in Other income when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Fee on financial guarantee provided by the Parent Company is accrued as Other income.

All gains or losses arising from changes in the fair value of financial assets classified at FVTPL are recognized in the consolidated statement of profit and loss under "Other Income" in the period in which they arise.

1E.6 Foreign currency transactions

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in a foreign currency are restated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not restated.

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

- Exchange difference on translation of derivative instruments designated as cash flow hedge (see Note 1E.17 below for hedging accounting policies).
- For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's entities whose functional currency is other than INR (Rs.) are translated into Currency Units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve (and attributed to non-controlling interests as appropriate).

1E.7 Borrowing costs

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

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

1E.8 Government Grants

Government grants (including export incentives and incentives on specified goods manufactured in the eligible unit) are recognised only when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received.

Government grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses, the related costs for which the grants are intended to compensate. Grants relating to assets are netted off against the acquisition cost of the assets.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured at the difference between proceeds received and the fair value of the loan based on prevailing market rates.

1E.9 Employee benefits

Retirement benefit costs and termination benefits

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

For defined benefit plans i.e., Group's liability towards gratuity (funded and unfunded), Group's contribution to provident fund, other retirement/ termination benefits and compensated absences, the cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. In respect of provident fund, contributions made to trusts administered by the Group, the interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be contributed by the Group and charged to the consolidated statement of profit and loss.

Defined benefit costs are comprised of:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Group presents the first two components of defined benefit costs in consolidated profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity and re-measurement of net defined liability pertaining to provident fund comprise of actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Liability for termination benefits like expenditure on Voluntary Retirement Scheme is recognised at the earlier of when the Group can no longer withdraw the offer of termination benefit or when the Group recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short-term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

1E.10 Share-based payment arrangements

Equity-settled share-based payments to employees (primarily employee stock option plan) are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding account. Where shares are forfeited due to non-achievement of defined annual performance parameters, any expenses previously recognised in relation to such shares are reversed effective from the date of the forfeiture.

Share appreciation rights granted to employees and settled in cash are accounted for as cash-settled share-based payments. The Group recognizes the services received and a corresponding liability at fair value, which is remeasured at each reporting date and at the date of settlement. Any changes in fair value are recognized in the consolidated statement of profit and loss for the respective period.

1E.11 Property, plant and equipment

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and other direct costs and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of Property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When significant parts of an item of Property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of Property, plant and equipment and accordingly depreciation is computed based on the estimated useful lives of the assets.

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

De-recognition

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

1E.12 Intangible assets

Intangible assets acquired separately

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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

De-recognition of intangible assets

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets.

1E.13 Impairment losses

At the end of each reporting period, the Group determines whether there is any indication that its assets (tangible, intangible assets and investments in equity instruments in joint ventures and associates carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets under development and goodwill are tested for impairment annually at each balance sheet date.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses (other than impairment of goodwill), the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount carried had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1E.14 Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease component.

At the commencement date, the Group recognises a right-of-use asset measured at cost and a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The cost of the right-of-use asset comprise of, the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received.

At the commencement date, the lease payments included in the measurement of the lease liability comprise (a) fixed payments less any lease incentives receivable; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; (c) amounts expected to be payable by the lessee under residual value guarantees; (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Depreciation on Right-of-use asset is recognised in consolidated statement of profit and loss on a straight-line basis over the period of lease and the Group separately recognises interest on lease liability as a component of finance cost in consolidated statement of profit and loss.

Payments associated with short-term leases and low-value assets are recognized as expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of office equipment and small items of plant and equipment and office furniture.

1E.15 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost of raw materials and components, stores, spares, consumable tools and traded goods (stock-in-trade) comprises cost of purchases and includes taxes and duties and is net of eligible credits under CENVAT/ VAT/GST schemes. Cost of work-in-progress, work-made components and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overheads, which is allocated on a systematic basis. Cost of inventories also includes all other related costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

1E.16 Segment reporting

The Group's operating segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system as per Ind AS 108. The Group is engaged in the business of manufacturing of Commercial Vehicles and rendering Financial Services mainly relating to vehicle and housing financing.

1E.17 Financial instruments

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

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

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification of financial assets

The financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (except for financial assets carried at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

(i) Financial assets (other than investments and derivative instruments) are subsequently measured at amortised cost using the effective interest rate method.

Effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost:

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

Income on such debt instruments is recognised in profit or loss and is included in the "Other Income".

The Group has not designated any debt instruments as fair value through other comprehensive income except in case of debt instruments relating to financing activities.

(i) Financial assets (i.e. derivative instruments and investments in instruments other than equity of joint ventures and associates) are subsequently measured at fair value.

Such financial assets are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recog-nised in profit or loss and included in the "Other Income".

Financial assets relating to financing activities

Business model assessment

The Financing Component determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Financing Component's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Financing Component's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated for example, whether the compensation is based on the fair value of the assets managed.

d) The expected frequency, value and timing of sales are also important aspects of the Financing Component's assessment.

Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process, the Financing Component assesses the contractual terms of financial asset to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Financing Component applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at fair value through profit or loss (FVTPL).

Accordingly, financial assets are measured as follows:

a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVOCI.

c) Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

d) Other equity investments

All other equity investments are measured at fair value, with value changes recognised in Other Comprehensive Income.

Impairment of financial asset relating to financing activities

a) Overview of Expected Credit Loss (ECL) principles

In accordance with Ind AS 109, the Financing Component uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through FVTPL

ECL are measured through a loss allowance at an amount equal to:

i) The 12-months ECL (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii) Full lifetime ECL (expected credit losses that result from all possible default events over the life of the financial instrument)

Both Life Time Expected Credit Loss (LTECL) and 12 months ECLs are calculated on collective basis.

Based on the above, the Financing Component categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1

When loans are first recognised, the Financing Component recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2

When a loan has shown a significant increase in credit risk since origination the Financing Component records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3

Loans considered credit impaired are the loans which are past due for more than 90 days. The Financing Component records an allowance for life time ECL.

Loan commitments

When estimating LTECLs for undrawn loan commitments, the Financing Component estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

b) Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD

Probability of Default ("PD") is the probability of whether borrowers will default on their obligations which is calculated based on historical default rate summary of past years using origination vintage analysis.

EAD

Exposure at Default ("EAD") is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest whether scheduled by contract or otherwise, expected draw downs on committed facilities after considering the credit conversion factor (for stage 1 and stage 2 assets), and accrued interest from missed payments.

LGD

Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Financing Component has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the Effective Interest Rate (EIR). At every reporting date, the above calculated PDs, EADs and LGDs are reviewed and changes in the forward-looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1

The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Financing Component calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2

When a loan has shown a significant increase in credit risk since origination, the Financing Component records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3

For loans considered credit-impaired, the Financing Component recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

c) Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon de-recognition of the assets.

d) Forward looking information

The Financing Component considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, Inflation etc., as considered relevant so as to determine the impact of macro-economic factors on the Financing Component's ECL estimates.

The inputs and models used for calculating ECLs are recalibrated periodically through the use of available incremental and recent information. Further, internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Write-offs

Loans and debt securities are written off when the Financing Component has no reasonable expectations of recovering the financial assets (either in its entirety or portion of it). This is the case when the Financing Component determines that the borrower does not have assets or sources of income that could generate sufficient cashflow to repay the amounts subject to the write-off. A write-off constitutes a de-recognition event. The Financing Component may apply enforcement activities to financial assets written off. Recoveries resulting from the Financing Component's enforcement activities could result in impairment gains.

De-recognition of financial assets

The Financing Component derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Financing Component neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Financing Component recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the consolidated statement of profit and loss.

Impairment of financial assets relating to other than financing activities

A financial asset is regarded as credit impaired or subject to significant increase in credit risk, when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets (i.e., the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

De-recognition of financial assets relating to financing activities

➢ De-recognition of financial assets due to substantial modification of terms and conditions

The Financing Component derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a de-recognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

➢ De-recognition of financial assets other than due to substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Financing Component neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the consolidated statement of profit and loss.

Accordingly, gain on sale or de-recognition of assigned portfolio are recorded upfront in the consolidated statement of profit and loss as per Ind AS 109. Also, the Financing Component recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities (other than derivative instruments) are subsequently measured at amortised cost using the effective interest rate method.

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

Interest expense that is not capitalised as part of cost of an asset is included in the "Finance Costs".

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and are subsequently measured (if not designated as FVTPL) at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps. Further details of derivative financial instruments are disclosed in Note 3.6.

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

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss.

As of the transition date, the Group has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed on the later of the date of it first becoming a party to the contract and the date when there has been change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 3.6 sets out details of the fair values of the derivative instruments used for hedging purposes.

Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the “Other Income” line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and are included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

1E.18 Provisions and Contingent liabilities

Provisions

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Warranties

Provisions for expected cost of warranty obligations under legislation governing sale of goods are recognised on the date of sale of the relevant products at the Management's best estimate of the expenditure required to settle the obligation which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidences.

Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

1E.19 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the taxes are also recognised in other comprehensive income or directly in equity respectively.

Current tax

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted. Foreign companies recognise tax assets / liabilities in accordance with applicable local laws.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits (Minimum alternate tax credit entitlement) to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Uncertainty over income tax treatments

If there is uncertainty over tax treatment of an item, the Group will predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amounts of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. If it is not probable that tax authority will accept the tax treatment, Group will show the effect of the uncertainty for each uncertain tax treatment by using either the most likely outcome or the expected outcome of the uncertainty.

1E.20 Asset held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and disclosed separately in balance sheet. Liabilities associated with assets classified as held for sale are estimated and disclosed separately in the balance sheet.

1E.21 Earnings per share

Basic earnings per share is computed by dividing the profit or loss for the year by the weighted average number of equity shares outstanding during the year, adjusted for bonus elements in equity shares issued during the year. Diluted earnings per share is computed using the weighted average number of shares outstanding for the effects of all dilutive potential equity shares, if any.

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

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)						DEPRECIATION					NET CARRYING AMOUNT
Property, Plant and Equipment (PPE)	01.04.2025	Additions	Adjustments*	Capital Grant	Disposals / Adjustments	31.03.2026	01.04.2025	Charge during the year	Adjustments*	Disposals / Adjustments	31.03.2026	31.03.2026
Freehold land	833.09	62.63	9.51	-	-	905.23	-	-	-	-	-	905.23
Buildings	2,223.56	224.99	25.35	(33.51)	(4.06)	2,436.33	717.19	91.78	8.67	(1.56)	816.08	1,620.25
Buildings given on lease	13.24	-	-	-	-	13.24	2.66	0.29	-	-	2.95	10.29
Plant and equipment	6,410.60	662.08	31.97	(26.34)	(141.47)	6,936.84	4,075.99	433.92	27.91	(131.54)	4406.28	2,530.56
Plant and equipment given on lease	0.04	-	-	-	-	0.04	0.02	#	-	-	0.02	0.02
Furniture and fittings	157.89	12.10	7.53	(0.20)	(25.00)	152.32	124.93	9.19	6.26	(24.62)	115.76	36.56
Furniture and fittings given on lease	0.25	-	-	-	-	0.25	0.25	-	-	-	0.25	-
Vehicles including electric vehicles	904.12	1,058.93	8.03	(62.04)	(97.74)	1,811.30	240.46	123.75	2.59	(55.12)	311.68	1,499.62
Aircraft	-	435.31	-	-	-	435.31	-	11.49	-	-	11.49	423.82
Commercial Vehicles Given on Lease	370.82	85.43	-	-	(12.60)	443.65	69.08	66.12	-	(7.62)	127.58	316.07
Office equipment	407.67	81.59	6.25	-	(20.90)	474.61	268.71	54.46	7.18	(18.69)	311.66	162.95
Electrical and Other Installations on Leasehold Premises	2.42	0.62	-	-	(0.05)	2.99	1.42	0.29	-	(0.05)	1.66	1.33
TOTAL	**11,323.70**	**2,623.68**	**88.64**	**(122.09)**	**(301.82)**	**13,612.11**	**5,500.71**	**791.29**	**52.61**	**(239.20)**	**6,105.41**	**7,506.70**

Description	01.04.2025	Additions / Adjustments*	Capitalised during the year**	31.03.2026
Capital work-in-progress (CWIP)	358.79	2,656.28	(2,466.27)	**548.80**

* Adjustments include currency movements relating to foreign operations.

** Amount of ₹ 157.41 crores directly capitalised in Property plant and equipment.

The above capital grant is related to investment in property, plant and equipment for the manufacturing setup in Uttar Pradesh and for the electric vehicles operated on e-Mobility as a Service contract . There are no unfulfilled conditions or other forms of contingencies attached to these grants.

amount is below rounding off norms adopted by the Group.

CWIP Ageing Schedule

₹ Crores

Description	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	452.90	67.40	24.99	3.51	**548.80**

Of the above, there are no projects where the cost has exceeded the budget and project whose completion is delayed. As at March 31, 2026, there are no temporarily suspended projects.

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (Contd.)

Title deeds of Freehold land not held in the name of the Group

₹ Crores

Sl No	Property Description	Asset Class	Address	Total Acres (Approx.)	Gross / Net carrying value (Refer Sub-Note 6 below)	Reason for not in the name of the Parent Company	Property in the name of
1	Ennore, Tamil Nadu	Freehold Land	Kathivakkam High Road, Ennore,Chennai 600 057	35.22	81.00	This land was acquired from Hinduja Foundries Limited by the Parent Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
2	Uppal, Telangana	Freehold Land	Industrial Development Area, Uppal, Ranga Reddy District, Telangana	15.36	123.00	This land was acquired from Hinduja Foundries Limited by the Parent Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
3	Mallavalli, Andhra Pradesh	Freehold Land	Plot no. 2 & 3 of Model Industrial Park situated at Mallavalli Village, Bapulapadu Mandal, Krishna District	75.00	13.02	The Agreement for Sale has been registered in the name of the Parent Company. The Conveyance Deed is to be executed by the Authority upon fulfillment of the certain conditions by the Parent Company.	Agreement for sale registered in the name of the Parent Company. Final Conveyance deed is to be executed.

Notes:

1 Cost of Buildings pertaining to Parent Company as at March 31, 2026 includes:

a) ₹ 0.03 crores being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings there at.

b) ₹ 1.32 crores representing cost of residential flats including undivided interest in land.

2 For details of assets given as security against borrowings, Refer Note 3.13

3 For amount of contractual commitments for the acquisition of PPE, Refer Note 3.12(a).

4 Title to Freehold Land relating to a subsidiary at Jainamore, Jharkhand (carrying value ₹ 0.08 Crores) is yet to be conveyed to the subsidiary

5 Expenses capitalised ₹ 12.67 crores - Refer Notes 2.3, 2.4 and 2.6 to the Consolidated Financial Statements.

6 The gross carrying value and net carrying value of buildings located on freehold and leasehold land for which title is yet to be transferred in the name of the Parent Company amounts to ₹ 254.61 crores and ₹ 193.67 crores respectively.

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

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)								DEPRECIATION								NET CARRYING AMOUNT
Property, Plant and Equipment (PPE)	01.04.2024	Additions	Acquisition through business combination (Refer Note 3.27)	Adjustments*	Reclassified as held for Sale (Refer Note 1.17A & 1.17B)	Reclassified from held for Sale	Disposals / Adjustments	31.03.2025	01.04.2024	Charge during the year	Adjustments*	Reclassified as held for Sale (Refer Note 1.17A & 1.17B)	Reclassified from held for Sale	Disposals / Adjustments	31.03.2025	31.03.2025
Freehold land	831.38	-	-	1.71	-	-	-	833.09	-	-	-	-	-	-	-	833.09
Buildings	2,091.14	127.38	0.12	4.50	-	0.63	(0.21)	2,223.56	629.09	86.94	1.28	-	0.09	(0.21)	717.19	1,506.37
Buildings given on lease	13.24	-	-	-	-	-	-	13.24	2.37	0.29	-	-	-	-	2.66	10.58
Plant and equipment	6,155.33	354.35	1.07	10.07	-	0.27	(110.49)	6,410.60	3,729.94	438.61	6.20	-	0.03	(98.79)	4,075.99	2,334.61
Plant and equipment given on lease	0.04	-	-	-	-	-	-	0.04	0.02	#	-	-	-	-	0.02	0.02
Furniture and fittings	147.45	10.02	-	1.61	-	0.09	(1.28)	157.89	108.74	15.81	1.63	-	0.03	(1.28)	124.93	32.96
Furniture and fittings given on lease	0.25	-	-	-	-	-	-	0.25	0.25	-	-	-	-	-	0.25	-
Vehicles including electric vehicles	503.74	337.59	1.18	3.46	-	63.66	(5.51)	904.12	117.88	108.48	1.61	-	17.78	(5.29)	240.46	663.66
Aircraft	77.99	-	-	-	(77.99)	-	-	-	70.56	1.57	-	(72.13)	-	-	-	-
Commercial vehicles given on lease	224.42	146.40	-	-	-	-	-	370.82	18.55	50.53	-	-	-	-	69.08	301.74
Office Equipment	336.06	81.51	1.07	1.71	-	0.04	(12.72)	407.67	232.05	46.41	0.99	-	0.01	(10.75)	268.71	138.96
Electrical and other installations on lease hold premises	1.56	0.86	-	-	-	-	-	2.42	1.25	0.17	-	-	-	-	1.42	1.00
TOTAL	**10,382.60**	**1,058.11**	**3.44**	**23.06**	**(77.99)**	**64.69**	**(130.21)**	**11,323.70**	**4,910.70**	**748.81**	**11.71**	**(72.13)**	**17.94**	**(116.32)**	**5,500.71**	**5,822.99**

Description	01.04.2024	Additions / Adjustments*	Impairment (Refer Note 2.7)	Capitalised during the year**	31.03.2025
Capital work-in-progress (CWIP)	170.18	1,202.69	(10.45)	(1,003.63)	**358.79**

* Adjustments include currency movements relating to foreign operations.

** Amount of 54.48 crores directly capitalised in Property, plant and equipment.

amount is below rounding off norms adopted by the Group.

CWIP Ageing Schedule

₹ Crores

Description	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	321.65	33.47	3.22	0.45	**358.79**

Of the above, there are no projects where the cost has exceeded the budget and project whose completion is delayed. As at March 31, 2025, there are no temporarily suspended projects.

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (Contd.)

Title deeds of Freehold land not held in the name of the Group

₹ Crores

Sl No	Property Description	Asset Class	Address	Total Acres (Approx.)	Gross / Net carrying value (Refer Sub-Note 6 below)	Reason for not in the name of the Parent Company	Property in the name of
1	Ennore, Tamil Nadu	Freehold Land	Kathivakkam High Road, Ennore, Chennai 600 057	35.22	81.00	This land was acquired from Hinduja Foundries Limited by the Parent Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
2	Uppal, Telangana	Freehold Land	Industrial Development Area, Uppal, Ranga Reddy District, Telangana	15.36	123.00	This land was acquired from Hinduja Foundries Limited by the Parent Company by virtue of the amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
3	Mallavalli, Andhra Pradesh	Freehold Land	Plot no. 2 & 3 of Model Industrial Park situated at Mallavalli Village, Bapulapadu Mandal, Krishna District	75.00	13.02	The Agreement for Sale has been registered in the name of the Parent Company. The Conveyance Deed is to be executed by the Authority upon fulfillment of the certain conditions by the Parent Company.	Agreement for sale registered in the name of the Parent Company. Final Conveyance deed is to be executed.

Notes:

1 Cost of Buildings pertaining to Parent Company as at March 31, 2025 includes:

a) ₹ 0.03 crores being cost of shares in Housing Co-operative Society representing ownership rights in residential flats and furniture and fittings there at.

b) ₹ 1.32 crores representing cost of residential flats including undivided interest in land.

2 For details of assets given as security against borrowings, Refer Note 3.13.

3 For amount of contractual commitments for the acquisition of PPE, Refer Note 3.12 (a).

4 Title to Freehold Land relating to a subsidiary at Jainamore, Jharkhand (carrying value ₹ 0.08 crores) is yet to be conveyed to the subsidiary.

5 Expenses capitalised ₹ 16.54 crores - Refer Notes 2.3, 2.4 and 2.6 to the Consolidated Financial Statements.

6 The gross carrying value and net carrying value of buildings located on freehold and leasehold land for which title is yet to be transferred in the name of the Parent Company amounts to ₹ 244.74 crores and ₹ 192.49 crores respectively.

1.1a RIGHT-OF-USE ASSET

₹ Crores

Description	Net Carrying Amount 01.04.2025	Additions	Adjustments**	Closure / Pre closure	Depreciation	Net Carrying Amount 31.03.2026
Leasehold Land	250.82	-	1.05	(0.28)	6.11	245.48
Buildings	176.33	84.04	11.80	(8.13)	63.70	200.34
Plant and equipment	29.48	-	-	(3.03)	3.27	23.18
Vehicles	9.52	1.89	0.35	(0.59)	3.90	7.27
TOTAL	**466.15**	**85.93**	**13.20**	**(12.03)**	**76.98**	**476.27**

** Adjustments include currency movements relating to foreign operations.

Title deeds of Leasehold land not held in the name of the Group

₹ Crores

SL No	Property Description	Asset Class	Address	Total Acres (Approx.)	Gross carrying value* (Refer Note 1.1 Sub-Note 6)	Net carrying value* (Refer Note 1.1 Sub-Note 6)	Reason for not in the name of the Parent Company	Property in the name of
1	Sriperumbudur, Tamil Nadu	Leasehold Land	Plot Nos. Phase II, K-1, K-2 SIPCOT Industrial Park, Sriperumbudur, Tamil Nadu	79.44	11.47	10.19	The leasehold rights were originally granted to Hinduja Foundries Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Parent Company vide amalgamation order passed by the National Company Law Tribunal, Chennai.The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
2	Pillaipakkam, Tamil Nadu (Refer Sub-Note 6)	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaipakkam, Sriperumbudur, Tamil Nadu	113.00	48.96	44.84	The leasehold rights were originally granted to Ashok Leyland Nissan Vehicles Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Parent Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Ashok Leyland Nissan Vehicles Limited (merged with Ashok Leyland Limited)
3	Bhandara, Maharashtra	Leasehold Land	P O Box 15, Plot No.1, MIDC Industrial Area, Gadegao Lakhani Taluk, Bhandara, Maharashtra	15.82	0.01	0.01	This is a land leased to the Parent Company by the Maharashtra Industrial development Corporation. However, a portion of the land (6.40 hectares) occupied and used by the Parent Company for factory building has been considered unauthorised being a Forest Land. The Parent Company had approached the Mumbai High Court and subsequently pursuant to its orders has applied for the regularisation of the said portion of forest land in exchange of alternate land for afforestation.	Ashok Leyland Limited (under regularisation)

* excludes security deposit

Notes:

1. Escalation clause - the percentage of escalation is up to a maximum of 20.00%.
2. Discounting rate used for the purpose of computing right to use asset ranges from 3.50% to 9.75%.
3. Rental amount per annum ranges from ₹ 0.02 crores to ₹ 6.00 crores, which also carries a clause for extension of agreement based on mutual understanding between Lessor and Lessee.
4. The lease period ranges from 2 years to 90 years over which the right to use asset is depreciated on a straight line basis.
5. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.
6. During the year ended March 31, 2023, a portion of leasehold land was surrendered to State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) and surrender value was received by the Parent Company. The Parent Company is in the process of registering the modified lease deed for the balance portion of leasehold land.

1.1a RIGHT-OF-USE ASSET

₹ Crores

DESCRIPTION	Net Carrying Amount 01.04.2024	Additions	Acquisition through business combination (Refer Note 3.27)	Adjustments**	Reclassified from held for Sale	Closure / Preclosure	Depreciation	Net Carrying Amount 31.03.2025
Leasehold land	215.11	41.44	-	0.26	-	-	5.99	250.82
Buildings	169.69	101.15	17.33	3.82	5.87	(55.44)	66.09	176.33
Plant and equipment	4.67	28.82	-	-	-	-	4.01	29.48
Vehicles	5.80	3.74	-	0.92	-	2.94	3.88	9.52
TOTAL	**395.27**	**175.15**	**17.33**	**5.00**	**5.87**	**(52.50)**	**79.97**	**466.15**

** Adjustments include currency movements relating to foreign operations.

Title deeds of leasehold land not held in the name of the Group

₹ Crores

SL No	Property Description	Asset Class	Address	Total Acres (Approx)	Gross carrying value* (Refer Note 1.1 Sub-Note 6)	Net carrying value* (Refer Note 1.1 Sub-Note 6)	Reason for not in the name of the Parent Company	Property in the name of
1	Sriperumbudur, Tamil Nadu	Leasehold Land	Plot Nos. Phase II, K-1, K-2 SIPCOT Industrial Park, Sriperumbudur, Tamil Nadu	79.44	11.47	10.34	The leasehold rights were originally granted to Hinduja Foundries Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Parent Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Hinduja Foundries Limited (merged with Ashok Leyland Limited)
2	Pillaipakkam, Tamil Nadu (Refer Sub-Note 6)	Leasehold Land	Plot No.A-1/A SIPCOT Industrial Park, Pillaipakkam, Sriperumbudur, Tamil Nadu	113.00	48.96	45.35	The leasehold rights were originally granted to Ashok Leyland Nissan Vehicles Limited by State Industries Promotion Corporation of Tamilnadu Limited and acquired by the Parent Company vide amalgamation order passed by the National Company Law Tribunal, Chennai. The name change in the records of registrar has to be effected.	Ashok Leyland Nissan Vehicles Limited (merged with Ashok Leyland Limited)
3	Bhandara, Maharashtra	Leasehold Land	P O Box 15, Plot No.1, MIDC Industrial Area, Gadegao Lakhani Taluk, Bhandara, Maharashtra	15.82	0.01	0.01	This is a land leased to the Parent Company by the Maharashtra Industrial development Corporation. However, a portion of the land (6.40 hectares) occupied and used by the Parent Company for factory building has been considered unauthorised being a Forest Land. The Parent Company had approached the Mumbai High Court and subsequently pursuant to its orders has applied for the regularisation of the said portion of forest land in exchange of alternate land for afforestation.	Ashok Leyland Limited (under regularisation)

* excludes security deposit

Notes :

1. Escalation clause - the percentage of escalation is up to a maximum of 20%
2. Discounting rate used for the purpose of computing right to use asset ranges from 2.00% to 9.50%
3. Rental amount per annum ranges from ₹ 0.01 crores to ₹ 5 crores, which also carries a clause for extension of agreement based on mutual understanding between Lessor and Lessee.
4. The lease period ranges from 2 years to 90 years over which the right to use asset is depreciated on a straight line basis.
5. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any major covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.
6. During the year ended March 31, 2023, a portion of leasehold land was surrendered to State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) and surrender value was received by the Parent Company. The Parent Company is in the process of registering the modified lease deed for the balance portion of leasehold land.
7. The Parent Company was allotted land in Lucknow, Uttar Pradesh, under the applicable State Incentive Policy and received an upfront land subsidy of ₹ 115.84 crores. The land has been mortgaged in favor of the Uttar Pradesh State Industrial Development Authority and will remain so until the commencement of commercial production. A right-of-use asset has been recognized for the net value, excluding the subsidy amount, and is being amortized over the lease term of 90 years.

1.2 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)					AMORTISATION					NET CARRYING AMOUNT
Other intangible assets	01.04.2025	Additions	Adjustments*	Disposals	31.03.2026	01.04.2025	Charge during the year	Adjustments*	Disposals	31.03.2026	31.03.2026
Computer software											
- Developed	117.80	3.27	-	(0.20)	120.87	114.15	2.39	-	(0.20)	116.34	4.53
- Acquired	279.32	43.75	12.02	(0.93)	334.16	214.74	28.88	8.92	(0.17)	252.37	81.79
Technical knowhow (Includes Product Development)											
- Developed	2,217.66	91.04	68.12	(1.47)	2,375.35	1,205.34	197.15	41.13	(1.47)	1,442.15	933.20
- Acquired	69.07	-	1.05	-	70.12	47.65	9.16	0.92	-	57.73	12.39
Customer relationships	112.46	-	17.33	-	129.79	22.22	29.01	28.46	-	79.69	50.10
Trademark	25.46	-	3.41	-	28.87	5.91	2.70	0.93	-	9.54	19.33
TOTAL	**2,821.77**	**138.06**	**101.93**	**(2.60)**	**3,059.16**	**1,610.01**	**269.29**	**80.36**	**(1.84)**	**1,957.82**	**1,101.34**

Description	01.04.2025	Additions / Adjustments *	Impairment	Capitalised during the year **/#	31.03.2026
Intangible assets under development	218.50	264.69	(10.70)	(81.61)	**390.88**

includes computer software.

** Amount of ₹ 56.45 crores directly capitalised in Intangible assets

* Adjustments include currency movements relating to foreign operations.

Ageing of Intangible assets under development (IAUD)

Description	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	206.49	111.95	52.83	19.61	**390.88**

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion is delayed is as follows:

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects relating to Technical knowhow - Product development	11.69	20.20	-	-

As at March 31, 2026, there are no temporarily suspended projects.

Notes:

1. Additions to other intangible assets and Intangible assets under development include:
   a) Expenses capitalised ₹ 218.40 crores - Refer Notes 2.3, 2.4 and 2.6 to the Consolidated Financial Statements.
2. For amount of contractual commitments for the acquisition of intangible assets, Refer Note 3.12(a).

1.2 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Crores

DESCRIPTION	GROSS CARRYING AMOUNT (COST)						AMORTISATION					NET CARRYING AMOUNT
Other Intangible Assets	01.04.2024	Additions	Acquisition through business combination (Refer Note 3.27)	Adjustments*	Disposals	31.03.2025	01.04.2024	Charge during the year	Adjustments*	Disposals	31.03.2025	31.03.2025
Computer software												
- Developed	117.80	-	-	-	-	117.80	112.71	1.44	-	-	114.15	3.65
- Acquired	234.22	40.30	3.64	1.80	(0.64)	279.32	192.45	21.59	1.34	(0.64)	214.74	64.58
Technical knowhow (Includes Product Development)												
- Developed	1,925.83	277.85	-	13.98	-	2,217.66	987.44	209.24	8.66	-	1,205.34	1,012.32
- Acquired	68.93	-	-	0.14	-	69.07	35.42	12.11	0.12	-	47.65	21.42
Customer relationships	63.02	-	46.05	3.39	-	112.46	10.37	11.03	0.82	-	22.22	90.24
Trademark	24.16	-	-	1.30	-	25.46	3.21	2.46	0.24	-	5.91	19.55
TOTAL	**2,433.96**	**318.15**	**49.69**	**20.61**	**(0.64)**	**2,821.77**	**1,341.60**	**257.87**	**11.18**	**(0.64)**	**1,610.01**	**1,211.76**

Description	01.04.2024	Additions / Adjustments*	Write off (Refer Note 2.7)	Capitalised during the year ** / #	31.03.2025
Intangible assets under development	244.64	286.85	(3.15)	(309.84)	**218.50**

includes acquired computer software.

** Amount of ₹ 8.31 crores directly capitalised in Intangible assets

* Adjustments include currency movements relating to foreign operations.

Ageing of Intangible assets under development (IAUD)

Description	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	136.60	59.10	20.74	2.06	**218.50**

Of the above, there are no projects where the cost has exceeded the budget. Projects whose completion is delayed is as follows:

Particulars	To be Completed In			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects relating to Technical knowhow - Product development	25.72	13.36	-	-

As at March 31, 2025, there are no temporarily suspended projects

Notes :

1. Additions to Other Intangible assets and Intangible assets under development include:
   a) Expenses capitalised ₹ 203.50 crores - Refer Notes 2.3, 2.4 and 2.6 to the Consolidated Financial Statements.
2. For amount of contractual commitments for the acquisition of intangible assets, Refer Note 3.12 (a).

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Description	As at March 31, 2026		As at March 31, 2025	
	Nos.	₹ Crores	Nos.	₹ Crores
I) Investment in Equity Instruments (unquoted / fully paid up unless otherwise stated)				
1) Associates (accounted for using equity method)				
a) Equity Shares of ₹ 10 each				
Ashok Leyland Defence Systems Limited (Refer Sub-Note 3)				
Cost of Acquisition (including goodwill of ₹ 0.02 crores)	79,92,218	25.39	79,92,218	25.39
Add : Group share of profit		55.47		29.14
Less: Dividend Income		1.60		-
Carrying amount of Investment		**79.26**		**54.53**
Mangalam Retail Services Limited				
Cost of Acquisition (including goodwill of ₹ 0.01 crores)	37,470	0.04	37,470	0.04
Add : Group share of Profit		#		#
Carrying amount of Investment		**0.04**		**0.04**
b) Equity shares of Srilankan Rupees 10 each				
Lanka Ashok Leyland PLC (Quoted)				
Cost of Acquisition (including goodwill of ₹ 0.21 crores)	10,08,332	0.57	10,08,332	0.57
Add : Group share of Profit		69.16		35.67
Less: Dividend Income		1.11		0.52
Carrying amount of Investment		**68.62**		**35.72**
2) Joint Ventures (accounted for using equity method)				
a) Equity Shares of ₹ 10 each				
Ashley Alteams India Limited (Refer Sub-Note 3)				
Cost of Acquisition	7,59,47,500	46.51	7,59,47,500	46.51
Add / Less : Group share of Profit / Loss		1.58		11.70
Carrying amount of Investment		**48.09**		**34.81**
Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)				
Cost of Acquisition	17,27,270	17.81	17,27,270	17.81
Less : Group share of Loss		11.27		11.27
Less: Impairment in value of investment		6.54		6.54
Carrying amount of Investment		-		-
TVS Trucks and Buses Private Limited				
Cost of Acquisition	2,49,50,000	24.95	2,49,50,000	24.95
Less : Group share of Loss		24.95		14.04
Carrying amount of Investment		-		**10.91**
b) Equity Shares of GBP 1 each				
Zebeyond Limited				
Cost of Acquisition	150	8.84	150	8.84
Less : Group share of Loss		8.84		4.68
Carrying amount of Investment		-		**4.16**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd.)

Description		As at March 31, 2026		As at March 31, 2025	
		Nos.	₹ Crores	Nos.	₹ Crores
3) Other investments in equity instruments					
a) Equity Shares of ₹ 10 each					
Rajalakshmi Wind Energy Limited (formerly Ashok Leyland Wind Energy Limited) (Refer Sub-Note 9)		78,12,950	9.12	78,12,950	9.12
Chennai Willingdon Corporate Foundation (Cost ₹ 900) (Refer Sub-Note 8)		100	#	100	#
Hinduja Energy (India) Limited (Refer Sub-Note 7)(Refer Sub-Note 8)		6,11,47,058	109.09	6,11,47,058	142.53
Kamachi Industries Limited (Refer Sub-Note 8)		-	-	5,25,000	-
Prathama Solarconnect Energy Private Limited (Refer Sub-Note 9)		1,86,56,912	8.64	1,86,56,912	8.02
HR Vaigai Private Limited (Refer Sub-Note 9)		1,78,073	0.80	1,78,073	0.74
b) Equity shares of Rs. 100 each partly paid-up					
Adyar Property Holding Co. Limited (₹ 65 paid up) [Cost ₹ 19,500] (Refer Note 3.12 (c))		300	#	300	#
Total Investments in Equity Instruments (net)	**A**		**323.66**		**300.58**
II) Investment in Preference Shares (unquoted)					
Associates (at fair value through profit and loss)					
6% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹ 10 each					
Ashok Leyland Defence Systems Limited	**B**	1,00,00,000	8.37	1,00,00,000	7.73
III) Investment in Debentures (unquoted)					
Non-convertible Redeemable Debentures (relating to financing activities) (at amortised cost)	**C**		-		14.81
IV) Investment in Debentures (quoted)					
Non-convertible Redeemable Debentures (relating to financing activities) (at amortised cost)	**D**		438.05		393.51
V) Investment in pass-through securities (unquoted) (relating to financing activities) (at amortised cost)	**E**		11.63		13.45
VI) Investment in funds and Government securities (relating to financing activities) (quoted) (at amortised cost)	**F**		-		659.56
VII) Investment in Security Receipts (unquoted) (relating to financing activities) (at fair value through profit and loss)	**G**		272.61		465.71
VIII) Investment in Equity Shares (quoted) (relating to financing activities) (at fair value through profit and loss)	**H**		42.10		41.19
IX) Investment in Special Limited Partnership (At Fair value through profit or loss)					
Vasuki SCSp (Refer Sub-Note 5)	**I**		25.02		25.02
X) Investment in Alternate Investment Fund (unquoted) (relating to financing activities) (at fair value through profit and loss)	**J**		23.59		17.55
XI) Investment in Mutual Funds (unquoted) (at fair value through profit and loss)	**K**		-		3.62
Total Non-Current Investments	**A+B+C+D+E+F+G+H+I+J+K**		**1,145.03**		**1,942.73**

Amount is below rounding off norms adopted by the Group.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd.)

Notes:

1.

₹ Crores

Particulars	March 31, 2026	March 31, 2025
Aggregate value of quoted investments	548.77	1,129.98
Aggregate market value of quoted investments	560.52	1,122.04
Aggregate value of unquoted investments	602.80	819.29
Aggregate value of impairment in value of investments	6.54	6.54

2. Investments are fully paid-up shares unless otherwise stated.
3. Equity investments held in certain joint ventures and associates may be transferred or otherwise disposed of, subject to prior intimation to, or consent from, as applicable, the banks that have extended credit facilities to such entities, in the event that such transfer or disposal results in the shareholding falling below the prescribed threshold limits.
4. Number of shares held by the Group includes joint holding / beneficial interest.
5. The Group holds 9.13% of Class A units in the special limited partnership.
6. The investments made by the Group is in compliance with section 180 and 186 with respect to layers of investment permitted under the Companies Act, 2013.
7. The Parent Company has recorded a loss on fair valuation of equity investment in Hinduja Energy (India) Limited (HEIL) amounting to ₹ 33.45 crores under other income (March 31, 2025: gain on fair valuation ₹ 120.53 crores under exceptional item) based on business plan of HEIL, external factors and the independent valuers report. The discounted cash flow method uses post tax discount rate of 12.20% (March 31, 2025: 12.50%). Both pre tax discount rate and post tax discount rate gives the same recoverable amount. Also refer note 3.6.4(B).
8. These Investments are measured at fair value through profit and loss.
9. The Parent Company has invested in certain entities to secure electricity from renewable sources and are considered as associate companies under the Companies Act, 2013. Under Ind AS guidelines, these entities do not qualify as associate companies due to the agreements that limit the Parent Company's influence over financial and operational decisions. These agreements also impose limitations on the sale of shares and their associated value. Consequently, the investments are measured at amortized cost as per Ind AS 109.

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.4	**NON-CURRENT CONTRACT ASSET**		
	(Unsecured, considered good)		
	Unbilled revenue (Refer Note 3.7)	7.37	-
		7.37	**-**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.5	**NON-CURRENT FINANCIAL ASSETS - LOANS**		
	Loan to customer under financing activities		
	Secured		
	Considered good	41,633.43	32,069.50
	Considered doubtful	1,270.93	2,157.27
		42,904.36	**34,226.77**
	Less : Allowance for loans (as per expected credit loss model)	913.19	657.19
		41,991.17	**33,569.58**
	Unsecured		
	Considered good	425.18	662.47
	Considered doubtful	128.49	33.35
		553.67	**695.82**
	Less : Allowance for loans (as per expected credit loss model)	73.78	30.44
		479.89	**665.38**
		42,471.06	**34,234.96**

Notes:

1	Loan to customer under financing activities carried at fair value through other comprehensive income	26,582.95	19,819.97

2 These are carried at amortised cost except Note 1 above.

3 Refer Note 3.6 for disclosures relating to expected credit loss.

4 There are no loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) that are repayable on demand and that are without specifying any terms or period of repayment.

5 Movement in allowance for loans is as follows:

	Opening	Addition / Utilisations (Net)	Closing
March 2026	687.63	299.34	986.97
March 2025	600.72	86.91	687.63

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.6	**NON-CURRENT - OTHER FINANCIAL ASSETS**		
	(Unsecured, considered good unless otherwise stated)		
a)	Other receivables *		
	Considered good	9.22	-
	Considered doubtful	3.95	3.95
	Less: Allowance for doubtful receivables	3.95	3.95
		9.22	**-**
b)	Security deposits		
	Considered good	67.10	71.85
	Considered doubtful	1.30	1.63
	Less: Allowance for doubtful receivables	1.30	1.63
		67.10	**71.85**
c)	Derivatives designated as hedging instruments carried at fair value	254.67	5.31
d)	Bank deposits with remaining maturity of greater than 12 months**	20.11	19.51
e)	Excess interest spread (EIS) receivable (relating to financing activities) (Refer Note 4)	844.36	602.15
f)	Grants receivable (Refer Note 1.1)	60.05	-
g)	Others		
	i) Employee Advances	2.28	0.98
	ii) Other advances (including paid under protest against legal dispute and items relating to financing activities)	17.95	26.32
		1,275.74	**726.12**

* Includes receivable on sale of windmill undertaking of the Parent Company.

** Includes earmarked balances of ₹ 2.10 crores (March 31, 2025: ₹ Nil).

Notes:

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

2 Movement in allowance for doubtful other receivables is as follows:

Particulars	March 2026	March 2025
Opening balance	3.95	3.95
Add: Additions	-	-
Less: Utilisations / Reversals	-	-
Closing balance	3.95	3.95

3 Movement in allowance for doubtful security deposits is as follows:

Particulars	March 2026	March 2025
Opening balance	1.63	1.67
Add: Additions	0.01	0.16
Less: Utilisations / Reversals	0.34	0.20
Closing balance	1.30	1.63

4 Movement in Excess interest spread (EIS) receivable (relating to financing activities) is as follows:

Particulars	March 2026	March 2025
Gross EIS receivable	1011.99	750.40
Less: Impairment	167.63	148.25
Net EIS receivable	844.36	602.15

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.7	**DEFERRED TAX ASSETS (NET)**		
	a) Deferred tax assets	373.21	196.21
	b) Deferred tax (liabilities)	(36.70)	(27.88)
		336.51	**168.33**

Note:

Refer Note 3.2 for details of deferred tax liabilities and assets.

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.8	**NON-CURRENT INCOME TAX ASSETS (NET)**		
	Advance income tax (net of provision)	156.26	169.10
		156.26	**169.10**

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.8a	**CURRENT TAX ASSETS (NET)**		
	Advance income tax (net of provision)	16.71	4.33
		16.71	**4.33**

	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.9 OTHER NON-CURRENT ASSETS		
(Unsecured, considered good unless otherwise stated)		
a) Capital advances		
i) Advances to related parties (Refer Note 3.9)	3.80	1.83
ii) Others		
Considered good	89.99	392.91
Considered doubtful	1.65	1.65
Less: Allowance for doubtful advances	1.65	1.65
	89.99	**392.91**
b) Balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc. (including paid under protest)		
Considered good	210.14	191.94
Considered doubtful	3.27	3.60
Less: Allowance for doubtful balances	3.27	3.60
	210.14	**191.94**
c) Others		
i) Sales tax paid (including paid under protest)		
Considered good	197.77	209.60
Considered doubtful	10.13	-
Less: Allowance for doubtful balances	10.13	-
	197.77	**209.60**
ii) Other advances (includes prepaid expenses, etc.)	29.92	22.80
	227.69	**232.40**
	531.62	**819.08**

Notes:

1. Movement in allowance for doubtful advances towards capital advances is as follows:

Particulars	March 2026	March 2025
Opening balance	1.65	1.65
Add: Additions	-	-
Less: Utilisations / Reversals	-	-
Closing balance	1.65	1.65

2. Movement in allowance for doubtful balances towards balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc. (including paid protest) is as follows:

Particulars	March 2026	March 2025
Opening balance	3.60	2.96
Add: Additions	-	0.70
Less: Utilisations	0.33	0.06
Closing balance	3.27	3.60

3. Movement in allowance for doubtful balances towards Sales Tax Paid (including paid under protest) is as follows:

Particulars	March 2026	March 2025
Opening balance	-	-
Add: Additions	10.13	-
Less: Utilisations	-	-
Closing balance	10.13	-

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

			As at March 31, 2026	As at March 31, 2025
			₹ Crores	₹ Crores
1.10	**INVENTORIES**			
	(a)	Raw materials and components	1,979.10	1,592.89
	(b)	Work-in-progress	578.81	492.68
	(c)	Finished goods	1,602.07	1,462.09
	(d)	Stock-in-trade		
		Spare parts and auto components (including works made)	363.03	294.61
	(e)	Stores, spares and consumable tools	148.79	143.81
			4,671.80	**3,986.08**

Notes:

1. Goods-in-transit included above are as follows :

		March 2026	March 2025
(a)	Raw materials and components	347.80	271.48
(b)	Stock-in-trade		
	Spares parts and auto components (including works made)	2.14	-
(c)	Stores, spares and consumable tools	0.46	0.02

2. Cost of inventories (including cost of stock-in-trade purchased and write down of inventories) recognised as an expense during the year are ₹ 33,855.95 crores (2024-25: ₹ 29,679.56 crores).
3. For details of assets given as security against borrowings - Refer Note 3.13

			As at March 31, 2026	As at March 31, 2025
			₹ Crores	₹ Crores
1.11	**CURRENT FINANCIAL ASSETS - INVESTMENTS**			
	(Unquoted)			
	i)	Investments in mutual funds (carried at fair value through profit or loss) (March 31, 2026: 3,30,52,366.17 units ; March 31, 2025: 2,02,68,236.58 units)(relating to financing activity March 31, 2026: 74,83,477 units ; March 31, 2025: 97,08,406 units)	5,140.63	4,265.83
	ii)	Investments in pass through securities (relating to financing activities) (Carried at amortised cost)	31.00	49.14
	iii)	Investments in non-convertible redeemable debentures (relating to financing activities) (Carried at amortised cost)	53.36	46.99
	(Quoted)			
	i)	Investments in non-convertible redeemable debentures (relating to financing activities) (Carried at amortised cost)	319.04	204.69
	ii)	Investment in treasury bills (relating to financing activities) (Carried at amortised cost)	119.35	64.90
	iii)	Investment in government securities (relating to financing activities) (Carried at amortised cost)	658.67	35.37
			6,322.05	**4,666.92**

Note:

Particulars	March 2026	March 2025
Aggregate value of quoted investments and market value thereof	1,097.06	304.96
Aggregate value of unquoted investments	5,224.99	4,361.96

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.12	**CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES (Unsecured)**		
	Considered good		
	Related parties (Refer Note 3.9)	238.78	82.71
	Others	3,016.50	3,448.23
	Considered Doubtful	-	-
		3,255.28	**3,530.94**
	Less: Loss allowance	167.84	184.07
		3,087.44	**3,346.87**

Ageing for trade receivable ₹ **Crores**

Year ended March 31, 2026	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment						
(i) Undisputed Trade receivables							
- considered good	1,579.11	1,196.78	57.33	88.72	32.50	53.97	3,008.41
(ii) Disputed Trade Receivables							
- considered good	-	0.07	0.06	5.89	23.08	217.77	246.87
Gross Receivables	**1,579.11**	**1,196.85**	**57.39**	**94.61**	**55.58**	**271.74**	**3,255.28**
Less: Loss allowance							167.84
Total							**3,087.44**

₹ **Crores**

Year ended March 31, 2025	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment						
(i) Undisputed Trade receivables							
- considered good	1,737.14	1,381.51	48.22	39.63	13.72	27.61	3,247.83
(ii) Disputed Trade Receivables							
- considered good	-	0.09	2.01	20.89	10.55	249.57	283.11
Gross Receivables	**1,737.14**	**1,381.60**	**50.23**	**60.52**	**24.27**	**277.18**	**3,530.94**
Less: Loss allowance							184.07
Total							**3,346.87**

Notes:

1. Movement in loss allowance is as follows:

Particulars	March 2026	March 2025
Opening balance	184.07	132.20
Add: Additions / Transfer	53.82	58.44
Less: Utilisations / Reversals	70.05	6.57
Closing balance	167.84	184.07

2. These are carried at amortised cost.
3. For details of assets given as security against borrowings - Refer Note 3.13.

			As at March 31, 2026	As at March 31, 2025
			₹ Crores	₹ Crores
1.13 a	**CASH AND CASH EQUIVALENTS**			
	i)	Balance with banks:		
		a) In current accounts	4,071.19	2,513.34
		b) In cash credit accounts	130.20	1,128.60
		c) In deposit accounts *	2,053.88	2,813.82
	ii)	Cheques, drafts on hand	4.94	69.16
	iii)	Cash and stamps on hand	20.68	19.85
			6,280.89	**6,544.77**
1.13 b	**BANK BALANCES OTHER THAN (a) ABOVE**			
	i)	Unclaimed dividend accounts (earmarked)	13.35	13.52
	ii)	Escrow bank account (earmarked) [#]	60.13	55.82
	iii)	Deposits with original maturity of more than 3 months but less than 12 months **	4,402.85	649.33
			4,476.33	**718.67**

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

[#] includes deposits held as margin and guarantees given in favour of specific project by a subsidiary.

** Includes fixed deposit of ₹ 100 crores (2024-25: ₹ Nil) with scheduled bank towards meeting Debenture Redemption Fund requirements under the Companies (Share Capital and Debentures) Rules, 2014

			As at March 31, 2026	As at March 31, 2025
			₹ Crores	₹ Crores
1.14	**CURRENT FINANCIAL ASSETS - LOANS**			
	a)	Loan to customer under financing activities		
	Secured			
		Considered good	16,133.79	12,661.44
		Considered doubtful	664.00	673.71
			16,797.79	**13,335.15**
		Less: Allowance for loans (as per expected credit loss model)	439.58	343.28
			16,358.21	**12,991.87**
	Unsecured			
		Considered good	206.80	330.42
		Considered doubtful	62.49	17.52
			269.29	**347.94**
		Less: Allowance for loans (as per expected credit loss model)	35.88	15.96
			233.41	**331.98**
	b)	Loans (Considered good)		
		Related parties [Refer Note 3.9]	-	1.11
		Others	-	60.00
			16,591.62	**13,384.96**

1.14 CURRENT FINANCIAL ASSETS - LOANS (Contd.)

Notes:

1. Loan to customer under financing activities carried at fair value through other comprehensive income.	12,114.34	9,471.33

2. These are carried at amortised cost except Note 1 above.
3. Refer Note 3.6 for disclosures relating to expected credit loss.
4. There are no loans/advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) that are repayable on demand and that are without specifying any terms or period of repayment.
5. Movement in allowance for loans is as follows:

	Opening	Additions / Utilisation (net)	Closing
March 2026	359.24	116.22	475.46
March 2025	319.84	39.40	359.24

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.15	**CURRENT - OTHER FINANCIAL ASSETS (Unsecured, considered good unless otherwise stated)**		
a)	Interest accrued	57.08	9.91
b)	Employee advances	26.82	28.72
c)	Derivatives designated as hedging instruments carried at fair value	172.71	15.43
d)	Receivable from related parties (Refer Note 3.9)	-	1.24
e)	Revenue grants receivable		
	- Considered good	30.32	19.57
	- Considered doubtful	9.40	9.03
		39.72	**28.60**
	Less: Allowance for doubtful receivables	9.40	9.03
		30.32	**19.57**
f)	Receivable from Government authorities		
	- Considered good	3.71	3.75
	- Considered doubtful	3.90	3.90
		7.61	**7.65**
	Less: Allowance for doubtful receivables	3.90	3.90
		3.71	**3.75**
g)	Security deposits		
	- Considered good	16.23	4.77
	- Considered doubtful	-	0.07
		16.23	4.84
	Less: Allowance for doubtful deposits	-	0.07
		16.23	**4.77**
h)	Subsidy Receivable from Government	64.06	145.92

1.15 CURRENT - OTHER FINANCIAL ASSETS (Contd.)

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
i)	Excess interest spread (EIS) receivable (relating to financing activities) (Refer Note 7)	381.27	270.51
j)	Others (includes expenses recoverable, items relating to financing activity, etc.)		
	- Considered good	175.74	84.53
	- Considered doubtful	32.30	36.86
		208.04	**121.39**
	Less: Allowance for doubtful amount receivables	32.30	36.86
		175.74	**84.53**
		927.94	**584.35**

Notes:

1. These (except derivatives) are carried at amortised cost. Derivatives are carried at fair value through profit or loss / other comprehensive income.
2. For details of assets given as security against borrowings - Refer Note 3.13.
3. Movement in Allowance for doubtful receivable (Revenue grants receivable) is as follows:

Particulars	March 2026	March 2025
Opening Balance	9.03	9.03
Add: Additions	0.37	-
Less: Utilisations / Reversals	-	-
Closing Balance	9.40	9.03

4. Movement in Allowance for doubtful receivables - Others (includes expenses recoverable, items relating to financing activity, etc.) are as follows:

Particulars	March 2026	March 2025
Opening Balance	36.86	36.86
Add: Additions	-	-
Less: Utilisations / Reversals	4.56	-
Closing Balance	32.30	36.86

5. Movement in Allowance for doubtful receivable (Receivable from government authorities) is as follows:

Particulars	March 2026	March 2025
Opening Balance	3.90	3.90
Add: Transfer	-	-
Less: Utilisations / Reversals	-	-
Closing Balance	3.90	3.90

6. Movement in Allowance for doubtful security deposits is as follows:

Particulars	March 2026	March 2025
Opening Balance	0.07	0.07
Add: Addition	-	-
Less: Utilisations / Reversals	0.07	-
Closing Balance	-	0.07

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.15 CURRENT - OTHER FINANCIAL ASSETS (Contd.)

7. Movement in Excess interest spread (EIS) receivable (relating to financing activities) is as follows:

Particulars	March 2026	March 2025
Gross EIS receivable	474.14	338.20
Less: Impairment	92.87	67.69
Net EIS receivable	381.27	270.51

8. There are no Intercorporate deposits granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) that are repayable on demand and that are without specifying any terms or period of repayment.

	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
1.16 CONTRACT ASSETS (Unsecured, considered good)		
Unbilled revenue (Refer note 3.7)	113.46	56.09
	113.46	**56.09**

	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
1.17 OTHER CURRENT ASSETS (Unsecured, considered good unless otherwise stated)		
a) Supplier advances		
Considered good	97.86	52.78
Considered doubtful	0.97	0.97
Less: Allowance for doubtful advances	0.97	0.97
	97.86	**52.78**
b) Balances with Government Authorities - Goods and Services Tax, Customs Duty, Port Trust Charges, Central Excise Duty etc.	995.78	699.12
c) Others*	160.44	171.62
	1,254.08	**923.52**
* Includes:		
- Sales tax paid under protest	0.04	0.03
- Prepaid expenses	148.80	163.80
- Advances	-	0.02
- Gratuity (Refer Note 3.3)	-	0.34

Note:

Movement in Allowance for doubtful advances is as follows:

Particulars	March 2026	March 2025
Opening balance	0.97	0.97
Add: Additions	-	-
Less: Utilisations / Reversals	-	-
Closing balance	0.97	0.97

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.17A	**ASSETS CLASSIFIED AS HELD FOR SALE**		
	Aircraft :		
	Property, plant and equipment	-	23.68
		-	**23.68**

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.17B	**LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE**		
	Aircraft :		
	Non-current and current financial liabilities (includes trade and other payables, etc.)	-	4.16
		-	**4.16**

			As at March 31, 2026	As at March 31, 2025
			₹ Crores	₹ Crores
1.18	**EQUITY SHARE CAPITAL**			
	Authorised			
		27,85,60,00,000 (March 2025: 27,85,60,00,000) Equity shares of Re.1 each	2,785.60	2,785.60
			2,785.60	**2,785.60**
	Issued			
	a)	4,58,12,25,592 (March 2025: 2,29,02,12,796) Equity shares of Re.1 each	458.13	229.02
	b)	1,29,26,28,960 (March 2025: 64,63,14,480) Equity shares of Re.1 each issued through Global Depository Receipts	129.26	64.63
			587.39	**293.65**
	Subscribed and fully paid up			
	a)	4,58,12,25,592 (March 2025: 2,29,02,12,796) Equity shares of Re.1 each	458.13	229.02
	b)	1,29,26,28,960 (March 2025: 64,63,14,480) Equity shares of Re.1 each issued through Global Depository Receipts	129.26	64.63
			587.39	**293.65**
	Add: Forfeited shares (amount originally paid up in respect of 760 shares) #		0.00	0.00
			587.39	**293.65**

Amount is below rounding off norms adopted by the Group.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Shares held by promoters as at March 31, 2026				% Change during the year
S. No	Name of the Promoter	No. of Shares	%of total shares	
1	Hinduja Automotive Limited (including shares held through GDRs through JP Morgan Chase Bank NA)	2,69,72,57,636	45.920	(0.006)
2	Hinduja Bank (Switzerland) Ltd (held on behalf of Hinduja Automotive Limited)	28,98,08,128	4.934	(0.001)
3	Hinduja Foundries Holdings Limited	1,42,54,758	0.243	-
	Total	**3,00,13,20,522**	**51.097**	**(0.007)**

Shares held by promoters as at March 31, 2025				% Change during the year
S. No	Name of the Promoter	No. of Shares	%of total shares	
1	Hinduja Automotive Limited (including shares held through GDRs through JP Morgan Chase Bank NA)	1,34,86,28,818	45.926	(0.003)
2	Hinduja Bank (Switzerland) Ltd (held on behalf of Hinduja Automotive Limited)	14,49,04,064	4.935	-
3	Hinduja Foundries Holdings Limited	71,27,379	0.243	-
	Total	**1,50,06,60,261**	**51.104**	**(0.003)**

Notes:

1. Reconciliation of number of equity shares subscribed

	March 2026	March 2025
Balance as at the beginning of the year	2,93,65,27,276	2,93,63,27,276
Add: Issued by way of Bonus shares (Refer Sub-Note 5(b))	2,93,65,27,276	-
Add: Issued under ESOP (Refer Note 3.5)	8,00,000	2,00,000
Balance as at end of the year	5,87,38,54,552	2,93,65,27,276

2. As on March 31, 2026, there are 70,57,40,280 (March 2025: 35,28,70,140) equity shares representing the outstanding Global Depository Receipts (GDRs). The balance GDRs have been converted into equity shares.

3. Shares held by the Holding Company

Hinduja Automotive Limited, the holding company, holds 2,32,86,65,484 (March 2025: 1,16,43,32,742) Equity shares and 65,84,00,280 (March 2025: 32,92,00,140) Global Depository Receipts (GDRs) equivalent to 65,84,00,280 (March 2025: 32,92,00,140) Equity shares of Re.1 (March 2025: Re.1) each aggregating to 50.854% (March 2025: 50.861%) of the total share capital.

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

There are no shareholders holding more than 5% of the equity share capital of the Parent Company other than the Holding Company as at March 31, 2026 and March 31, 2025.

5. Rights, preferences and restrictions in respect of equity shares and GDRs issued by the Parent Company

a) The Equity shareholders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by / in terms of their issue under the provisions of the Companies Act, 2013.

b) During the year ended March 31, 2026, the Parent Company had issued bonus shares in the ratio 1:1 i.e. 1 (One) equity shares of Re. 1/- each for every 1 (One) fully paid-up equity share of Re. 1/- each. Accordingly, the Parent Company had allotted 2,93,65,27,276 number of equity shares. Consequent to the above, the total number of GDRs stands increased from 35,28,70,140 to 70,57,40,280.

Aggregate number of equity shares issued as bonus shares issued for consideration other than cash during the period of five years immediately preceding the reporting date are 2,93,65,27,276.

c) The rights, preferences and restrictions of the GDR holders are governed by the terms of their issue, and the provisions of the Companies Act, 2013. Each GDR holder is entitled to receive 1 equity share [March 2025: 1 equity shares] of Re. 1 each, per GDR, and their voting rights can be exercised through the Depository.

d) Effective June 17, 2024, the ratio between the GDRs and Shares of the Parent Company has been changed from 60 : 1 (One GDR equivalent to 60 underlying shares) to 1:1 (One GDR is equivalent to one underlying share). Accordingly, 59 new GDRs were issued by the Depository for every 1 existing GDR held by the GDR holder(s) on the GDR Record Date viz., June 10, 2024 in line with the new ratio.

Consequent to the above ratio change, the total number of GDRs stands increased from 58,81,169 to 35,28,70,140. There is no change to the underlying shares / equity share capital of the Parent Company, due to the ratio change of the GDRs.

6. The Parent Company allotted 8,00,000 (March 2025: 2,00,000) equity shares pursuant to the exercise of options under Employee Stock Option Plan Scheme. For Information relating to Employees Stock Option Plan Scheme including details of options outstanding as at March 31, 2026 - Refer Note 3.5.

				As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.19	**OTHER EQUITY**				
	a)	Share Application Money Pending Allotment	A	-	0.11
	b)	Capital Reserve	B	263.87	263.87
	c)	Securities Premium	C	2,269.31	2,556.28
	d)	Capital Redemption Reserve	J	-	3.33
	e)	Share Options Outstanding Account	D	22.22	56.70
	f)	General Reserve	E	1,025.14	1,022.85
	g)	Cash Flow Hedge Reserve	F	192.17	(13.28)
	h)	Statutory Reserve	G	599.55	487.22
	i)	Foreign Currency Translation Reserve	H	(38.83)	(68.13)
	j)	Retained Earnings	I	7,682.26	6,358.35
	k)	Other Comprehensive Income - Fair valuation on loans relating to financing activities	K	1,638.61	1,271.14
				13,654.30	**11,938.44**

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

Notes:

A. Share application money pending allotment is relating to share application money received by a subsidiary and which is pending allotment.

B. Capital reserve represents reserve created pursuant to the business combinations.

C. Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.

D. Share options outstanding account relates to stock options granted by the Group to employees under an employee stock options plan. (Refer Note 3.5)

E. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

F. Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated in this reserve are reclassified to profit or loss only when the hedged transaction affects the profit or loss.

G. The statutory reserve has been created pursuant to statutory regulations at a percentage of profit for the year.

H. Foreign currency translation reserve represents exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e., Indian Rupees) which are recognised directly in other comprehensive income and accumulated in this foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

I. For the year ended March 31, 2026, the Board of Directors approved two interim dividends. The first, amounting to Re. 1.00 per equity share of face value Re. 1.00 each, was approved at the Board meeting held on November 12, 2025. A second interim dividend of ₹ 2.50 per equity share was approved at the meeting held on May 28, 2026. Accordingly, the total interim dividend declared for the year amounts to ₹ 3.50 per share (Interim dividend for March 2025: ₹ 6.25 per equity share). Revaluation reserve amounting to ₹ 1,210.21 crores transferred to retained earnings on transition date may not be available for distribution.

J. Capital redemption reserve represent the reserve arising pursuant to the business combination during 2016-17.

K. Other Comprehensive Income - Fair valuation on loans relating to financing activities represents gains / (losses) arising on fair valuation of loan relating to financing activities carried at fair value through other comprehensive income.

				As at March 31, 2026	As at March 31, 2025
				₹ Crores	₹ Crores
1.20	**NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**				
	a)	**Secured borrowings**			
		i)	Redeemable Non-convertible debentures	1,372.11	1,457.24
		ii)	Term loan from banks	40,116.05	31,646.70
	b)	**Unsecured borrowings**			
		i)	Subordinated Redeemable non-convertible debentures	4,417.12	3,212.57
		ii)	Unsecured unsubordinated redeemable non-convertible debentures	49.58	-
		iii)	Interest free sales tax loans	61.50	66.41
				46,016.36	**36,382.92**

Notes:

1 These are carried at amortised cost.

2 Refer Note 1.26 for Current maturities of non-current borrowings.

3 Refer Note 3.13 for security and terms of the borrowings.

4 The Parent Company has been authorised to issue 3,65,00,000 (March 2025: 3,65,00,000) Non-Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10 each valuing ₹ 36.50 crores (March 2025: ₹ 36.50 crores) and 7,70,00,000 (March 2025: 7,70,00,000) Non-Convertible Redeemable Preference Shares of ₹ 100 each valuing ₹ 770.00 crores (March 2025: ₹ 770.00 crores). No preference shares has been issued during the year.

5 The Group's loan agreements require compliance with certain covenants, including maintenance of prescribed coverage ratios, debt leverage ratios, networth thresholds, promoter shareholding levels, security cover and credit rating. The Group has complied with all applicable covenants as at March 31, 2026. As on date, there are no indications that the Group would have any difficulty in complying with the applicable covenants.

6 The Group has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements.

7 The Group is not declared as a wilful defaulter by any bank or financial institution or government or any government authority.

8 Of the above, borrowings relating to financing activities are given below:

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
a)	**Secured borrowings**		
	2,34,250 (March 31, 2025: 1,36,000) Redeemable non-convertible debentures	1,372.11	1,257.90
	Term loans from banks	37,280.21	29,536.04
b)	**Unsecured borrowings**		
	3,73,850 (March 31, 2025: 2,53,350) Subordinated Redeemable non-convertible debentures	3,686.16	3,212.57
	765 (March 31, 2025: Nil) Perpetual debt instrument	730.96	-
	Unsecured unsubordinated redeemable non-convertible debentures	49.58	-
		43,119.02	**34,006.51**

			As at March 31, 2026	As at March 31, 2025
			₹ Crores	₹ Crores
1.21	**NON-CURRENT - OTHER FINANCIAL LIABILITIES**			
	a)	Capital creditors	-	1.06
	b)	Derivative designated in hedging relationship carried at fair value	-	0.79
	c)	Others (Includes security deposit payable, etc.)*	171.13	115.21
			171.13	**117.06**

Notes:

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

*Includes RSP Participation fee payable relating to financing activities amounting to ₹ 135.88 crores (March 31, 2025: ₹ 82.67 crores)

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.22	**NON-CURRENT CONTRACT LIABILITIES**		
	Income received in advance (Refer Note 3.7)	413.77	372.86
		413.77	**372.86**

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.23	**NON-CURRENT PROVISIONS**		
	a) Provision for employee benefits		
	i) Compensated absences	7.48	4.54
	ii) Gratuity [Refer Note 3.3]	30.81	7.28
	iii) Others including post retirement benefits	43.49	143.79
	b) Provision for product warranties	716.34	667.14
	c) Provision in relation to net assets of a subsidiary	11.77	18.98
	d) Other provisions (includes provision for litigation)	6.40	6.27
		816.29	**848.00**

Notes:

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

Particulars	March 2026	March 2025
Opening balance (Current (Refer Note 1.30) and Non-current)	1,376.13	1,211.49
Add: Addition (net)	1,107.55	917.45
Less: Utilisations (net)	945.13	752.81
Closing balance (Current (Refer Note 1.30) and Non-current)	1,538.55	1,376.13

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 ranges upto 72 months (March 31, 2025: upto 72 months).

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

Particulars	March 2026	March 2025
Opening balance	6.27	6.24
Add: Additions	0.13	0.03
Less: Utilisations / Reversals	-	-
Closing balance	6.40	6.27

3. Movement in Provisions in relation to net assets of a subsidiary is as follows:

Particulars	March 2026	March 2025
Opening balance	18.98	26.80
Add: Additions	-	-
Less: Utilisations / Reversals	7.21	7.82
Closing balance	11.77	18.98

		As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.24	**DEFERRED TAX LIABILITIES (NET)**		
	a) Deferred tax liabilities	2,287.13	1,836.10
	b) Deferred tax (assets)	(562.05)	(437.08)
		1,725.08	**1,399.02**

Note:

Refer Note 3.2 for details of deferred tax liabilities and assets.

		As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.25	**OTHER NON-CURRENT LIABILITIES**		
	Others*	31.82	13.06
		31.82	**13.06**

* Includes subsidy received in advance

			As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.26	**CURRENT FINANCIAL LIABILITIES - BORROWINGS**			
	a)	**Secured borrowings**		
		Loans from banks	857.90	1,306.19
	b)	**Unsecured borrowings**		
		Loans from banks	244.83	278.19
		Commercial papers	96.94	98.73
		Loan from Others	-	1.55
		Liabilities under Supplier finance arrangement	87.25	-
	c)	Current maturities of non-current borrowings	16,346.52	11,633.52
			17,633.44	**13,318.18**

Notes:

1. These are carried at amortised cost.
2. Out of the above, borrowings relating to financing activities:

Particulars	March 2026	March 2025
- Secured - Loans from Banks	73.32	671.40
- Current maturities of long-term debt	15,670.19	11,070.03
- Commercial papers	96.94	98.73

3. Current maturities of long-term borrowings:

Particulars	March 2026	March 2025
Secured	16,017.34	11,575.76
Unsecured	329.18	57.76

4. Commercial paper - maximum balance outstanding during the year is ₹ 100 Crores (March 2025: ₹100 Crores).
5. The Group has utilised the borrowings for the purpose for which it is obtained as mentioned in the agreements.
6. Refer Note 3.13 for security and terms of the borrowings.
7. Refer Note 1.20 for details of debt covenants.

			As at March 31, 2026	As at March 31, 2025
			₹ Crores	₹ Crores
1.27	**CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES**			
	Trade payables - including acceptances			
	a)	Total outstanding dues of micro enterprises and small enterprises	301.45	95.28
	b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	8,989.79	7,924.20
			9,291.24	**8,019.48**

Trade Payables ageing schedule

₹ Crores

Particulars		As at March 31, 2026						
		Outstanding for following periods from due date of payment						
		Un-billed (includes accrued expenses / liabilities)	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - Micro and Small Enterprises	2.61	296.96	1.51	0.05	-	0.32	301.45
(ii)	Undisputed dues - Others	1,287.39	6,975.10	697.22	23.96	4.91	1.21	8,989.79
(iii)	Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-	-
Total		**1,290.00**	**7,272.06**	**698.73**	**24.01**	**4.91**	**1.53**	**9,291.24**

₹ Crores

Particulars		As at March 31, 2025						
		Outstanding for following periods from due date of payment						
		Un-billed (includes accrued expenses / liabilities)	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - Micro and Small Enterprises	0.86	91.44	2.66	-	0.32	-	95.28
(ii)	Undisputed dues - Others	983.07	5,957.28	966.48	11.54	3.35	2.48	7,924.20
(iii)	Disputed dues – Micro and Small Enterprises	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-	-
Total		**983.93**	**6,048.72**	**969.14**	**11.54**	**3.67**	**2.48**	**8,019.48**

Notes:

1. These are carried at amortised cost.
2. Includes acceptances amounting to ₹ 247.04 crores (March 2025: ₹ 309.15 crores)

Supplier financing arrangements for trade payables

Some of the suppliers of the Parent Company elect to factor a portion of their receivables using the Trade Receivable Discounting System (TReDS) platform introduced by the Reserve Bank of India. We provide suppliers and the banks with visibility of approved invoices on the TReDS platform, which helps them receive cash from the banks before the invoice due date, if they choose to do so. Payment dates and terms for the Parent Company do not vary based on whether the supplier chooses to factor their receivable. The Parent Company evaluates these arrangements to assess if the payable holds the characteristics of a trade payable or should be classified as a financial liability. As at 31st March 2026, all such liabilities were classified as trade payables.

Carrying amount trade payables (subject to supplier financing arrangement)	As at March 31, 2026
Presented in trade payables	5.29
of which suppliers have received payment from finance provider	5.29
Range of payment due dates	
Liabilities that are part of the arrangement (in days)	20 - 45
Comparable trade payables that are not part of the arrangement (in days)	20 - 45

There is no effect of any non-cash changes on the above carrying amount of trade payables.

Further, the Parent Company has not provided comparative information in respect of the amendments to Ind AS 7 and Ind AS 107 relating to supplier finance arrangements, as it has applied the transitional relief available on initial adoption of these amendments, which allows entities not to present comparative disclosures for prior periods.

			As at March 31, 2026	As at March 31, 2025
			₹ Crores	₹ Crores
1.28	**CURRENT - OTHER FINANCIAL LIABILITIES**			
	a)	Interest accrued but not due on borrowings	451.37	320.41
	b)	Dividend Payable		
		i) Unclaimed	13.35	13.52
	c)	Employee benefits	696.09	623.85
	d)	Capital creditors		
		i) Total outstanding dues of micro enterprises and small enterprises	18.66	18.15
		ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	114.14	104.87
	e)	Derivatives designated in hedging relationships carried at fair value	17.02	31.13
	f)	Assignees towards Collections in Assigned Assets (relating to financing activities)	496.44	366.01
	g)	Earnout Liability relating to a subsidiary	-	34.12
	h)	Others *	786.97	707.32
			2,594.04	**2,219.38**
		* Includes:		
		Refund liabilities	617.85	521.43
		RSP Participation fees payable relating to financing activities	51.88	35.83

Notes:

1. These (except derivatives and earnout liability) are carried at amortised cost. Derivatives and Earnout liability are carried at fair value through profit or loss / other comprehensive income.
2. Refer Note 3.13 for securities and terms of the borrowings.
3. Interest accrued but not due on borrowings include ₹ 435.05 Crores (2025: ₹ 302.54 crores) relating to financing activities.
4. Refer Note 1.20 for details of debt covenants.

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
1.29	**CURRENT CONTRACT LIABILITIES**		
	a) Income received in advance	371.91	301.14
	b) Advance from customers	381.61	176.37
		753.52	**477.51**

Note:

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

			As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.30	**CURRENT PROVISIONS**			
	a)	Provision for employee benefits		
		i) Compensated absences	281.30	162.64
		ii) Gratuity [Refer Note 3.3]	205.86	10.72
		iii) Others including post retirement benefits	146.49	78.37
	b)	Others		
		i) Product warranties	822.21	708.99
		ii) Provision for restructuring expenses (Refer Note 3.28)	-	108.96
		iii) Others (including litigation matters)	155.48	49.28
			1,611.34	**1,118.96**

Notes:

1. Movement in Provision for product warranties Refer Note 1.23.
2. Movement in Other Provision (including litigation matters) is as follows :

Particulars	March 2026	March 2025
Opening balance	49.28	51.72
Add: Additions / Transfer	112.05	0.02
Less: Utilisations / Reversals	5.85	2.46
Closing balance	155.48	49.28

3. Movement in Provision for restructuring expenses is as follows:

Particulars	March 2026	March 2025
Opening Balance	108.96	-
Add: Additions	-	108.86
Less: Utilisations / Reversals	108.96	-
Closing Balance	-	108.96

			As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.31	**OTHER CURRENT LIABILITIES**			
	a)	Statutory liabilities	288.22	572.23
	b)	Accrued gratuity (Refer Note 3.3)	-	0.14
	c)	Subsidy received in advance	30.40	43.32
	d)	Others	64.80	69.54
			383.42	**685.23**

		As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1.32	**CURRENT TAX LIABILITIES (NET)**		
	Provision for taxation (net of advance tax)	767.15	632.95
		767.15	**632.95**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

				Year ended March 31, 2026	Year ended March 31, 2025
				₹ Crores	₹ Crores
2.1	**REVENUE FROM OPERATIONS**				
	a)	Sale of products			
		- Commercial vehicles		39,472.82	34,446.40
		- Engines and gensets		1,750.21	1,481.59
		- Ferrous castings and patterns		602.41	572.24
		- Spare parts and others		4,650.48	4,069.08
			(A)	**46,475.92**	**40,569.31**
	b)	Sale of services	**(B)**	2,546.60	2,452.04
	c)	Other operating revenues			
		- Grant income		3.21	-
		- Export incentives		71.89	52.64
		- Scrap sales		137.28	113.72
		- Others		73.67	27.02
			(C)	**286.05**	**193.38**
			(A+B+C)	**49,308.57**	**43,214.73**
		Less : Rebates and discounts		994.86	881.45
				48,313.71	**42,333.28**
		INCOME FROM FINANCING OPERATIONS (Refer Note 3.8 (i))		8,048.37	6,201.86
				8,048.37	**6,201.86**

				Year ended March 31, 2026	Year ended March 31, 2025
				₹ Crores	₹ Crores
2.2	**OTHER INCOME**				
	a)	Interest income from financial assets measured at amortised cost		219.05	94.55
				219.05	**94.55**
	b)	Profit on sale of investments (net)			
		Current investments		92.83	43.12
				92.83	**43.12**
	c)	Other non-operating income			
		i.	Profit on sale of Property, Plant and Equipment (net)	45.66	22.56
		ii.	Net (loss) / gain arising on financial asset mandatorily measured at FVTPL	(29.05)	7.48
		iii.	Others (including income from advertisement services relating to financing activities)	256.33	190.75
				272.94	**220.79**
				584.82	**358.46**

			Year ended March 31, 2026 ₹ Crores	Year ended March 31, 2025 ₹ Crores
2.3	**EMPLOYEE BENEFITS EXPENSE**			
	a)	Salaries and wages	4,180.35	3,689.43
	b)	Contribution to provident and other funds	300.92	247.72
	c)	Share based payment costs *	(0.73)	13.82
	d)	Staff welfare expenses	326.26	289.71
			4,806.80	**4,240.68**
		Less: Expenses capitalised	73.29	79.38
			4,733.51	**4,161.30**

* Includes share options given by the Group to employees under employee stock option plan amounting to ₹ (28.98) crores (Year ended March 31, 2025 : ₹ 13.82 crores) and Cash settled share based payments (Refer Note 3.5).

			Year ended March 31, 2026 ₹ Crores	Year ended March 31, 2025 ₹ Crores
2.4	**FINANCE COSTS**			
	a)	Interest expense	332.01	300.84
		Less: Expenses capitalised	22.29	17.36
			309.72	**283.48**
	b)	Unwinding of discount on provisions	97.18	94.97
	c)	Interest and other borrowing costs relating to financing activities	4,278.54	3,532.90
	d)	Interest on lease liability	19.21	18.86
			4,704.65	**3,930.21**

Note:

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during the year - 7.49% p.a. (March 31, 2025 - 7.70% p.a.).

				Year ended March 31, 2026	Year ended March 31, 2025
				₹ Crores	₹ Crores
2.5	**DEPRECIATION AND AMORTISATION EXPENSE**				
	A)	**Property, plant and equipment**			
		i)	Buildings	91.78	86.94
		ii)	Plant and equipment	433.92	438.61
		iii)	Furniture and fittings	9.19	15.81
		iv)	Vehicles including electric vehicles	123.75	108.48
		v)	Commercial Vehicles given on lease	66.12	50.53
		vi)	Office equipment	54.46	46.41
		vii)	Aircraft	11.49	1.57
		viii)	Assets given on lease		
			- Buildings	0.29	0.29
			- Plant and equipment	#	#
		ix)	Electrical and other installations on lease hold premises	0.29	0.17
				791.29	**748.81**
	B)	**Other intangible assets**			
		i)	Computer software		
			- Developed	2.39	1.44
			- Acquired	28.88	21.59
		ii)	Technical knowhow (Includes Product Development)		
			- Developed	197.15	209.24
			- Acquired	9.16	12.11
		iii)	Customer Relationships	29.01	11.03
		iv)	Trademark	2.70	2.46
				269.29	**257.87**
	C)	**Depreciation of Right-of-use asset**		76.98	79.97
				1,137.56	**1,086.65**

Amount is below rounding off norms adopted by the Group.

Also Refer Notes 1.1, 1.2 and 1.1A

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

			Year ended March 31, 2026	Year ended March 31, 2025
			₹ Crores	₹ Crores
2.6	**OTHER EXPENSES**			
	(a)	Consumption of stores and tools	107.66	101.99
	(b)	Power and fuel	331.80	316.82
	(c)	Rent (Refer Note 3.10)	22.26	19.77
	(d)	Repairs and maintenance		
		- Buildings	93.53	78.10
		- Plant and machinery	160.19	139.81
		- Others	105.72	94.34
	(e)	Insurance	84.91	65.44
	(f)	Rates and taxes, excluding taxes on income	46.63	42.95
	(g)	Research and development (includes materials consumed and testing charges)	199.52	158.73
	(h)	Service and product warranties	1,078.28	959.24
	(i)	Packing and forwarding charges	981.42	919.44
	(j)	Selling and administration expenses (net)** (includes advertisement expenditure, consultancy charges, etc.)	1,196.16	861.01
	(k)	Annual maintenance contracts	341.48	283.74
	(l)	Service provider fees (including sourcing and commission expenses relating to financing activities)	189.27	226.85
	(m)	Impairment loss allowance / write off on trade receivable (net)	13.19	33.73
	(n)	Impairment loss allowance / write off on other receivable (net)	(2.27)	-
	(o)	Impairment loss allowance / write off of fixed assets	15.68	-
	(p)	Impairment / write off of goodwill and intangible assets	51.84	-
	(q)	Net loss on fair value changes	92.16	-
	(r)	Miscellaneous including operational expenses* (includes hire charges, travel expenditure etc.)	819.44	655.92
			5,928.87	**4,957.88**
		Less: Expenses capitalised	135.49	123.30
			5,793.38	**4,834.58**
	IMPAIRMENT LOSS ALLOWANCE / WRITE OFF RELATING TO FINANCING ACTIVITIES		1,234.24	651.95
			1,234.24	**651.95**

Note:

* Miscellaneous expenses includes a contribution of ₹ 150 crores (2024-25: ₹ 125 crores) to Electoral Trust in accordance with Section 182 of the Companies Act, 2013.

** Selling and administration expenses include items relating to Parent Company:

- Directors' sitting fees	1.05	0.91
- Commission to Non Whole-time Directors	8.85	7.60

			Year ended March 31, 2026	Year ended March 31, 2025
			₹ Crores	₹ Crores
2.7	**EXCEPTIONAL ITEMS**			
	a)	Impairment reversal in value of net Assets of subsidary		
		- Albonair GmbH	-	7.82
	b)	Gain on fair valuation of Investment in Hinduja Energy (India) Limited (Refer Note 1.3 and Note 3.6)	-	120.53
	c)	Reversal / (Provision) of restructuring expenses relating to a subsidiary	6.07	(108.96)
	d)	Others (Expenses relating to certain strategic activities and net credit exposure) *	-	(31.62)
	e)	Fair value gain on remeasurement of Compulsorily Convertible Preference Shares relating to a subsidiary	-	41.23
	f)	Write off of intangible assets under development / capital work in progress	-	(13.60)
	g)	Impact of new Labour Codes**	(350.51)	-
	h)	Provision for litigation	(40.00)	-
			(384.44)	**15.40**

Notes:

*Includes expenses relating to subsidiary incurred for strategic activity of raising preference share capital and loss allowance relating to specific disputed customers

** On November 21, 2025, the Government of India notified the four consolidated Labour Codes namely, the Code on Wages 2019, the Industrial Relations Code 2020, the Code on Social Security 2020, and the Occupational Safety, Health and Working Conditions Code 2020, replacing 29 existing labour laws. Pursuant to the draft Central Rules and FAQs issued by the Ministry of Labour and Employment to facilitate assessment of financial implications arising from the revised regulatory framework, the Group has evaluated the incremental impact based on the best information currently available and in line with the guidance issued by the Institute of Chartered Accountants of India. The impact being one time and non-recurring in nature, the Group has presented the incremental effect comprising gratuity and compensated absences aggregating to ₹ 350.51 crores, primarily attributable to changes in wage definition, as "Impact of new Labour Codes" as "Exceptional item" in the Consolidated Financial Statements for the year ended March 31, 2026. On May 8, 2026, the Government of India notified Central Rules. However corresponding State Rules and certain other operations clarifications under the new Labour codes are yet to be notified. The Group continues to monitor the finalisation of State Rules, and further clarifications, and will record any additional accounting impact, as required.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.1 Basis of consolidation

3.1.1 The Consolidated Financial Statements relate to Ashok Leyland Limited (the "Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together constitute "the Group"), its joint ventures and associates.

3.1.2 **Principles of consolidation**

a. The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard 110 (Ind AS 110) “Consolidated Financial Statements”, Indian Accounting Standard 28 (Ind AS 28) “Investments in Associates and Joint Ventures" prescribed under Section 133 of the Companies Act, 2013 (the "Act").

b. The Consolidated Financial Statements of the Group have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated.

c. The difference between the proceeds from the disposal of investments in the subsidiary and the carrying amount of its assets and liabilities as on the date of disposal is recognised as profit or loss on disposal of investments in the subsidiary in the Consolidated Statement of Profit and Loss.

d. Non-controlling interests in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the non-controlling shareholders at the dates on which investments are made by the Parent Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

e. The following subsidiaries are considered in the Consolidated Financial Statements:

Sl.No.	Name of the Subsidiary	Country of Incorporation	% of ownership interest	
			March 31, 2026	March 31, 2025
1	Hinduja Leyland Finance Limited and its subsidiaries	India	61.12%	61.12%
2	Global TVS Bus Body Builders Limited	India	66.67%	66.67%
3	Gulf Ashley Motor Limited	India	93.15%	93.15%
4	Optare Plc and its subsidiaries	UK	93.28%	92.59%
5	Ashok Leyland (Nigeria) Limited	Nigeria	100.00%	100.00%
6	Ashok Leyland (Chile) SA*	Chile	100.00%	100.00%
7	HLF Services Limited	India	82.05%	82.05%
8	Albonair (India) Private Limited	India	100.00%	100.00%
9	Albonair GmbH and its subsidiary*	Germany	100.00%	100.00%
10	Ashok Leyland (UAE) LLC and its subsidiary	UAE	100.00%	100.00%
11	Ashley Aviation Limited	India	100.00%	100.00%
12	Hinduja Tech Limited and its subsidiaries	India	72.93%	72.99%
13	Vishwa Buses and Coaches Limited	India	100.00%	100.00%
14	Gro Digital Platforms Limited	India	80.56%	80.56%
15	OHM Global Mobility Private Limited	India	100.00%	100.00%
16	Ashok Leyland Foundation (from July 08, 2024)	India	100.00%	100.00%

Ownership interest includes joint holding and beneficial interest.

* The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Parent Company i.e. year ended March 31, 2026.

f. The following Joint Ventures have been considered in the preparation of Consolidated Financial Statements of the Group in accordance with Ind AS 28 “Investments in Associates and Joint Ventures”:

Sl.No.	Name of the Joint Venture	Country of Incorporation	% of ownership interest	
			March 31, 2026	March 31, 2025
1	Ashley Alteams India Limited	India	50.00%	50.00%
2	Zebeyond Limited, United Kingdom (Joint venture of Hinduja Tech Limited and its subsidiaries)**	UK	28.57%	50.00%
3	Ashok Leyland John Deere Construction Equipment Company Private Limited # (Under liquidation)	India	50.00%	50.00%
4	TVS Trucks and Buses Private Limited	India	49.90%	49.90%

The Parent Company along with its subsidiary, Gulf Ashley Motor Limited holds 50% interest. The financial statements of the joint venture has not been prepared using going concern assumption as it is under liquidation. The operations of the joint venture is not significant to the operations of the Group.

** The Group continues to have joint control as per contractual arrangement, despite the reduction in shareholding percentage.

g. The following associates have been considered in the preparation of Consolidated Financial Statements of the Group in accordance with Indian Accounting Standard (Ind AS) 28 “Investments in Associates and Joint Ventures”:

Sl.No.	Name of the Associate	Country of Incorporation	% of ownership interest	
			March 31, 2026	March 31, 2025
1	Ashok Leyland Defence Systems Limited	India	48.49%	48.49%
2	Mangalam Retail Services Limited	India	37.48%	37.48%
3	Lanka Ashok Leyland PLC	Sri Lanka	27.85%	27.85%

Rajalakshmi Wind Energy Limited (formerly Ashok Leyland Wind Energy Limited), HR Vaigai Private Limited and Prathama Solarconnect Energy Private Limited, where the Parent Company holds 26% is not treated as an associate under Ind AS 28, as the Group does not exercise significant influence over the entities.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.1.3 Additional Information, as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries, Joint Ventures and Associates

S No	Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other comprehensive income		Share in Total comprehensive income	
		As a % of Consolidated Net Assets	Amount ₹ Crores	As a % of Consolidated Profit or (Loss)	Amount ₹ Crores	As a % of Consolidated Other comprehensive income	Amount ₹ Crores	As a % of Consolidated Total comprehensive income	Amount ₹ Crores
	Parent Company								
1.	Ashok Leyland Limited	92.08	13,113.42	102.72	3,565.53	(19.87)	(99.88)	87.22	3,465.65
	Indian Subsidiaries								
2.	Hinduja Leyland Finance Limited and its subsidiaries	73.76	10,504.82	25.28	877.37	185.83	934.04	45.59	1,811.41
3.	Global TVS Bus Body Builders Limited	0.42	60.29	0.49	16.95	(0.04)	(0.21)	0.42	16.74
4.	Gulf Ashley Motor Limited	0.03	4.90	0.11	3.94	(0.01)	(0.03)	0.10	3.91
5.	HLF Services Limited	0.19	27.62	0.14	4.88	0.42	2.13	0.18	7.01
6.	Albonair (India) Private Limited	1.46	207.82	0.88	30.40	(0.05)	(0.23)	0.76	30.17
7.	Ashley Aviation Limited	0.01	1.37	(0.06)	(2.22)	-	-	(0.06)	(2.22)
8.	Hinduja Tech Limited and its subsidiaries*	2.91	414.42	(5.75)	(199.60)	9.86	49.56	(3.78)	(150.04)
9.	Vishwa Buses and Coaches Limited	0.34	47.97	0.02	0.58	-	0.02	0.02	0.60
10.	Gro Digital Platforms Limited	0.27	38.02	(0.49)	(17.00)	0.08	0.40	(0.42)	(16.60)
11.	OHM Global Mobility Private Limited	1.85	262.80	(1.03)	(35.69)	(0.08)	(0.40)	(0.92)	(36.09)
12.	Ashok Leyland Foundation (from July 08, 2024) #	-	-	-	-	-	-	-	-
	Foreign Subsidiaries								
13.	Ashok Leyland (Nigeria) Limited	(0.11)	(15.35)	0.04	1.39	(0.59)	(2.97)	(0.05)	(1.58)
14.	Ashok Leyland (Chile) S.A #	-	-	-	-	-	-	-	-
15.	Optare Plc and its subsidiaries	0.92	130.78	(4.27)	(148.26)	(12.37)	(62.21)	(5.30)	(210.47)
16.	Ashok Leyland (UAE) LLC and its subsidiary	2.25	320.29	2.12	73.58	5.58	27.99	2.56	101.57
17.	Albonair GmbH, Germany and its subsidiary	0.08	11.79	(0.31)	(10.61)	0.57	2.89	(0.19)	(7.72)
18.	**Non controlling Interest in all subsidiaries**	**(30.22)**	**(4,304.55)**	**(7.20)**	**(249.95)**	**(73.80)**	**(370.93)**	**(15.62)**	**(620.88)**
	Associates (Investment as per the equity method)								
	Indian								
19.	Ashok Leyland Defence Systems Limited	0.62	87.63	0.83	28.71	-	(0.01)	0.72	28.70
20.	Mangalam Retail Services Limited #	-	0.04	-	-	-	-	-	-
	Foreign								
21.	Lanka Ashok Leyland PLC	0.48	68.62	0.71	24.77	0.50	2.50	0.69	27.27
	Joint Ventures (Investment as per the equity method)								
	Indian								
22.	Ashley Alteams India Limited	0.34	48.09	0.39	13.37	-	0.01	0.34	13.38
23.	Ashok Leyland John Deere Construction Equipment Company Private Limited (under liquidation)	-	-	-	-	-	-	-	-
24.	Zebeyond Limited, United Kingdom (Joint venture of Hinduja Tech Limited and its subsidiaries)	-	-	(0.16)	(5.45)	-	-	(0.14)	(5.45)
25.	TVS Trucks and Buses Private Limited	-	-	(0.29)	(9.91)	0.01	0.03	(0.25)	(9.88)
	Sub Total	**147.68**	**21,030.79**	**114.17**	**3,962.78**	**96.04**	**482.70**	**111.87**	**4,445.48**
	Add/(Less): Effect of intercompany adjustments / eliminations	(47.68)	(6,789.10)	(14.17)	(491.75)	3.96	19.92	(11.87)	(471.83)
	Total	**100.00**	**14,241.69**	**100.00**	**3,471.03**	**100.00**	**502.62**	**100.00**	**3,973.65**

Note:

In case of subsidiaries, the net assets and the profit and loss are as per the Standalone / Consolidated Financial Statements of the respective entities from the date of acquisition wherever applicable. In case of associates and joint ventures, the share in net assets and share in profit and loss of the Parent Company are as per the Standalone / Consolidated Financial Statements of the respective entities from the date of acquisition wherever applicable.

[#] Amount below rounding off norms adopted by the Group

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS

3.2.1 Income tax recognised in profit or loss

		Year ended March 31, 2026	Year ended March 31, 2025
		₹ Crores	₹ Crores
Current tax			
In respect of the current year			
Domestic entities		1,572.22	1,721.14
Foreign entities		23.29	10.24
In respect of prior years			
Domestic entities		(34.07)	(5.52)
	A	**1,561.44**	**1,725.86**
Deferred tax			
In respect of the current year			
Domestic entities		(127.58)	(513.25)
Foreign entities		(15.04)	(19.40)
Adjustments to deferred tax attributable to changes in tax rates and laws (Domestic Entities)		0.87	14.92
In respect of prior years			
Domestic entities		14.12	5.41
	B	**(127.63)**	**(512.32)**
Total income tax expense recognised in the Consolidated profit or loss	**(A+B)**	**1,433.81**	**1,213.54**

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

	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
Profit before tax		
Domestic entities	5,230.37	5,031.16
Foreign entities	(75.58)	(434.83)
Consolidated Profit before tax	**5,154.79**	**4,596.33**
Income tax expense at tax rates applicable to individual entities	1,447.01	1,681.72
Effect of exceptional items, disallowances and reversals (net)	93.51	(5.10)
Effect of previously unrecognised and unused tax losses and deductible temporary differences	(26.00)	(342.50)
Effect of concessions and other allowances	(8.21)	(23.40)
Effect of tax in respect of prior years	(27.47)	-
Effect of different tax rates of subsidiaries / branches operating in overseas jurisdictions	0.76	3.89
Effect of other adjustments	(45.79)	(115.78)
Effect on account of rate changes	-	14.71
Income tax expense recognised in Consolidated profit or loss	**1,433.81**	**1,213.54**

The Parent Company has opted to apply the concessional corporate tax rate prescribed under Section 115BAA of the Income-tax Act, 1961, effective from the current financial year.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

3.2.3 Income tax recognised in other comprehensive income

		Year ended March 31, 2026	Year ended March 31, 2025
		₹ Crores	₹ Crores
Deferred tax			
Arising on income and expenses recognised in other comprehensive income:			
Fair value remeasurement of hedging instruments entered into for cash flow hedges		113.22	(4.89)
Gain on fair valuation of loans (relating to financing activities)		202.23	311.51
Remeasurement of defined benefit obligation		(33.04)	(3.17)
	A	**282.41**	**303.45**
Arising on income and expenses reclassified from equity to profit or loss:			
Relating to cash flow hedges		(0.57)	(2.63)
	B	**(0.57)**	**(2.63)**
Total income tax recognised in other comprehensive income (A+B)		**281.84**	**300.82**
Bifurcation of the income tax recognised in other comprehensive income into:			
Items that will not be reclassified to profit or loss		(33.04)	(3.17)
Items that will be reclassified to profit or loss		**314.88**	303.99
		281.84	**300.82**

3.2.4 Analysis of deferred tax assets / liabilities:

₹ Crores

March 31, 2026	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	DTL unwinding due to change in tax rate / law	Other adjustments	Unused tax credits - (utilised)	Closing balance
Deferred tax assets / (liabilities) (net)							
Property, plant and equipment and Intangible Assets	1.02	(14.97)	-	-	-	-	(13.95)
Right-of-use asset	(27.88)	5.13	-	-	-	-	(22.75)
Lease Liability	26.75	(4.12)	-	-	-	-	22.63
Unused tax losses (including unabsorbed depreciation)	127.94	120.27	-	-	0.52	-	248.73
Expenditure allowed upon payments	0.76	5.82	0.20	-	-	-	6.80
Provision for other employee benefits	2.87	7.11	(0.03)	-	-	-	9.95
Other temporary differences	36.87	48.23	-	-	-	-	85.10
	168.33	**167.47**	**0.17**	**-**	**0.52**	**-**	**336.51**
Deferred tax liabilities / (assets) (net)							
Property, plant and equipment and Intangible Assets	726.51	9.44	-	-	-	-	735.95
Right-of-use Asset	11.28	(1.45)	-	-	-	-	9.83
Lease Liability	(10.09)	0.94	-	-	-	-	(9.15)
Voluntary retirement compensation scheme	(1.78)	1.60	-	-	-	-	(0.18)
Expenditure allowed upon payments	(78.69)	(1.96)	(33.74)	-	-	-	(114.39)
Cash flow hedges	0.57	-	(0.57)	-	-	-	(0.00)
Other temporary differences	(13.39)	12.64	2.16	-	4.21	-	5.62
Unused tax losses / unabsorbed depreciation	(23.25)	-	-	-	-	-	(23.25)
Deferred tax asset pertaining to financing activity (Refer Note below)	(309.88)	(109.79)	4.59	-	-	-	(415.08)
Deferred tax liability pertaining to financing activity (Refer Note below)	1,097.74	128.42	309.57	-	-	-	1,535.73
	1,399.02	**39.84**	**282.01**	**-**	**4.21**	**-**	**1,725.08**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

3.2.4 Analysis of deferred tax assets / liabilities: ₹ Crores

March 31, 2025	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	DTL unwinding due to change in tax rate / law	Other adjustments (including effect of business combination)	Unused tax credits -(utilised)	Closing balance
Deferred tax assets / (liabilities) (net)							
Property, plant and equipment and Intangible Assets	(39.85)	40.87	-	-	-	-	1.02
Right-of-use asset	(1.92)	(25.96)	-	-	-	-	(27.88)
Lease Liability	-	26.75	-	-	-	-	26.75
Unused tax losses / unabsorbed depreciation	95.51	32.43	-	-	-	-	127.94
Expenditure allowed upon payments	0.76	(0.09)	0.09	-	-	-	0.76
Provision for other employee benefits	1.77	0.38	0.72	-	-	-	2.87
Other temporary differences	9.08	27.79	-	-	-	-	36.87
	65.35	**102.17**	**0.81**	**-**	**-**	**-**	**168.33**
Deferred tax liabilities / (assets) (net)							
Property, plant and equipment and Intangible Assets	705.78	(5.31)	-	14.30	11.74	-	726.51
Right-of-use asset	8.77	2.51	-	-	-	-	11.28
Lease Liability	(9.50)	(0.59)	-	-	-	-	(10.09)
Voluntary retirement compensation scheme	(6.98)	5.20	-	-	-	-	(1.78)
Expenditure allowed upon payments	(71.69)	(5.13)	(1.87)	-	-	-	(78.69)
Unused tax credit (MAT credit entitlement)	-	(448.00)	-	-	-	448.00	-
Cash flow hedges	2.63	-	(2.06)	-	-	-	0.57
Other temporary differences	(42.27)	27.50	-	0.41	0.97	-	(13.39)
Unused tax losses / unabsorbed depreciation	(0.94)	(22.31)	-	-	-	-	(23.25)
Deferred tax asset pertaining to financing activity (Refer Note below)	(257.18)	(47.24)	(5.46)	-	-	-	(309.88)
Deferred tax liability pertaining to financing activity (Refer Note below)	718.21	68.50	311.03	-	-	-	1,097.74
	1,046.83	**(424.87)**	**301.64**	**14.71**	**12.71**	**448.00**	**1,399.02**

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 losses and 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. Such deferred tax assets and liabilities are computed separately for each taxable entity and each taxable jurisdiction.

3.2.4 Analysis of deferred tax assets / liabilities:

Note on Deferred tax (asset) / liability pertaining to financing activity: ₹ Crores

March 31, 2026	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax asset pertaining to financing activity				
Provision for gratuity	-	(2.19)	(1.28)	(3.47)
Provision for compensated absence	(1.99)	(0.93)	-	(2.92)
Provisions for expected credit loss	(233.00)	(94.39)	-	(327.39)
Expected credit loss on EIS receivable(other financial asset)	(54.35)	(11.22)	-	(65.57)
Fair valuation of security deposits	(0.80)	(0.14)	-	(0.94)
Lease Liabilities	(13.87)	(0.92)	-	(14.79)
Impact of cashflow hedge	(5.87)	-	5.87	-
	(309.88)	**(109.79)**	**4.59**	**(415.08)**
Deferred tax liability pertaining to financing activity				
Provision for gratuity	(0.71)	0.71	-	-
Property, plant and equipment and Intangible Assets	27.37	7.95	-	35.32
Net gain on derecognition of financial instruments	273.94	100.03	-	373.97
Right-of-use asset	7.82	(1.40)	-	6.42
Fair value gain on investments in equity shares	2.02	0.62	-	2.64
Prepaid expenses	64.80	20.51	-	85.31
Impact of cashflow hedge	-	-	107.34	107.34
Gain on fair valuation of loans	722.50	-	202.23	924.73
	1,097.74	**128.42**	**309.57**	**1,535.73**

3.2 INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

3.2.4 Analysis of deferred tax assets / liabilities: (Contd.)

Note on Deferred tax (asset) / liability pertaining to financing activity:

₹ Crores

March 31, 2025	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax asset pertaining to financing activity				
Provision for compensated absence	(1.36)	(0.63)	-	(1.99)
Provisions for expected credit loss	(195.41)	(37.59)	-	(233.00)
Expected credit loss on EIS receivable (other financial asset)	(46.60)	(7.75)	-	(54.35)
Fair valuation of security deposits	(0.67)	(0.13)	-	(0.80)
Lease Liabilties	(12.73)	(1.14)	-	(13.87)
Impact of cashflow hedge	(0.41)	-	(5.46)	(5.87)
	(257.18)	**(47.24)**	**(5.46)**	**(309.88)**
Deferred tax liability pertaining to financing activity				
Provision for gratuity	0.25	(0.47)	(0.49)	(0.71)
Property, plant and equipment (including Intangible assets)	13.72	13.65	-	27.37
Net gain on derecognition of financial instruments	197.97	75.97	-	273.94
Right-of-use asset	7.82	-	-	7.82
Fair value gain on investments in equity shares	3.12	(1.10)	-	2.02
Prepaid expenses	84.35	(19.55)	-	64.80
Gain on fair valuation of loans	410.98	-	311.52	722.50
	718.21	**68.50**	**311.03**	**1,097.74**

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

	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
- Unused tax losses	3,455.32	3,293.81
- Unused tax losses (capital)	22.04	21.79
- Unabsorbed depreciation	0.30	0.27
	3,477.66	**3,315.87**

Notes:

1. These will expire in various years from FY 2026-27 to FY 2033-34, except unabsorbed depreciation and unused tax loss in jurisdiction where there is no time limit for expiry.
2. The above are gross amounts on which appropriate tax rates would apply.
3. The Parent Company has not recognised deferred tax asset in respect of deductible temporary difference relating to certain investments as presently it is not probable that future taxable capital gain will be available in the foreseeable future to recover such deferred tax assets.
4. As at March 31, 2026, aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liability has not been recognised is ₹ 2,722.92 Crores (March 31, 2025: ₹ 2,075.04 Crores). No liability has been recognised in respect of such difference because the Parent Company is in a position to control the timing of reversal of the temporary difference and it is probable that such difference will not reverse in the foreseeable future.
5. The Ultimate Holding Company's consolidated revenue exceeds the threshold prescribed under the OECD framework on Pillar Two. Pillar Two legislation has been enacted in certain jurisdictions where the Group operates. Based on the current assessment, the Group does not expect a material impact on its Consolidated Financial Statements from the application of Pillar Two rules.

3.3 Employee benefit plans (Including Retirement benefit plans)

3.3.1 Defined contribution plans

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

In case of group companies operating in foreign jurisdiction, the payments in the form of defined contribution towards pension/social security schemes is made as per the laws and regulations of local jurisdiction in which the companies operate. These payments are made to the appropriate authority/entity which is managing the funds/schemes. The assets of the funds / schemes managed by the authorities/ entities are held separately from that of these group companies and there are no further obligation once the contributions are made.

The total expense recognised in consolidated statement of profit and loss of ₹ 161.15 crores (2024-25: ₹ 135.06 crores) represents contribution paid/payable to these schemes by the Group at rates specified in the schemes.

3.3.2 Compensated absence and Defined benefit plans

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

Eligible employees of the Parent Company are entitled to receive benefits in respect of provident fund, a defined benefit plan, in which both employees and the Parent 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 Parent Company. The interest rates declared and credited by trusts to the members have been higher than / equal to the statutory rate of interest declared by the Central Government.

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

These plans typically expose the Group 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.

Provident Fund Trust - actuarial valuation of interest guarantee :

The Parent Company 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 Parent Company has been lower in the recent 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 :

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Provident Fund	As at March 31, 2026	As at March 31, 2025
Discount rate	7.33%	6.59%
Remaining term to maturity of portfolio (years)	11.80	10.80
Expected guaranteed interest rate		
First year	8.25%	8.25%
Thereafter	8.25%	8.25%
Attrition rate	3.00%	3.00%

3.3 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS) (Contd.)

3.3.2 Compensated absence and Defined benefit plans (Contd.)

The amount included in the balance sheet arising from the Parent Company's obligation in respect of its provident fund plan is as follows:

Provident Fund	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Present value of defined benefit obligation	1,854.17	1,732.20
Fair value of plan asset	1,730.18	1,662.74
Net (liability) arising from defined benefit obligation (funded)	**(123.99)**	**(69.46)**

The Net liability is reflected in "Provision for employee benefits" under provisions. [Refer Note 1.30].

The amount recognised in total comprehensive income and the movement in fair value asset and present value obligation pertaining to year ended March 31, 2026 is as follows :

Amounts recognised in total comprehensive income in respect of these provident fund are as follows:

	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
Provident Fund		
Current service cost	63.05	52.61
Net interest expense	4.58	4.98
Components of provident fund recognised in profit or loss	**67.63**	**57.59**
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gain) / loss arising from changes in financial assumptions	(3.59)	1.41
Adjustments relating to opening balance of member fund and plan assets	0.08	(0.62)
Actuarial loss arising from experience adjustments	37.47	30.01
Actuarial loss / (gain) on plan assets	35.73	(25.54)
Components of provident fund recognised in other comprehensive income	**69.69**	**5.26**
Total	**137.32**	**62.85**

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 2.3).

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

	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
Opening defined benefit obligation	1,732.20	1,589.73
Adjustment relating to opening present value obligation	0.07	(1.87)
Employer Contribution	63.05	52.61
Employee Contribution	169.11	144.15
Interest cost	113.32	110.75
Actuarial (gain) / loss arising from changes in financial assumptions	(3.59)	1.41
Actuarial loss arising from experience adjustments	37.47	30.01
Benefits paid	(257.46)	(194.59)
Closing defined benefit obligation	**1,854.17**	**1,732.20**

3.3 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS) (Contd.)

3.3.2 Compensated absence and Defined benefit plans (Contd.)

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

	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
Opening fair value of plan assets	1,662.74	1,517.64
Adjustment relating to opening fair value of plan assets	(0.01)	(1.27)
Interest on plan assets	108.74	105.77
Actuarial (gain) / loss on plan assets	(35.73)	25.54
Contributions	251.90	209.65
Benefits paid	(257.46)	(194.59)
Closing fair value of plan assets	**1,730.18**	**1,662.74**

The Parent Company funds the contribution to administered trusts, which manages the plan assets in accordance with provident fund norms.

The breakup of the plan assets into various categories is as follows:

	As at March 31, 2026	As at March 31, 2025
Central and State Government Securities including Public Sector Undertaking securities	76%	78%
Corporate Bonds	16%	16%
Mutual Funds	4%	2%
Special Deposit Scheme	4%	4%

Significant actuarial assumptions for the determination of the provident fund are discount rate and interest rate guarantee. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period.

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	2.32	1.85
increase by	2.41	1.91

The Parent Company is sensitive to Interest rate guarantee wherein any increase or decrease in the interest rate by 25 basis points results in an increase in present value obligation by 1.72% (March 2025: 1.80%) or decrease in present value obligation by 1.67% (March 2025: 1.63%.)

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

3.3 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS) (Contd.)

3.3.2 Compensated absence and Defined benefit plans (Contd.)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Gratuity		
Discount rate	6.40% to 7.75%	6.35% to 6.81%
Expected rate of salary increase	5.00% to 15.00%	5.00% to 15.00%
Average past service	1.49 to 15.92	1.50 to 17.44
Average Longevity at retirement age - future service	4.88 to 29.12	4.10 to 22.76
Attrition rate	1.00% to 40.00%	1.00% to 38.00%
Compensated absences		
Discount rate	6.20% to 7.75%	6.35% to 6.81%
Expected rate of salary increase	5.00% to 15.00%	5.00% to 15.00%
Attrition rate	1.00% to 40.00%	1.00% to 38.00%
Other defined benefit plans		
Discount rate	7.33%	6.59%

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

Amounts recognised in total comprehensive income in respect of defined benefit plans and compensated absence are as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
Gratuity		
Current service cost	38.67	29.91
Past service cost	228.02	-
Net interest expense / (income)	1.63	(0.16)
Components of defined benefit costs recognised in Consolidated profit or loss (A)	**268.32**	**29.75**
<u>Remeasurement on the net defined benefit liability comprising:</u>		
Actuarial (gain) arising from changes in demographic assumptions	-	(0.13)
Actuarial (gain) / loss arising from changes in financial assumptions	(37.95)	17.00
Actuarial loss / (gain) arising from experience adjustments	104.05	(6.82)
Actuarial (gain) on plan assets	(4.98)	(2.71)
Components of defined benefit costs recognised in other comprehensive income (B)	**61.12**	**7.34**
Total (A+B)	**329.44**	**37.09**
Compensated absences and other defined benefit plans		
Current service cost	35.50	26.56
Past service cost	101.84	-
Net interest expense	12.74	10.60
Actuarial loss / (gain) arising from changes in financial assumptions	(19.29)	3.47
Actuarial (gain) arising from experience adjustments	(0.43)	(18.75)
Components of Compensated absences and defined benefit costs recognised in profit or loss	**130.36**	**21.88**

The current service cost, past service cost and the net interest expense for the year are included in ''Contribution to provident and other funds'' and "Salaries and wages" under employee benefits expense in Consolidated profit or loss [Refer Note 2.3] and Exceptional item [Refer Note 2.7].

3.3 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS) (Contd.)

3.3.2 Compensated absence and Defined benefit plans (Contd.)

The amount included in the Consolidated balance sheet arising from the Group's obligation in respect of its defined benefit plans and compensated absence is as follows:

Gratuity	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
Present value of defined benefit obligation	848.92	536.14
Fair value of plan assets	609.79	521.32
Net liability arising from defined benefit obligation	**(239.13)**	**(14.82)**
Funded	(228.81)	(12.36)
Unfunded	(10.32)	(2.46)
Net liability arising from defined benefit obligation	**(239.13)**	**(14.82)**
Compensated absences and other defined benefit plans		
Present value of other defined benefit obligation	295.68	175.02
Fair value of plan assets	-	-
Net liability arising from Compensated absences and other defined benefit obligation (unfunded)	**295.68**	**175.02**

Balances of gratuity and compensated absences are reflected in Notes 1.17, 1.23, 1.30 and 1.31.

Movements in the present value of the defined benefit obligation and compensated absences in the current year is as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
Gratuity		
Opening defined benefit obligation	536.14	499.72
Current service cost	38.67	29.91
Past service cost (Refer Note 2.7)	228.02	-
Interest cost	36.97	33.55
Actuarial (gain) arising from changes in demographic assumptions	-	(0.13)
Actuarial (gain) / loss arising from changes in financial assumptions	(37.95)	17.00
Actuarial loss / (gain) arising from experience adjustments	104.05	(6.82)
Benefits paid	(58.76)	(37.72)
Other adjustments	1.78	0.63
Closing defined benefit obligation	**848.92**	**536.14**
Compensated absences and other defined benefit obligation		
Opening defined benefit obligation	175.02	158.56
Current service cost	35.50	26.56
Past service cost (Refer Note 2.7)	101.84	-
Interest cost	12.74	10.60
Actuarial loss / (gain) arising from changes in financial assumptions	(19.29)	3.47
Actuarial (gain) arising from experience adjustments	(0.43)	(18.75)
Benefits paid	(9.70)	(6.22)
Other adjustments	-	0.80
Closing Compensated Absences and other defined benefit obligation	**295.68**	**175.02**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.3 EMPLOYEE BENEFIT PLANS (INCLUDING RETIREMENT BENEFIT PLANS) (Contd.)

3.3.2 Compensated absence and Defined benefit plans (Contd.)

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
Gratuity		
Opening fair value of plan assets	521.32	478.95
Interest on plan assets	35.34	33.71
Remeasurements due to actual return on plan assets less interest on plan assets	4.98	2.71
Contributions	103.19	39.58
Benefits paid	(55.04)	(37.72)
Other adjustments	-	4.09
Closing fair value of plan assets	**609.79**	**521.32**

The actual return on plan assets was ₹ 40.32 crores (2024-2025: ₹ 36.42 crores).

The Group 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.

Significant actuarial assumptions for the determination of the defined benefit 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

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Gratuity		
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	38.34	20.16
increase by	30.53	16.20
If the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
increase by	32.30	16.60
decrease by	37.64	20.36
Compensated absences		
If the discount rate is 50 basis points higher / lower, the defined benefit obligation would:		
decrease by	14.29	6.81
increase by	14.26	7.04
If the expected salary increases / decreases by 50 basis points, the defined benefit obligation would:		
increase by	14.78	6.97
decrease by	13.58	6.49

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

Furthermore, in presenting the above sensitivity analysis, the present value of the 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 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 Group expects to make a contribution of ₹ 281.06 crores (March 2025: ₹ 56.65 crores) to the defined benefit plans (gratuity - funded) during the next financial year.

The average duration of the defined benefit obligation (gratuity) is 7.10 years (March 2025: 7 years).

3.4 EARNINGS PER SHARE

	Year ended March 31, 2026	Year ended March 31, 2025
	₹	₹
Basic earnings per share	5.91	5.29
Diluted earnings per share	5.91	5.28
Face value per share	1.00	1.00

3.4.1 Basic and diluted earnings per share

	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
Profit for the year attributable to owners of the Parent Company	3,471.03	3,106.80
Earnings used in the calculation of diluted earnings per share	3,471.03	3,106.80

	Year ended March 31, 2026	Year ended March 31, 2025
	Nos.	Nos.
Weighted average number of equity shares used in the calculation of basic earnings per share	5,87,34,65,511	5,87,29,83,006
Adjustments :		
Dilutive effect - Number of shares relating to employee stock options	-	1,08,64,892
Weighted average number of equity shares used in the calculation of diluted earnings per share	**5,87,34,65,511**	**5,88,38,47,898**

During the year ended March 31, 2026, the Parent Company had issued bonus shares in the ratio 1:1 i.e. 1 (One) equity shares of Re. 1/- each for every 1 (One) fully paid-up equity share of Re. 1/- each. To comply with the requirements of Ind AS, the Earnings per share (both basic and diluted) for the comparative period have been calculated after adjustment of the number of bonus shares issued. Also, Refer Note 1.18.

3.5 SHARE BASED PAYMENTS

3.5.1a Details of employees stock option plan of the Group

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

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

Option series	Number	Grant date	Expiry date	Exercise price ₹	Fair value at grant date ₹
ESOP 3 (Refer Note below)	20,00,000	July 19, 2017	July 19, 2027	83.50	57.42
ESOP 5 (Refer Note below)	1,31,00,000	March 20, 2019	March 20, 2030	91.40	40.19

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

3.5.2a Fair value of share options granted during the year

There are no options granted during the year. Options granted in the earlier years 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.

3.5 SHARE BASED PAYMENTS (Contd.)

3.5.3a Movements in share options during the year

Particulars	Year ended March 31, 2026 Numbers	Weighted average exercise price ₹	Year ended March 31, 2025 Numbers	Weighted average exercise price ₹
Outstanding at the beginning of the year	92,35,000	91.06	94,35,000	90.90
Bonus on Outstanding (Refer Note 1.18(5)(b))	92,35,000	-	-	-
Granted during the year	-	-	-	-
Forfeited during the year	1,76,70,000	-	-	-
Exercised during the year	8,00,000	83.50	2,00,000	83.50
Outstanding at the end of the year	-	-	92,35,000	91.06

Weighted Average share price on date of exercise of option ₹ 135.74 (2025: ₹ 216.32)

The above ESOP Plan was forfeited due to non-achievement of defined annual performance parameters and subsequently the said ESOP plan was terminated.

3.5.4a 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 ₹ Nil (as at March 31, 2025: ₹ 91.06) and a weighted average remaining contractual life of Nil years (as at March 31, 2025: 3.88 years).

3.5.5a Share Appreciation rights

During the year, the Nomination and Remuneration Committee of Parent Company approved the grant of 2,68,48,171 Phantom Stock Appreciation Rights (PSARs) and 15,87,042 Phantom Restricted Stock Units (PRSUs) to eligible employees.

These awards entitle the eligible employees to receive cash payments over a vesting period ranging from one to three years. The payout under the PSARs and PRSUs will be based on the appreciation in the Parent Company's share price, determined as the increase between the share price at the grant date and the share price at the respective vesting dates.

The fair value of the PSARs and PRSUs was determined using the Monte Carlo Simulation Model using the following inputs at the grant date and as at March 31, 2026.

Particulars	March 31, 2026
Share Price at the measurement date (₹ per share) - PSARs	103.6
Share Price at the measurement date (₹ per share) - PRSUs	1
Expected Volatility (%)	14.50
Risk Free Interest rate (%)	5.80 to 6.20
Carrying amount of liability - (₹ Crores)	28.25

There were no PSARs and PRSUs granted in prior years.

3.5 SHARE BASED PAYMENTS (Contd.)

3.5.1b Details of employees stock option plan of the Group

One of the Subsidiary of the Group has Employees Stock Options Plan (ESOP) scheme granted to employees which has been approved by its shareholders. In accordance with the terms of the plan, eligible employees may be granted options to purchase equity shares of the subsidiary. Each employee share option converts into one equity share of the subsidiary on exercise at the exercise price as per the scheme. The options carry neither rights to dividend nor voting rights. These are graded vesting options which vests on varying dates within the expiry date mentioned below with an option life of 5 years after vesting. Options can be exercised at any time within 5 years from the expiry date.

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

Option series	Number	Grant date	Expiry date	Exercise price ₹
ESOP 1	70,58,500	July 19, 2018	July 18, 2021	10.00
ESOP 2	70,000	November 15, 2018	November 14, 2021	10.00
ESOP 3	2,55,000	February 12, 2019	February 11, 2022	10.00
ESOP 4	3,50,000	July 29, 2019	July 28, 2022	10.00
ESOP 5	1,90,000	November 6, 2019	November 5, 2022	10.00
ESOP 6	1,00,000	January 6, 2020	July 19, 2023	10.00
ESOP 7	1,95,000	April 23, 2021	July 19, 2023	12.00
ESOP 8	4,46,750	August 16, 2021	July 19, 2023	12.00
ESOP 9	62,46,000	November 30, 2022	November 30, 2026	11.97
ESOP 10	18,00,000	February 22, 2023	November 30, 2026	20.75
ESOP 11	13,00,000	October 1, 2023	September 27, 2027	24.12
ESOP 12	20,80,000	December 4, 2023	November 30, 2027	24.20
ESOP 13	8,05,000	May 16, 2024	November 30, 2027	51.70
ESOP 14	30,00,000	June 24, 2024	June 24, 2028	51.70

3.5.2b Fair value of share options granted during the year

There are 38,05,000 stock options issued during the previous financial year (the weighted average fair value of the stock options granted during the year ended March 31, 2025 is ₹ 51.70). 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 of similar listed Companies.

3.5.3b Movements in share options during the year

Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
	Numbers	Weighted average exercise price (₹)	Numbers	Weighted average exercise price (₹)
Opening at the beginning of the year	1,70,67,500	22.06	1,39,02,250	13.44
Granted during the year	-	-	38,05,000	51.70
Exercised during the year	1,64,500	12.46	6,39,750	11.03
Lapsed during the year	6,01,500	25.73	-	-
Outstanding at the end of the year	1,63,01,500	22.02	1,70,67,500	22.06

3.5.4b Share options vested but not exercised during the year

Number of stock options vested but not exercised: 1,02,89,500 (March 31, 2025 : 36,19,750)

3.5.5b 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 ₹ 22.02 (as at March 31, 2025: ₹ 22.06) and a weighted average remaining contractual life of 5 years (as at March 31, 2025: 5 years).

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.5 SHARE BASED PAYMENTS (Contd.)

3.5.1c Details of employees stock option plan of the Group

One of the Subsidiary of the Group, has granted certain stock options to its employees under Employee stock option scheme, 2013 ("ESOP Scheme"). The employee stock options granted entitle the employees to purchase equity shares at an exercise price either at ₹ 10/- per option or fair value at the date of the grant as determined by the Nomination and Remuneration Committee of the said subsidiary at the date of grant. During the current year, the Subsidiary has granted options to its employees under the ESOP Scheme. Options to employees are usually granted with a four-year graded vesting. The options would need to be exercised within a 5 years (Till 2021 - 3 years) period from the date of vesting.

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

Option series	Number	Grant date	Expiry date	Exercise price ₹	Fair value at grant date ₹
ESOP 1	3,07,000	November 10, 2016	Refer Note Below	54.40	79.00
ESOP 2	1,11,000	January 29, 2018	Refer Note Below	110.00	110.00
ESOP 3	40,000	October 17, 2018	Refer Note Below	110.00	110.00
ESOP 4	40,000	March 20, 2019	Refer Note Below	110.00	110.00
ESOP 5	1,60,000	May 22, 2019	Refer Note Below	110.00	110.00
ESOP 6	3,25,000	June 3, 2021	Refer Note Below	92.97	110.00
ESOP 7	2,00,000	August 28, 2024	Refer Note Below	153.00	199.99
ESOP 8	6,75,000	October 2, 2025	Refer Note Below	200.00	203.00

Note:

The Exercise Period shall commence from the date of Vesting and the Vested Options can be Exercised within a period of 5 to 7 years from date of Vesting of Option or till it is cancelled as per the provisions of the Scheme.

3.5.2c Fair value of share options granted during the year

The Subsidiary measures the compensation cost relating to the stock option using fair value method. The compensation cost is amortised over the vesting period of the stock option. The Subsidiary has accounted for the Employee stock options granted as per Ind AS 102 'Share based payment'. Accordingly, the Subsidiary has recognised an expense of ₹ 3.43 crores (March 31, 2025: ₹ 1.19 crores) towards employee stock compensation expense for the year ended March 31, 2026.

3.5.3c Movements in share options during the year

Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
	Numbers	Weighted average exercise price (₹)	Numbers	Weighted average exercise price (₹)
Opening at the beginning of the year	10,25,000	100.95	10,79,000	84.20
Granted during the year	6,75,000	200.00	2,00,000	153.00
Reinstated during the year	1,87,500	-	-	-
Forfeited during the year	10,500	54.40	1,62,000	54.40
Exercised during the year	19,000	-	92,000	88.89
Outstanding at the end of the year	18,58,000	100.95	10,25,000	100.95
Exercisable at the end of the year	10,23,000	89.59	7,25,000	92.14

3.5.4c Share options vested but not exercised during the year

10,23,000 options were vested and outstanding as at the end of current year (March 31, 2025: 7,27,500).

3.5.5c 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 ₹ 100.95 (March 31, 2025: ₹ 100.95)

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS

3.6.1 Capital management

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

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

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

	March 31, 2026	March 31, 2025
	₹ Crores	₹ Crores
Debt (Non - Current / Current borrowings and lease liabilities net off effective interest rate adjustment)*	63,935.70	49,962.11
Total Equity (including Non-controlling interest)	18,546.24	15,844.86
Debt equity ratio	3.45	3.15
* includes borrowing in relation to financing activity	59,049.05	45,924.05

The capital adequacy ratio relating to subsidiaries engaged in financing activities is 19.03% (March 2025: 19.29%).

The quarterly returns or statements of current assets filed by the Group with Banks are in agreement with the books of account.

3.6.2 Financial risk management

In course of its business, the Group is exposed to certain financial risks that could have significant influence on the Group'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 respective company's Board reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

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

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

(A) Market risk

Market risk represent changes in market prices, liquidity and other factors that could have an adverse effect on realisable fair values or future cash flows to the Group. The Group's activities exposes 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.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

(1) Foreign currency risk management:

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

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

As on March 31, 2026 (all amounts are in equivalent ₹ in Crores):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	5,427.56	5,128.11	299.45	366.57	521.01	(154.44)	(453.89)
EUR	633.10	585.19	47.91	8.47	0.65	7.82	(40.09)
GBP	0.61	-	0.61	17.63	-	17.63	17.02
JPY	1.71	0.78	0.93	-	-	-	(0.93)
CAD	-	-	-	2.40	-	2.40	2.40
AED	2.45	-	2.45	59.98	-	59.98	57.53
Others	11.78	-	11.78	63.08	-	63.08	51.30

As on March 31, 2025 (all amounts are in equivalent ₹ in Crores):

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	2,643.79	2,327.98	315.81	426.19	405.92	20.27	(295.54)
EUR	11.39	3.62	7.77	7.71	3.32	4.39	(3.38)
GBP	2.36	0.21	2.15	20.61	3.09	17.52	15.37
JPY	2.09	1.65	0.44	-	-	-	(0.44)
SGD	58.87	58.87	-	-	-	-	-
CAD	0.02	-	0.02	2.10	-	2.10	2.08
AED	1.28	-	1.28	55.32	-	55.32	54.04
Others	4.10	-	4.10	8.29	-	8.29	4.19

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Group against major foreign currencies may impact the Group's profit and loss. Any weakening of the functional currency may impact the Group's export proceeds, import payments and cost of borrowings.

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

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

₹ Crores

	USD impact	
	March 31, 2026	March 31, 2025
Profit or loss	9.08	5.91
Equity	9.08	5.91

	EUR impact	
	March 31, 2026	March 31, 2025
Profit or loss	0.80	0.07
Equity	0.80	0.07

	CAD impact	
	March 31, 2026	March 31, 2025
Profit or loss	0.05	2.10
Equity	0.05	2.10

	Impact of other currencies	
	March 31, 2026	March 31, 2025
Profit or loss	1.03	0.08
Equity	1.03	0.08

	GBP impact	
	March 31, 2026	March 31, 2025
Profit or loss	0.34	0.31
Equity	0.34	0.31

	JPY impact	
	March 31, 2026	March 31, 2025
Profit or loss	0.02	0.01
Equity	0.02	0.01

	AED impact	
	March 31, 2026	March 31, 2025
Profit or loss	1.15	0.04
Equity	1.15	0.04

3.6 FINANCIAL INSTRUMENTS (Contd.)

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

March 31, 2026	Foreign currency (in Crores)		Notional value (₹ Crores)	Fair value assets / (liabilities)* (₹ Crores)	Maturity date	Hedge ratio	Weighted Average rate
Cash flow hedges:							
Buy USD - Sell INR	USD	56.98	5,083.55	334.91	April 2026 - November 2028	1 : 1	USD 1 : INR 89.22
Buy EUR - Sell INR	EUR	6.00	574.80	89.26	June 2028	1 : 1	EUR 1 : INR 95.80
Fair value hedges:							
Buy USD - Sell INR	USD	0.47	44.56	0.92	April 2026 - May 2026	1 : 1	USD 1 : INR 93.15
Sell USD - Buy INR	USD	5.49	521.01	(17.00)	April 2026 - October 2026	1 : 1	USD 1 : INR 92.47
Sell EUR - Buy INR	EUR	0.01	0.65	(0.01)	April 2026	1 : 1	EUR 1 : INR 108.15
Buy EUR - Sell INR	EUR	0.10	10.39	(0.01)	May 2026	1 : 1	EUR 1 : INR 109.85
Buy JPY - Sell INR	JPY	1.31	0.78	-	April 2026 - May 2026	1 : 1	JPY 1 : INR 0.60

March 31, 2025	Foreign currency (in Crores)		Notional value (₹ Crores)	Fair value assets / (liabilities)* (₹ Crores)	Maturity date	Hedge ratio	Weighted Average rate
Cash flow hedges:							
Sell USD - Buy INR	USD	0.57	49.02	1.14	April 2025 - July 2025	1 : 1	USD 1 : INR 87.73
Buy USD - Sell INR	USD	1.99	169.67	(2.30)	April 2025 - July 2025	1 : 1	USD 1 : INR 87.26
Fair value hedges:							
Buy USD - Sell INR	USD	0.81	69.37	(0.90)	April 2025 - June 2025	1 : 1	USD 1 : INR 86.93
Sell USD - Buy INR	USD	4.80	405.92	6.88	April 2025 - June 2025	1 : 1	USD 1 : INR 87.27
Sell EUR - Buy INR	EUR	0.04	3.32	0.02	May 2025	1 : 1	EUR 1 : INR 93.25
Buy EUR - Sell INR	EUR	0.04	3.62	#	May 2025	1 : 1	EUR 1 : INR 92.93
Buy JPY - Sell INR	JPY	2.90	1.65	(0.01)	April 2025 - May 2025	1 : 1	JPY 1 : INR 0.58
Buy GBP - Sell INR	GBP	#	0.21	#	May 2025	1 : 1	GBP 1 : INR 111.47

* included in the balance sheet under 'Non - Current and Current - other financial assets' and 'Non - Current and Current - other financial liabilities'. [Refer notes 1.6, 1.15, 1.21 and 1.28]

amount is below rounding off norms adopted by the Group.

(2) Interest rate risk management:

The Group is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. 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 Group also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates vice versa using interest rate swap contracts.

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

	March 31, 2026	March 31, 2025
	₹ Crores	₹ Crores
Variable rate Borrowings	53,571.42	42,997.53
Fixed rate Borrowings *	10,017.02	6,637.82
	63,588.44	**49,635.35**

* includes variable rate borrowings amounting to ₹ Nil (March 31, 2025: ₹ 57.76 crores) subsequently converted to fixed rate borrowings through swap contracts.

Of the above, variable rate borrowings amounting to ₹ 49,712.17 crores (March 31, 2025: ₹ 40,176.54 crores) and fixed rate borrowings amounting to ₹ 9,247.26 crores (March 31, 2025: ₹ 5,670.13 crores) relates to financing activity.

3.6 FINANCIAL INSTRUMENTS (Contd.)

Interest rate sensitivity analysis

(a) For businesses other than financing activities:

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. Interest rate sensitivity is performed at 25 basis points, as these rates are used by the Management regularly in assessing the reasonable possible changes in the interest rates.

If interest rates had been 25 basis points higher/ lower, the Group's profit / loss for the Year ended March 31, 2026 would decrease / increase by ₹ 9.65 crores (March 31, 2025 decrease / increase by ₹ 7.05 crores). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

(b) For business relating to financing activities:

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The weighted average interest rate on variable rate borrowing is around 8.12% p.a (March 31, 2025: 8.70% p.a). 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. Interest rate sensitivity is performed at 25 basis points, as these rates are used by the Management regularly in assessing the reasonable possible changes in the interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended March 31, 2026 would decrease / increase by ₹ 105.61 crores (March 31, 2025: decrease / increase by ₹ 91.62 crores). The corresponding impact on profit after tax and equity is ₹ 79.03 crores (March 31, 2025: ₹ 68.56 crores). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

All the financial assets except housing loans and loan against property are fixed rate instruments. In relation to housing loans and loan against property the interest rate sensitivity analysis are provided below :

		March 31, 2026	March 31, 2025
		₹ Crores	₹ Crores
Housing Loans	Increase / decrease of 100 basis points	112.94	105.89
Loan against Property	Increase / decrease of 50 basis points	-	-

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

The Group has taken foreign currency and interest rate swap (FCIRS) contracts for hedging its foreign currency and interest rate risks related to certain external commercial borrowings. The net mark-to-market gain / (loss) as at March 31, 2026 is ₹ 426.45 crores (March 31, 2025: ₹ 15.98 crores). 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 Group's profit / loss for the year ended March 31, 2026 would approximately decrease/ increase by ₹ Nil (year ended March 31, 2025: decrease / increase by ₹ Nil). Of the above ₹ 426.45 crores (March 31, 2025: 23.37 crores) of foreign currency and interest rate sensitivity relates to financing activity.

(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 Group's investments exposes the Group to equity price risks. In general, these securities are not held for trading purposes.

(B) Credit risk

(a) For businesses other than financing activities:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group is exposed to credit risk from trade receivables, bank balances, financial guarantees, mutual funds and other financial assets.

<u>Credit risk on Trade receivables:</u>

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 Parent Company operates predominantly on cash and carry basis excepting sale to State Transport Undertaking (STU), Government and project customers based on tender terms and certain export / domestic customers which are on credit basis. The average credit period is in the range of 7 days to 90 days. However, in select cases, credit is extended which is backed by Security deposit/ Bank guarantee/ Letter of credit and other forms. The Group creates specific provisions for disputes and the expected credit losses for such receivables are insignificant. The Group's trade and other receivables, consists of a large number of customers, across geographies, hence the Group is not exposed to concentration risk except in case of a STU in relation to the Parent Company.

3.6 FINANCIAL INSTRUMENTS (Contd.)

The Group makes a loss allowance using simplified approach for expected credit loss (ECL) and on a case to case basis. ECL are the weighted average of credit losses with the expected risk of default occurring as the weights (historically not significant). ECL is difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The ageing on trade receivable is given in note 1.12.

Others:

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. The credit risk on financial guarantees and other financial assets are evaluated to be immaterial.

The Group's investments in highly liquid mutual funds are considered low-risk. The credit ratings of the respective fund houses are carefully evaluated prior to making any investment decision.

(b) For business relating to financing activities:

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group 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 Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Receivables consist of a large number of customers, spread across diverse categories of products. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee cover is taken. The Group does not have a credit risk to an individual customer in excess of 5%. The Group's concentrations of risk are managed by client / counterparty and industry sector. The following table shows the risk concentration by industry for the significant components of the financial assets:

₹ Crores

Particulars	March 31, 2026		
	Financial services	Retail and wholesale	Total
Investments	2,970.07	-	2,970.07
Loans	1,119.24	57,943.44	59,062.68

Particulars	March 31, 2025		
	Financial services	Retail and wholesale	Total
Investments	3,254.00	-	3,254.00
Loans	-	47,558.82	47,558.82

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. The Group runs models for its key portfolios which incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower’s behaviour. Probability of Defaults (PD) are then adjusted for Ind AS 109 ECL calculations to incorporate forward looking information and the Ind AS 109 Stage classification of the exposure.

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client’s ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Group determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios.

The accounts which were restructured under the Resolution Framework for COVID-19 related stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) were initially classified under Stage 2. As at March 31, 2026, the restructured loans were grouped in the respective stages as per the days past due.

The credit risk assessment is based on a standardised Loss Given Default (LGD) assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held. The Group segments its lending products into smaller homogeneous portfolios. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics. Further recent data and forward-looking economic scenarios are used in order to determine the Ind AS 109 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios.

3.6 FINANCIAL INSTRUMENTS (Contd.)

Expected credit loss provision matrix for financing activities is as follows:

			March 31, 2026	March 31, 2025
Ageing (weighted average across various portfolios)	Staging	Provisions	Expected Credit Loss %	Expected Credit Loss %
0-30 days past due	Stage 1	12 month provision	0.43%	0.37%
30-90 days past due	Stage 2	Life time provision	5.01%	3.59%
More than 90 days past due	Stage 3	Life time provision	45.26%	42.24%

Grouping

As per Ind AS 109, the Group is required to group the portfolio based on the shared risk characteristics. The Group has assessed the risk and its impact on the various portfolios and has divided the portfolio into Two wheeler loans, Vehicle loans, Loan against property, Construction equipment ,Three wheeler loans and Housing Loans. The below table represents gross exposures excluding the value of the underlying collaterals.

Expected credit loss for loans and investments relating to financing activity

₹ Crores

Particulars	March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
Investments				
Estimated gross carrying amount at default	2,697.46	-	272.61	2,970.07
Expected probability of default	-	-	-	-
Expected credit losses	-	-	-	-
Carrying amount net of impairment provision	**2,697.46**	**-**	**272.61**	**2,970.07**
Loans				
Estimated gross carrying amount at default	52,985.00	5,414.18	2,125.91	60,525.09
Expected probability of default	0.05% to 7.80%	2.50% to 43.29%	100%	0.05% to 100%
Expected credit losses	(229.08)	(271.20)	(962.13)	(1,462.41)
Carrying amount net of impairment provision	**52,755.92**	**5,142.98**	**1,163.78**	**59,062.68**

Particulars	March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Investments				
Estimated gross carrying amount at default	2,788.29	-	465.71	3,254.00
Expected probability of default	-	-	-	-
Expected credit losses	-	-	-	-
Carrying amount net of impairment provision	**2,788.29**	**-**	**465.71**	**3,254.00**
Loans				
Estimated gross carrying amount at default	42,338.49	4,554.54	1,712.66	48,605.69
Expected probability of default	0.05% to 7.80%	2.50% to 43.29%	100%	0.05% to 100%
Expected credit losses	(159.80)	(163.59)	(723.48)	(1,046.87)
Carrying amount net of impairment provision	**42,178.69**	**4,390.95**	**989.18**	**47,558.82**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.6 FINANCIAL INSTRUMENTS (Contd.)

Movement in Expected credit loss allowance for loans and investments relating to financing activity

₹ Crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Balance as at April 1, 2024	**164.22**	**161.71**	**594.63**	**920.56**
Assets derecognised or repaid	(7.92)	(16.49)	(82.12)	(106.53)
Assets originated or purchased	34.30	13.41	85.30	133.01
Change in the measurement from 12 month to life time expected losses and vice versa	(30.80)	4.96	125.67	99.83
Write offs	-	-	-	-
Balance as at March 31, 2025	**159.80**	**163.59**	**723.48**	**1,046.87**
Assets derecognised or repaid	(19.63)	(23.76)	(110.57)	(153.96)
Assets originated or purchased	142.24	50.61	139.20	332.05
Change in the measurement from 12 month to life time expected losses and vice versa	(53.33)	80.76	210.02	237.45
Write offs	-	-	-	-
Balance as at March 31, 2026	**229.08**	**271.20**	**962.13**	**1,462.41**

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

Concentration of credit risk for financing activities

The subsidiaries engaged in financing activities monitors concentration of credit risk as below:

Particulars	Type of counter party	As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
Concentration by type of loan:			
- Commercial and other vehicles	Retail, NBFCs, Financial Institutions and Housing Finance Company	34,286.56	28,383.25
- Loan against property	Retail	14,735.00	9,549.23
- Housing loans	Retail	11,503.53	10,673.21
- Term loans	Corporate	-	-
Total		**60,525.09**	**48,605.69**
In India		60,525.09	48,605.69
Outside India		-	-

In addition to the above the subsidiaries engaged in financing activites made investments in pass through securities, debentures, equity shares, government securities, funds and security receipts, all of which are exposures to other financial institutions in India. The exposure to such parties for the year ended March 31, 2026 is ₹ 2,970.07 crores (March 31, 2025: ₹ 3,254 crores).

During the current year, the following macro economic variables has been considered:

Segment	Macro-Economic Variables correlated for each segment			
Three Wheelers	Average real wages (% change p.a.)	Nominal GDP (US$)	Consumer expenditure: Total (US$)	Gross personal income (US$)
Small Commercial Vehicle	Real personal disposable income (% change p.a.)	Real GDP (% change p.a.)	Industrial production (% change p.a.)	Private consumption (real % change p.a.)
Two Wheeler	Effective interest rate (%)	Petroleum production (b/d)	Gross personal income (US$)	Real personal disposable income (% change p.a.)
Heavy Commercial Vehicle	Average real wages (% change p.a.)	Consumer expenditure: Total (US$)	Real GDP (% change p.a.)	Nominal GDP (US$)

3.6 FINANCIAL INSTRUMENTS (Contd.)

During the current year, the following macro economic variables has been considered:

Segment	Macro-Economic Variables correlated for each segment			
Intermediate Commercial Vehicle	Real GDP (% change p.a.)	Private consumption (real % change p.a.)	Real personal disposable income (% change p.a.)	Industrial production (% change p.a.)
Light Commercial Vehicles	Real GDP (% change p.a.)	Private consumption (real % change p.a.)	Real personal disposable income (% change p.a.)	Industrial production (% change p.a.)
Medium Commercial Vehicle	Real GDP (% change p.a.)	Private consumption (real % change p.a.)	Real personal disposable income (% change p.a.)	Industrial production (% change p.a.)
Multi Utility Vehicle	Real GDP (% change p.a.)	Private consumption (real % change p.a.)	Real personal disposable income (% change p.a.)	Industrial production (% change p.a.)
Buses	Real GDP (% change p.a.)	Private consumption (real % change p.a.)	Real personal disposable income (% change p.a.)	Industrial production (% change p.a.)
Construction Equipments	Private consumption (real % change p.a.)	Industrial production (% change p.a.)	Real GDP (% change p.a.)	Real personal disposable income (% change p.a.)
Tipper	Real GDP (% change p.a.)	Average real wages (% change p.a.)	Employment growth (% p.a.)	Industrial production (% change p.a.)
Farm Equipment & Tractor	Petroleum production (b/d)	Effective interest rate (%)	Gross personal income (US$)	Nominal GDP (US$)
Car	Employment growth (% p.a.)	Domestic demand (% of GDP)	Real GDP (% change p.a.)	Average real wages (% change p.a.)
Loan Against Property (LAP)	Effective interest rate (%)	Petroleum production (b/d)	Gross personal income (US$)	Nominal GDP (US$)

Since the subsidiaries engaged in financing activities has used Real GDP as a predominant macro-economic variable the sensitivity around the same is given below:

Year ended	Increase / Decrease	Impact on ECL
March 31, 2026	Decrease by 5%	78.71
March 31, 2025	Increase by 5%	71.24

RBI vide Circular dated November 12, 2021 and further clarified vide circular dated February 15, 2022. - "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications" has clarified / harmonized certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The subsidiaries engaged in financing activities has complied with the said norms with effect from 01 October 2022.

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.

Changes in objectives, policies and processes for managing the risk for financing activities

There is no significant changes as compared to the previous year in the objectives, policies and processes followed by the Group for managing the risk.

Under Ind AS 109, all financial assets need to be assessed based on their cash flow characteristics and the business model in which they are held in order to determine their classification.

The Group's assessment of business model concluded that "Loans to customers" excluding two wheeler loans, three wheeler loans, tractor loans, corporate term loans, unsecured loans, housing loans are not intended to be held for maturity. Accordingly, loan to customers other than above have been accounted at Fair Value Through Other Comprehensive Income ('FVOCI').

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Group does not have the right to offset in case of the counterparty's bankruptcy, therefore, these disclosures are not required.

3.6 FINANCIAL INSTRUMENTS (Contd.)

(C) Liquidity risk

Liquidity risk refers to the risk that the Group 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 Group has obtained fund and non-fund based working capital limits from various banks. Furthermore, the Group has access to funds from debt markets through commercial paper programs, non-convertible debentures, and other debt instruments. The Group invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark-to-market risks.

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

	March 31, 2026	March 31, 2025
	₹ Crores	₹ Crores
From Banks		
- Secured	19,911.70	14,805.22
- Unsecured	1,275.55	915.63
Total	**21,187.25**	**15,720.85**

Further to the above, the Parent Company has an option to issue commercial paper for an amount of ₹ 2,000 crores (March 31, 2025 ₹ 2,000 crores). The Group also constantly monitors funding options available in the debt and capital markets with a view to maintain financial flexibility.

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

₹ Crores

March 31, 2026	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	9,291.24	-	-	9,291.24
Other financial liabilities	2,125.65	178.85	0.42	2,304.92
Borrowings	19,550.60	41,252.75	4,143.17	64,946.52
Lease liabilities	74.73	176.85	83.69	335.27
	31,042.22	**41,608.45**	**4,227.28**	**76,877.95**

₹ Crores

March 31, 2025	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Total
Trade payables	8,019.48	-	-	8,019.48
Other financial liabilities	1,867.84	116.27	-	1,984.11
Borrowings	15,318.48	31,597.29	4,154.07	51,069.84
Lease liabilities	93.86	231.21	95.98	421.05
	25,299.66	**31,944.77**	**4,250.05**	**61,494.48**

As there is immaterial expected credit loss on the financial guarantees given to group companies, the Parent Company has not recognised a liability towards financial guarantee as at the end of the reporting period. Accordingly, the same is not included in the above table.

3.6 FINANCIAL INSTRUMENTS (Contd.)

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.

₹ Crores

March 31, 2026	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Currency and interest rate swaps	-	-	-
Foreign exchange forward contracts	17.02	-	17.02
	17.02	**-**	**17.02**

₹ Crores

March 31, 2025	Due in 1st year	Due in 2nd to 5th year	Carrying amount
Currency and interest rate swaps	27.89	0.79	28.68
Foreign exchange forward contracts	3.24	-	3.24
	31.13	**0.79**	**31.92**

3.6.3 Categories of Financial assets and liabilites:

Particulars		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
Financial assets			
a.	**Investments - Accounted for using equity method (net of impairment)**	196.01	140.17
b.	**Measured at amortised cost:**		
	Investments	1,649.66	1,500.30
	Cash and cash equivalents	6,280.89	6,544.77
	Other bank balances	4,476.33	718.67
	Trade Receivables (net of allowance)	3,087.44	3,346.87
	Loans (net of allowance)	20,365.39	18,328.62
	Others (net of allowance)	1,776.30	1,289.73
c.	**Mandatorily measured at fair value through profit or loss (FVTPL) / Other Comprehensive Income (OCI):**		
	Investments	5,621.41	4,969.18
	Loans (net of allowance)*	38,697.29	29,291.30
	Derivatives designated as hedging instruments	427.38	20.74
Financial liabilities			
a.	**Measured at amortised cost:**		
	Borrowings	63,649.80	49,701.10
	Trade Payables	9,291.24	8,019.48
	Other financial liabilities	2,748.15	2,270.40
b.	**Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):**		
	Derivatives designated in hedge accounting relationships	17.02	31.92
	Earnout liability	-	34.12

*These are loans relating to financing activities which are measured at fair value through OCI (recurring fair value measurements - Level 3) and the fair value gain accounted during the year amounts to ₹ 803.45 crores (March 31, 2025: gain ₹ 1,237.63 crores)

3.6 FINANCIAL INSTRUMENTS (Contd.)

3.6.4 Fair value measurements:

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

The carrying amounts of current financials assets and liabilites are considered to be the same as their fair values, due to their short-term nature. Difference between fair value of non-current financial instruments carried at amortised cost and their carrying value is not considered to be material to the financials statements. The fair values for loans and security deposits are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values :

₹ Crores

	March 31, 2026		March 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets held at amortised cost:				
- Investments relating to financing activities	1,631.10	1,631.10	1,482.42	1,482.42
- Loans relating to financing activities	20,365.39	20,365.39	18,267.51	18,267.51
- Other financial assets relating to financing activities	1,804.54	1,804.54	925.86	925.86
Financial liabilities				
Financial liabilities held at amortised cost:				
- Redeemable non-convertible debentures (relating to financing activities)	2,338.68	2,338.68	1,355.80	1,355.80
- Subordinated redeemable non-convertible debentures and loan (relating to financing activities)	4,790.92	4,790.92	3,212.57	3,212.57
- Commercial Paper(relating to financing activities)	96.94	96.94	98.73	98.73
- Term loans and cash credit and working capital demand loans (relating to financing activities)	51,732.88	51,732.88	41,179.56	41,179.56

₹ Crores

	Fair value hierarchy as at March 31, 2026			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets held at amortised cost:				
- Investments relating to financing activities	-	-	1,631.10	**1,631.10**
- Loans relating to financing activities	-	-	20,365.39	**20,365.39**
- Other financial assets relating to financing activities	-	-	1,804.54	**1,804.54**
Financial liabilities				
Financial liabilities held at amortised cost:				
- Redeemable non-convertible debentures (relating to financing activities)	-	2,338.68	-	**2,338.68**
- Subordinated redeemable non-convertible debentures and loans (relating to financing activities)	-	4,790.92	-	**4,790.92**
- Commercial Paper	-	96.94	-	**96.94**
- Term loans (relating to financing activities)	-	-	51,732.88	**51,732.88**

3.6 FINANCIAL INSTRUMENTS (Contd.)

₹ Crores

	Fair value hierarchy as at March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets held at amortised cost:				
- Investments relating to financing activities	-	-	1,482.42	**1,482.42**
- Loans relating to financing activities	-	-	18,267.51	**18,267.51**
- Other financial assets relating to financing activities	-	-	925.86	**925.86**
Financial liabilities				
Financial liabilities held at amortised cost:				
- Redeemable non-convertible debentures (relating to financing activities)	-	1,355.80	-	**1,355.80**
- Subordinated redeemable non-convertible debentures and loans (relating to financing activities)	-	3,212.57	-	**3,212.57**
- Commercial Paper	-	98.73	-	**98.73**
- Term loans (relating to financing activities)	-	-	41,179.56	**41,179.56**

The fair values of the financial liabilities included in the level 2 and level 3 categories have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the differences in the rates from date of initial recognition to the reporting dates

The carrying value and fair value of investments and loans at amortised cost is gross of ECL provision.

The significant inputs were:

a) the estimate of cash flows; and

b) the discount rate to compute the present value of the future expected cash flows

c) decrease in the estimated cash inflows in isolation would result in a significant decrease in the fair value.

(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 Group'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, 2026	March 31, 2025		
Derivative instruments, i.e. forward foreign currency contracts, currency and interest rate swaps	Assets – ₹ 427.38 Crores; and Liabilities – ₹ 17.02 Crores	Assets – ₹ 20.74 Crores; and Liabilities – ₹ 31.92 Crores	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 Group/ 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 Group/ various counterparties.

3.6 FINANCIAL INSTRUMENTS (Contd.)

Financial assets/ financial liabilities	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, 2026	March 31, 2025				
Investments in mutual funds	₹ 5,140.63 crores	₹ 4,269.45 crores	Level 1	Net assets value in an active market	Not applicable	Not applicable
Loans relating to financing activities	₹ 38,697.29 Crores	₹ 29,291.30 Crores	Level 3	Income approach – in this approach, the discounted cash flow method used to capture the present value of the expected future economic benefits	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 discount rate used would result in a significant increase in the fair value. (Note 4)
Investments in unquoted equity shares and Investment in special limited partnership	Equity shares of: Hinduja Energy (India) Limited - ₹ 109.09 crores (Refer note 1.3) Others - ₹ 33.39 crores (Refer note 1.3)	Equity shares of: Hinduja Energy (India) Limited - ₹ 142.53 crores (Refer note 1.3) Others - ₹ 32.76 crores (Refer note 1.3)	Level 3	Income approach and Net Asset Value (Realisable value) approach – in these approaches, the 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 2 and 3)
Investments in security receipts relating to financing activities	₹ 272.61 Crores.	₹ 465.71 Crores.	Level 3	The discounted cashflow method used to capture the present value of expected future economic benefits after providing for the impairment loss	a) Estimated future cash flow and its realisable value b) Estimated of Notional loss of underlying assets	Increase in the recovery rate would increase the fair value, while increase in the discount rate would reduce the fair value
Investments in AIF relating to financing activities	₹ 23.59 Crores.	₹ 17.55 Crores.	Level 1	Mark to Market approach	Not applicable	Not applicable
Investments in quoted equity shares relating to financing activities	₹ 42.10 crores	₹ 41.19 crores	Level 1	Share price in active market	Not applicable	Not applicable
Earnout Liability	Nil	₹ 34.12 crores	Level 3	The fair value of the contingent consideration is determined by discounting the estimated amount payable, on satisfication of the conditions, by applying discounted cash flow approach	Not applicable	Not applicable

3.6 FINANCIAL INSTRUMENTS (Contd.)

Notes:

1) There were no transfers between Level 1, 2 and 3 during the year.
2) Other things remaining constant, 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 ₹ 15.16 crores / ₹ 15.84 crores (as at March 31, 2025: ₹15.53 crores / ₹ 16.14 crores).
3) Other things remaining constant, a 5% increase/ decrease in the revenue would increase/ decrease the fair value of the unquoted equity instruments by ₹ 59.80 crores / ₹ 59.86 crores (as at March 31, 2025: ₹ 60.17 crores / ₹ 59.13 crores).
4) A 100 basis points increase / decrease in the discount rate used would decrease / increase the fair value of loans relating to financing activities by ₹ 852.94 crores / ₹ 890.39 crores (as at March 31, 2025: ₹ 555.94 crores / ₹ 578.71 crores).
5) 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 a gain of ₹ 0.64 crores (as at March 31, 2025: gain of ₹ 0.46 crores). The Group has also recognised a fair value loss on equity instruments amounting to ₹ 33.44 crores during the year, which has been included under Other Income (Refer Note 2.2). In the previous year ended March 31, 2025, a fair value gain of ₹ 120.53 crores was recognised in exceptional item (Refer Note 2.7)
6) During the current year, the step down subsidiary company (Hinduja Housing Finance Limited) has assessed business model for managing financial assets and concluded that non-housing loans (excluding NPA and refinance loans) portfolio has been held to collect contractual cash flows and sales; accordingly, it has been classified at fair value through other comprehensive income. The fair value of these loan assets as at March 31, 2026 is ₹ 2,208.10 crores, including a gain of ₹ 0.32 crores has been recognised in other comprehensive income (“OCI”).

3.6.5 Collateral and other credit enhancements related disclosures for financing activities:

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are vehicles, loan portfolios and mortgaged properties based on the nature of loans. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement. The Group advances loan to maximum extent of 70% of the value of the mortgaged properties and 70% in case of vehicles respectively.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.7 REVENUE FROM CONTRACTS WITH CUSTOMERS:

3.7.1 Disaggregated revenue information

Particulars		Year ended March 31, 2026	Year ended March 31, 2025
		₹ Crores	₹ Crores
Type of goods and service			
a)	Sale of products		
	- Commercial vehicles	39,472.82	34,446.40
	- Engines and gensets	1,750.21	1,481.59
	- Ferrous castings and patterns	602.41	572.24
	- Spare parts and others	4,650.48	4,069.08
		46,475.92	**40,569.31**
b)	Sale of services		
	- Freight and related services	661.58	978.24
	- Annual Maintenance Contracts	286.53	271.43
	- IT and engineering services	766.05	622.27
	- Others (includes extended warranty services)	832.44	580.10
		2,546.60	**2,452.04**
c)	Other operating revenues		
	- Scrap sales	137.28	113.72
	- Others	73.67	27.02
		210.95	**140.74**
Less: Rebates and discounts		994.86	881.45
Total revenue from contracts with customers		**48,238.61**	**42,280.64**
India		41,882.96	37,601.95
Outside India		6,355.65	4,678.69
Total revenue from contracts with customers		**48,238.61**	**42,280.64**

₹ Crores

Timing of revenue recognition	Year ended March 31, 2026		Year ended March 31, 2025	
Particulars	At a point in time	Over a period of time	At a point in time	Over a period of time
- Sale of products and other operating revenue	46,680.94	5.93	40,704.62	5.43
- Sale of Services - Freight and related services	18.73	642.85	307.67	670.57
- Sale of Services - IT and engineering	-	766.05	-	622.27
- Sale of Services - AMC and Others (includes extended warranty services)	131.06	987.91	158.93	692.60
Less: Rebates and discounts	983.39	11.47	881.45	-
Total revenue from contracts with customers	**45,847.34**	**2,391.27**	**40,289.77**	**1,990.87**

3.7 REVENUE FROM CONTRACTS WITH CUSTOMERS: (Contd.)

3.7.2 Contract balances

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Trade receivables (Refer note 1.12)	3,087.44	3,346.87
Contract assets (Refer notes 1.4 and 1.16)	120.83	56.09
Contract liabilities (Refer notes 1.22 and 1.29)	1,167.29	850.37

Contract assets are unbilled revenue earned from AMC and other services which are recognised upon completion of service. Upon billing as per the terms of the contract, the amounts recognised as contract assets are reclassified to trade receivables.

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

Contract liabilities includes advance received from customers and income received in advance arising due to allocation of transaction price towards maintenance contracts, freight on shipments not yet delivered to customer and unexpired service warranties. There is no significant change in contract liabilities and contract assets.

3.7.3 Revenue recognised in relation to contract liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Revenue recognised from contract liabilities at the beginning of the year	460.69	597.37
Revenue recognised from performance obligations satisfied in previous years	15.25	0.95

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

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Contracted price	49,233.47	43,162.09
Adjustments		
Rebates and discounts	(994.86)	(881.45)
Revenue from contract with customers	**48,238.61**	**42,280.64**

3.7.5 Unsatisfied or partially unsatisfied performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Within one year	764.76	532.78
More than one year	419.13	372.86
	1,183.89	**905.64**

The remaining performance obligations expected to be recognised in more than one year relate to the extended warranty and other obligation which is expected to be recognised over a period of 24 months to 72 months. The Group applies practical expedient of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

3.8 SEGMENT RELATED DISCLOSURES

The Group's operating segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system as per Ind AS 108. The Group is engaged in the business of manufacturing of Commercial Vehicles and rendering Financial Services mainly relating to vehicle and housing financing.

	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
		₹ Crores	₹ Crores
i	**Segment Revenue**		
	Commercial vehicle	48,313.71	42,333.28
	Financial service*	8,049.34	6,202.98
	Gross Revenue	**56,363.05**	**48,536.26**
	Less: Inter-segmental revenue	0.97	1.12
	Revenue from operations	**56,362.08**	**48,535.14**
	*includes interest income from financial services	6,931.82	5,453.69
	Material items of expenses		
	Commercial vehicle (Cost of goods sold)	33,855.95	29,679.56
	Financial service (Interest and other borrowing costs relating to financing activities)	4,278.54	3,532.90
	Total Material items of expenses	**38,134.49**	**33,212.46**
ii	**Segment Results**		
	Commercial vehicle	4,379.32	3,688.97
	Financial service (after deducting interest expense on loan financing)	949.58	899.23
	Total Segment Profit before Interest and Tax	**5,328.90**	**4,588.20**
	Interest Expense	(426.11)	(397.31)
	Other Income	584.82	358.46
	Share of profit of associates and joint ventures (net)	51.62	31.58
	Exceptional items	(384.44)	15.40
	Profit before Tax	**5,154.79**	**4,596.33**
	Less: Tax	1,433.81	1,213.54
	Profit after Tax (including share of profit of associate and joint venture)	**3,720.98**	**3,382.79**

		Year ended March 31, 2026	Year ended March 31, 2025
		₹ Crores	₹ Crores
iii	**Segment Assets**		
	Commercial vehicle	28,862.65	25,088.57
	Financial service	72,178.09	56,626.07
	Total Segment Assets	**1,01,040.74**	**81,714.64**
iv	**Segment Liabilities**		
	Commercial vehicle	20,970.02	18,119.28
	Financial service	61,524.48	47,750.50
	Total Segment Liabilities	**82,494.50**	**65,869.78**

		Year ended March 31, 2026	Year ended March 31, 2025
		₹ Crores	₹ Crores
v	**Addition to Non-current asset**		
	Commercial vehicle	2,993.67	2,050.46
	Financial service	196.34	222.06
	Total Addition to Non-current asset	**3,190.01**	**2,272.52**

3.8 SEGMENT RELATED DISCLOSURES (Contd.)

For the amount of investments in associates and joint ventures accounted for by the equity method refer note 1.3
The Group's segment based on geography is given below:

Revenue from Operations	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
In India	50,006.43	43,856.45
Outside India	6,355.65	4,678.69
Total	**56,362.08**	**48,535.14**

Non-Current Asset	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
In India	10,888.39	9,345.48
Outside India	1,018.06	887.68
Total	**11,906.45**	**10,233.16**

3.9 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 SPF*
(Holding Company of Machen Development Corporation, Panama)

b) Other related parties

Fellow subsidiaries
Gulf Oil Lubricants India Limited
Prathama Solarconnect Energy Private Limited
Hinduja Renewables Private Limited
Gulf RAK Lube Oil (Ras Al Khaimah)
Gulf Oil Middle East Limited
HR Vaigai Private Limited
Hinduja Rooftop Private Limited
Hinduja Foundries Holdings Limited
GOCL Corporation Limited
Tirex Transmission Private Limited

Associates
Ashok Leyland Defence Systems Limited
Lanka Ashok Leyland PLC
Mangalam Retail Services Limited

Joint Ventures
Ashley Alteams India Limited
Ashok Leyland John Deere Construction Equipment Company Private Limited (Along with Gulf Ashley Motor Limited) [under liquidation]
Zebeyond Limited, UK
TVS Trucks and Buses Private Limited

Entity which is a Subsidiary of Associate of Holding Company
DA Stuart India Private Limited

3.9 RELATED PARTY DISCLOSURE (Contd.)

Entities where control exist
Ashok Leyland Educational Trust

Entities under the significant influence of Key Management Personnel
Hinduja Investments and Project services limited
S. P. Hinduja HUF Bigger
Hinduja Foundation

Employees Trust
Ashok Leyland Employees Gratuity Fund
Ashok Leyland Superannuation Fund
Ashok Leyland Employees Ennore Provident Fund Trust
Ashok Leyland Senior Executives Provident Fund Trust
Ashok Leyland Employees Hosur Provident Fund Trust
Ashok Leyland Employees Bhandara Provident Fund Trust
Ashok Leyland Employees Alwar Provident Fund Trust
Ennore Foundries Limited Employees Provident Fund
Ennore Foundries Gratuity Fund
Ennore Foundries Employees Pension cum Insurance Fund
Ennore Foundries Senior Executives Superannuation Fund
Global TVS Employees Gratuity Fund

Key Management Personnel
Mr. Dheeraj G Hinduja, Executive Chairman
Mr. Shenu Agarwal, Managing Director and Chief Executive Officer
Mr. Gopal Mahadevan, Whole-time Director # .... Upto May 23, 2026
Mr. K.M Balaji, Chief Financial Officer........ From June 01, 2024
Prof. Dr. Andreas H Biagosch ....Upto July 25, 2024
Mr. Jean Brunol ....Upto July 25, 2024
Mr. Jose Maria Alapont ....Upto September 02, 2025
Ms. Manisha Girotra........Upto June 28, 2025
Mr. Sanjay K Asher
Mr. Shom Ashok Hinduja
Mr. Saugata Gupta
Dr. Venkataramani Sumantran........From May 24, 2024
Dr. C B Rao........ Upto July 31, 2024
Mr. Thomas Dauner .... From June 04, 2024
Ms. Geeta Mathur ....From August 25, 2025
Mr. Sridharan Kesavan ....From August 25, 2025
Mr. Sven Christoph Ennerst .... From June 01, 2025

Notes:

Transaction with Rajalakshmi Wind Energy Limited (erstwhile Ashok Leyland Wind Energy Limited), HR Vaigai Private Limited and Prathama Solarconnect Energy Private Limited have not been disclosed as being with an associate since the Company does not have significant influence over Rajalakshmi Wind Energy Limited, HR Vaigai Private Limited and Prathama Solarconnect Energy Private Limited, although the Company holds 26% of the equity share capital of Rajalakshmi Wind Energy Limited, HR Vaigai Private Limited and Prathama Solarconnect Energy Private Limited respectively.

* The Parent Company has intimated Ocorian Trust (Isle Of Man) Limited as significant beneficial owner pursuant to the Companies (Significant Beneficial Owners) Rules, 2018

Chief Financial Officer till May 31, 2024

3.9 RELATED PARTY DISCLOSURE (Contd.)

c) Related Party Transactions - summary

₹ Crores

	Fellow Subsidiaries		Associates		Joint Ventures		Holding Company		Entity which is a Subsidiary of Associate of Holding Company		Entities where control exist		Employees Trust		Entities under the significant influence of Key Management Personnel		Key Management Personnel		Total	
Transactions during the Year ended March 31	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
1 Purchase of raw materials, components and traded goods (net of GST)	203.44	165.40	61.25	164.96	200.54	153.50	-	-	10.20	7.11	-	-	-	-	-	-	-	-	475.43	490.97
2 Sales and services (net of GST)	93.15	82.00	530.99	264.98	688.80	247.19	-	-	-	-	-	-	-	-	-	0.20	-	-	1,312.94	594.37
3 Other operating Income	-	0.14		-	1.94	1.17	-	-	-	-	-	-	-	-	-	-	-	-	1.94	1.31
4 Other expenditure incurred / (recovered) (net)	91.64	59.80	3.84	(3.75)	6.85	1.36	0.76	1.69	0.29	3.26	(0.83)	(0.74)	-	-	7.08	6.31	0.19	0.28	109.82	68.21
5 Interest and other income	-	0.92	1.20	1.04	0.01	0.02	-	-	0.01	-	-	-	-	-	-	-	-	-	1.22	1.98
6 Interest expense	-	-	-	-		-	-	0.14	-	-	-	-	-	-	-	-	-	-	-	0.14
7 Financial Guarantee Released	-	-	-	-	0.75	2.50	-	-	-	-	-	-	-	-	-	-	-	-	0.75	2.50
8 Dividend payments	4.45	4.95	-	-	-	-	933.46	1,038.01	-	-	-	-	-	-	-	-	-	-	937.91	1,042.96
9 Remuneration to key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70.75	60.40	70.75	60.40
10 Commission and sitting fees to key management personnel *	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.01	10.10	13.01	10.10
11 Investments in shares of	-	5.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.09
12 Loan Given	-	-	-	-	-	1.11	-	-	-	-	-	-	-	-	-	-	-	-	-	1.11
13 Loan Repaid	-	-	-	-	1.18	-	-	-	-	-	-	-	-	-	-	-	-	-	1.18	-
14 Inter-corporate deposits given	-	200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200.00
15 Inter-corporate deposits repaid	-	200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200.00
16 Contribution to employee related trusts made during the year including loans and interest recovered	-	-	-	-	-	-	-	-	-	-	-	-	356.62	260.06	-	-	-	-	356.62	260.06
17 Purchase of assets	21.42	8.81	-	-	2.23	-	-	-	-	-	-	-	-	-	-	-	-	-	23.65	8.81

* includes commission and sitting fees to other directors aggregating to Rs. 11.69 crores (2025 : Rs. 9.30 crores)

All the transactions are at arms length in line with the related party transactions policy of the Group

3.9 RELATED PARTY DISCLOSURE (Contd.)

d) Related Party balances - summary

₹ Crores

		Fellow Subsidiaries		Associates		Joint Ventures		Holding Company		Entity which is a Subsidiary of Associate of Holding Company		Entities where control exist		Employees Trust		Entities under the significant influence of Key Management Personnel		Key Management Personnel		Total	
	Balances as on March 31	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
1	Trade receivables (Refer Note 1.12)	46.32	25.67	168.93	52.93	23.53	3.86	-	-	-	-	-	0.25	-	-	-	-	-	-	238.78	82.71
2	Other financial and non-financial assets (Refer Notes 1.9 and 1.15)	-	1.24	-	-	3.80	1.83	-	-	-	-	-	-	-	-	-	-	-	-	3.80	3.07
3	Loans (Refer Note 1.14)	-	-	-	-	-	1.11	-	-	-	-	-	-	-	-	-	-	-	-	-	1.11
4	Trade and other payables	60.82	36.29	0.92	51.57	48.18	4.66	6.20	1.80	0.18	-	-	-	215.23	18.42	0.39	0.17	42.32	37.57	374.24	150.48
5	Financial guarantees	-	-	-	-	-	0.75	-	-	-	-	-	-	-	-	-	-	-	-	-	0.75

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.9 RELATED PARTY DISCLOSURE (Contd.)

e) Significant Related Party Transactions

₹ Crores

Transactions during the year ended March 31		2026	2025
1.	**Purchase of raw materials, components and traded goods (net of GST)**		
	Gulf Oil Lubricants India Limited	176.82	153.55
	Ashley Alteams India Limited	200.54	153.50
	Ashok Leyland Defence Systems Limited	61.25	164.96
2.	**Sales and services (net of GST)**		
	Gulf Oil Lubricants India Limited	93.15	82.00
	Lanka Ashok Leyland Plc	312.21	160.99
	Ashok Leyland Defence Systems Limited	218.78	103.99
	TVS Trucks and Buses Private Limited	686.95	246.56
3.	**Other Operating Income**		
	Ashley Alteams India Limited	1.94	1.17
	Tirex Transmission Private Limited	-	0.14
4.	**Other expenditure incurred / (recovered) (net)**		
	Hinduja Automotive Limited, United Kingdom	0.76	1.55
	Lanka Ashok Leyland Plc	(0.13)	(0.20)
	Ashok Leyland Defence Systems Limited	3.97	(3.55)
	Prathama Solarconnect Energy Private Limited	45.88	41.82
	Hinduja Renewables Private Limited	8.52	7.90
	HR Vaigai Private Limited	10.46	5.76
	Hinduja Rooftop Private Limited	11.16	3.95
	DA Stuart India Private Limited	0.29	3.26
	TVS Trucks and Buses Private Limited	6.89	1.37
	Gulf Oil Lubricants India Limited	15.57	0.37
5.	**Interest and other income**		
	Hinduja Renewables Private Limited	-	0.92
	Ashok Leyland Defence Systems Limited	1.20	1.04
	Ashley Alteams India Limited	0.01	0.02
6.	**Dividend payment**		
	Hinduja Automotive Limited, United Kingdom	933.46	1,038.01
	Hinduja Foundries Holdings Limited	4.45	4.95
7.	**Investment in shares of**		
	HR Vaigai Private Limited	-	5.09
8.	**Purchase of asset**		
	Tirex Transmission Private Limited	17.92	8.81
9.	**Loan Given**		
	Zebeyond Limited, UK	-	1.11
10.	**Loan Repaid**		
	Zebeyond Limited, UK	1.18	-
11.	**Inter-corporate deposits given**		
	Hinduja Renewables Energy Private Limited	-	200.00
12.	**Inter-corporate deposits repaid**		
	Hinduja Renewables Energy Private Limited	-	200.00
13.	**Interest expense**		
	Hinduja Automotive Limited, United Kingdom	-	0.14

3.9 RELATED PARTY DISCLOSURE (Contd.)

e) Significant Related Party Transactions (Contd.)

₹ Crores

Transactions during the year ended March 31	2026	2025
14. Contribution to employee related trusts made during the year including loans and interest recovered		
Ashok Leyland Employees Ennore Provident Fund Trust	65.60	55.12
Ashok Leyland Employees Hosur Provident Fund Trust	67.32	51.63
Ashok Leyland Senior Executives Provident Fund Trust	83.99	73.05
Ashok Leyland Employees Gratuity Fund	95.85	34.08
Ashok Leyland Superannuation Fund	19.45	17.55
Ennore Foundries Gratuity Fund	-	2.26
Ennore Foundries Limited Employees Provident Fund	13.45	13.47
15. Commission and sitting fees to key management personnel		
Mr Dheeraj G Hinduja Executive Chairman	1.32	0.80
Commission and sitting fees to other directors in aggregate	11.69	9.30
16. Financial Guarantee Released		
Ashley Alteams India Limited	0.75	2.50
17. Remuneration to key management personnel *		
Mr. Shenu Agarwal		
Short term employee benefits	18.16	12.22
Other long term employee benefits	0.16	0.08
Mr. Gopal Mahadevan		
Short term employee benefits	13.65	13.73
Other long term employee benefits	0.08	0.08
Share-based payment	-	0.84
Mr. Dheeraj G Hinduja		
Short term employee benefits	31.17	28.65
Other long term employee benefits	0.08	0.08
Mr. K M Balaji		
Short term employee benefits	7.37	4.65
Other long term employee benefits	0.08	0.07

* Excludes contribution for gratuity and compensated absences and long term incentive plan as the incremental liability has been accounted for the Group as a whole.

3.10 LEASE ARRANGEMENTS

Group as lessee

Expenses for the year ended March 31, 2026 includes lease expense classified as short term lease expenses aggregating to ₹ 29.00 crores (March 31, 2025: ₹ 39.33 crores) and low value leases of ₹ 0.53 crores (March 31, 2025: ₹ 0.57 crores) which are not required to be recognised as part of the practical expedient under Ind AS 116.

Expenses for the year ended March 31, 2026 includes lease expense classified as variable lease payments aggregating to ₹ 53.33 crores (March 31, 2025: ₹ 69.19 crores).

The total cash outflow for lease for the year ended March 31, 2026 : ₹ 164.54 crores (March 31, 2025 : ₹ 249.68 crores).

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.11 CONTINGENT LIABILITIES

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
a)	Claims against the Group not acknowledged as debts (net)		
	i) Sales tax / VAT / GST #	283.62	301.23
	ii) Excise duty #	8.92	9.03
	iii) Service Tax #	25.78	60.52
	iv) Customs Duty #	0.41	2.11
	v) Income tax	8.43	8.43
	vi) Others	113.72	75.76
b)	Share of contingent liabilities of joint ventures	1.60	3.76
c)	Bank guarantees	-	11.63

These have been disputed by the Group on account of issues of applicability and classification.

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

Notes :

The Group (entities operating in India) evaluated the impact of the recent Supreme Court Judgement in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and the Management believes that further clarity is required on this matter for the time period prior to 31st March 2019. However, it is not likely to have a significant impact and accordingly, no provision has been made in the consolidated financial statement.

The Group is involved in various claims and actions in the ordinary course of business. The Group accrues a liability when a loss is considered probable and the amount can be reasonably estimated. In the opinion of the management the outcome of any existing claims, legal and regulatory proceedings, if decided adversely, is not expected to have a material adverse effect on the business, financial condition, results of operations and cash flows of the Group based on the current position of such claims/legal actions.

The Ministry of Environment, Forest and Climate Change notified the Environment Protection (End-of-Life Vehicles) Rules, 2025, through a notification dated January 06, 2025, which is effective from April 01, 2025. According to these rules, obligations must be met by vehicle manufacturers in respect of vehicle introduced in the Domestic Market for the period up to March 31, 2026, by purchasing Extended Producer Responsibility (EPR) certificates to fulfil its responsibility of meeting the scrapping targets of End-of-Life Vehicles (ELV). It is anticipated that the Government will define the pricing of EPR certificate and operational mechanism in due course. Currently, the management is evaluating various business models to comply with the rules. Due to lack of information about the pricing mechanism and evolving matters, reliable financial estimate of the obligation cannot be made. Accordingly, the Group will continue to assess the ability to reliably estimate its obligations under the ELV Rules as and when the details of implementation framework are available.

3.11.1 Others

The value of corporate guarantee given to bank for the loan taken by a joint venture company for the Year ended March 31, 2026 is ₹ Nil crores (March 31, 2025: ₹ 0.75 crores).

3.12 COMMITMENTS

		As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
a)	Capital commitments (net of advances) not provided for	971.35	825.96
	[including ₹ 31.60 Crores (March 2025: ₹ 28.03 Crores) in respect of intangible assets]		
b)	Share of commitments of joint ventures	6.23	9.69
c)	Uncalled liability on partly paid shares / investments (Refer Note 1.3)	#	#
d)	Other commitments	9.16	-
	(i) Financial support given to certain joint ventures		

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

Amount is below rounding off norms adopted by the Group.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.13 DETAILS OF BORROWINGS:

I Non-current borrowings:

		As at March 31, 2026				As at March 31, 2025		
		Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores	Particulars of Redemption / Repayment	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
a.	**Secured borrowings:**							
i.	**Non-convertible Debentures (NCD)**							
	7.89% p.a. to 9.00% p.a (March 2025 : 8.60% p.a to 9.00% p.a.) Secured redeemable non-convertible debentures Sub 1	1,372.11	966.57	2,338.68	2,34,250 debentures with face value of ₹ 1,00,000/- (March 31, 2025: 1,36,000 debentures with a face value of ₹ 1,00,000/-) were outstanding as on March 31, 2026. These debentures carry interest rates ranging from 7.89% p.a. to 9.00% p.a (March 31, 2025 : 8.60% p.a to 9.00% p.a.) and the redemption period is 2 years to 5 years from the date of allotment.	1,257.90	97.90	1,355.80
	Series 3	-	200.00	200.00	Bullet repayment at the end of 5 years from the date of allotment i.e. March 17, 2027.	200.00	-	200.00
		1,372.11	**1,166.57**	**2,538.68**		**1,457.90**	**97.90**	**1,555.80**
ii.	**Term Loans**							
	TL - 1 - Sub 1	37,280.21	14,379.35	51,659.56	Term loan, cash credit and working capital demand loans from banks and financial institutions are secured by charge on loan receivables and eligible investments. The Subsidiary generally gives exclusive charges. These facilities carry interest rates ranging from "MCLR of the respective bank" per annum" to "MCLR of the respective bank + spread". Some of the facilities also carry interest linked with other benchmark like T-bill rates or Repo rates or other benchmark. As at 31 March 2026, the rate of interest across the loans was in the range of 5.71% p.a to 9.50% p.a.	29,536.04	10,972.13	40,508.17
	TL-12	-	100.00	100.00	Repayable annually in 5 equal installments starting from September 9, 2022	100.00	100.00	200.00
	TL-13	-	-	-	The loan was fully repaid on May 12, 2025	-	55.00	55.00
	TL-14	-	-	-	The loan was fully repaid on August 31, 2025.	-	12.50	12.50
	TL-15	37.50	28.75	66.25	Repayable quarterly in 20 installments of varying amounts starting from July 1, 2023	66.25	21.25	87.50
	TL-16	80.00	40.00	120.00	Repayable annually in 5 equal installments starting from March 25, 2025	120.00	40.00	160.00
	TL-17	56.25	56.25	112.50	Repayable semi annually in 12 installments of varying amounts starting from September 30, 2022	112.50	56.25	168.75
	TL-18	282.63	54.25	336.88	Repayable quarterly in 24 installments of varying amounts starting from September 30, 2025	237.73	9.27	247.00
	TL-3- Sub 2	34.25	8.39	42.64	Repayable in 92 monthly installments commencing from September 2023	42.65	8.39	51.04
	TL-4- Sub 2	12.12	-	12.12	Repayable upon receipt of subsidy receivable from Government	100.00	-	100.00
	TL -1- Sub 3	125.20	-	125.20	Repayable in quarterly installments over a period of seven years starting from April 2024	110.69	-	110.69

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.13 DETAILS OF BORROWINGS (Contd.)

I Non-current borrowings:

	As at March 31, 2026				As at March 31, 2025		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores	Particulars of Redemption / Repayment	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
TL -1- Sub 4	8.25	1.50	9.75	Repayable in 4 quarterly installments of ₹ 0.25 Crores commencing from November 2025 Repayable in 12 quarterly installments of ₹ 0.75 Crores commencing from November 2026	10.00	-	10.00
TL -1- Sub 5	99.88	16.16	116.04	Repayable in 29 quarterly instalments (28 installments of ₹ 4.04 Crores and 1 installment of ₹ 2.91 Crores) with an interest rate of 8.8% p.a.	48.05	16.36	64.41
TL -2- Sub 5	211.70	28.64	240.34	Repayable in 34 quarterly instalments (33 installments of ₹ 7.16 Crores and 1 installment of Rs. 4.06 Crores) with an interest rate of 8.75% p.a.	221.29	34.00	255.29
TL -3- Sub 5	-	49.13	49.13	Repayable on receipt of subsidy from Government with an interest rate of 8.75% p.a.	-	120.00	120.00
TL -4- Sub 5	705.73	55.00	760.73	Repayable in 37 quarterly instalments, with a moratorium period of 8 months from the date of the last tranche of disbursement, and carrying an interest rate of 7.75% p.a.	-	-	-
TL-5- Sub 2	625.37	-	625.37	Payable after 5 years - Maturity date 16th Aug 2029 Interest - SONIA + 1.99% currently at 5.72%	876.52	-	876.52
TL-6- Sub 2	127.92	31.98	159.90	Repayable in 20 monthly installments commencing from June 2026 Interest rate - Repo + 2.05% currently at - 7.3%	60.00	-	60.00
TL-7- Sub 2	425.23	-	425.23	Repayable in 40 Quarterly payments starting from July 2027. Interest rate - 1 year MCLR + 2.65% + 0.80% currently at - 9%	-	-	-
TL-1- Sub 6	3.86	1.71	5.57	Repayable in 18 equal quarterly instalments commencing from January 2025, with an interest rate ranging from 6.63% p.a. to 8.57% p.a.	4.98	1.53	6.51
	40,116.10	**14,851.11**	**54,967.21**		**31,646.70**	**11,446.68**	**43,093.38**

I Non-current borrowings:

1. (i) TL -12 - Term loan was secured by way of first ranking charge on the specified plant and machinery of a manufacturing unit of the Parent Company located at Pantnagar to the extent of loan amount outstanding.

(ii) TL - 13 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Parent Company located at Hosur to the extent of 1.25 times of the amount of loan. Term loan has been fully repaid during the year and satisifaction of charge has been duly filed with Registrar of Companies.

(iii) TL - 14 - Term loan was secured by way of exclusive charge on the specified plant and machinery and other movable fixed assets of a manufacturing unit of the Parent Company located at Pantnagar to the extent of 1.10 times of the amount of loan. Term loan has been fully repaid during the year and satisifaction of charge has been duly filed with Registrar of Companies.

(iv) TL - 15 - Term loan was secured by way of exclusive charge on the specified plant and machinery and other movable fixed assets of the manufacturing units of the Parent Company located at Pantnagar and Hosur to the extent of 1.25 times of the amount of loan.

3.13 DETAILS OF BORROWINGS (Contd.)

(v) TL -16 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Parent Company located at Chennai and Hosur to the extent of loan amount outstanding.

(vi) TL -17 - Term loan was secured by way of first ranking charge on the specified plant and machinery of the manufacturing units of the Parent Company located at Hosur to the extent of 1.10 times of the amount of loan.

(vii) TL-18 - Term Loan was secured by way of exclusive charge on the aircraft to the extent of the loan.

(viii) NCD - Series 3 - 7.30% AL 2027 are secured by way of First Ranking charge over specific plant and machinery of manufacturing unit situated at Hosur to the extent of 1.10 times of the amount of debentures and interest accrued thereon.

2. Debentures of a subsidiary (Sub 1) are secured by a first ranking mortgage of an immovable property in favour of trustees in addition to exclusive charge on hypothecation of specific loan receivables with a security cover of 110% as per the terms of issue.
3. Term loans availed by a subsidiary from various banks (TL-1 - Sub 1) are secured by exclusive charge by way of hypothecation of specific receivables and investments in pass through certificates with security covers ranging from 102% to 115% of loan amount.
4. The assets pledged as security for borrowings relating to subsidiaries engaged in financing activities includes financial assets (loans and investments) amounting to ₹ 62,367.68 crores (March 2025: financial assets (loans and investments) amounting to ₹ 51,108.22 crores).
5. Term loan availed by a subsidiary (TL -1- Sub 3) is secured by way of an exclusive charge over stocks, current assets and plant and machinery of the subsidiaries and guarantee.
6. Term loans availed by a subsidiary (TL-3- Sub 2, TL-4 - Sub 2) are secured by first pari passu charge on all assets of the specific project related assets, exclusive charge on electric vehicles (EV) of the specific project and receivables of the specific project.
7. Term loan availed by a subsidiary (TL-5-Sub 2) is secured by a Corporate Guarantee provided by the Parent Company.
8. Term loans availed by a subsidiary (TL-6-Sub 2) are secured by exclusive first charge on the tangible moveable fixed assets to be created out of the term loan (approx ₹ 100 crores), first pari passu charge on the unencumbered moveable fixed assets of the subsidiary at Ennore Plant of ₹ 30 Crores and routing of unencumbered cashflows from the Chalo Indore project.
9. Term loans availed by the subsidiary (TL-7-Sub 2) are secured by an exclusive charge by way of hypothecation of buses and project buses funded under the term loan, First charge on current assets (related to CESL–Delhi project) and Substitution Agreement with the Authority (Transport Dept., Delhi)
10. Term loans availed by a subsidiary (TL-1-Sub 4) is secured by way of hypothecation subservient charge on the entire current assets of the subsidiary, both present and future and lien marked fixed deposit of ₹ 2 Crores in the favour of bank
11. Term loans availed by a subsidiary (TL -1- Sub 5, TL -2- Sub 5, TL -3- Sub 5 and TL -4- Sub 5) are secured by way of an exclusive charge on all revenues and receivables of specific projects, entire current assets of the subsidiary relating to specific projects,all Bank accounts including, without limitation, the Escrow Account to be established and each of the other accounts required to be created under specific projects payments and routine Operation and Maintenance charges, on all movable tangible and intangible assets of specific projects.
12. Term loan availed by a subsidiary (TL -1- Sub 6) is secured by way of an exclusive charge on plant and equipment, specific land and building to the extent of ₹ 8 crores.

iii. Other loans:

	As at March 31, 2026				As at March 31, 2025		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores	Particulars of Redemption / Repayment	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
SIPCOT Soft Loan	-	-	-	The loan was fully repaid on July 28, 2025	-	31.18	31.18
	-	-	-		-	**31.18**	**31.18**

1. The above SIPCOT soft loan are secured by way of first charge on the fixed assets created and the same shall be on pari passu with other first charge holders of LCV division. SIPCOT soft loan has been fully repaid during the year and satisifaction of charge has been duly filed with Registrar of Companies.

The Companies in the Group, where applicable, has registered the charges / satisfaction / modification of charges with the Registrar of Companies within the stipulated period.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.13 DETAILS OF BORROWINGS (Contd.)

I Non-current borrowings:

b. Unsecured borrowings:

i. ECB loans:

	As at March 31, 2026				As at March 31, 2025		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores	Particulars of Redemption / Repayment	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
ECB - 16	-	-	-	The loan was fully repaid on November 18, 2025	-	57.76	57.76
	-	**-**	**-**		**-**	**57.76**	**57.76**

	As at March 31, 2026				As at March 31, 2025		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores	Particulars of Redemption / Repayment	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
ii. Non-convertible Debentures:							
9.00% p.a. to 9.75% p.a. (March 2025 : 9.25% p.a to 9.75% p.a.) - Subordinated redeemable non-convertible debentures - Sub 1	3,686.16	324.27	4,010.43	3,73,850 (31 March 2025: 2,53,350) debentures with a face value of ₹ 100,000/- to ₹ 10,00,000/- were outstanding as on 31 March 2025. These debentures carry interest rates ranging from 9.25% p.a. to 9.75% p.a. and the redemption period is 5.4 years to 15 years.	3,212.57	-	3,212.57
9.15% to 9.60% perpetual Debt Instrument	730.96	-	730.96	765 (31 March 2025: Nil) debentures with a face value of ₹ 100,00,000 - were outstanding as on 31 March 2026. These debentures carry interest rates ranging from 9.15% p.a. to 9.60% p.a. and the redemption period is 10.01 years to 11.01 years.	-	-	-
8.20% Unsecured unsubordinated redeemable non-convertible debentures	49.58	-	49.58	5,000 debentures with face value of ₹ 1,00,000/- (31 March 2025: NIL) were outstanding as on 31 March 2026. These debentures carry interest rate of 8.20% p.a. and the redemption period is 3 years from the date of allotment.	-	-	-
	4,466.70	**324.27**	**4,790.97**		**3,212.57**	**-**	**3,212.57**

	As at March 31, 2026				As at March 31, 2025		
	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores	Particulars of Redemption / Repayment	Non-current ₹ Crores	Current Maturities ₹ Crores	Total ₹ Crores
iii. Interest free sales tax loans:							
Programme II	61.50	4.91	66.41	Varying amounts repayable on a periodical basis ending on June 2028	66.41	-	66.41
	61.50	**4.91**	**66.41**		**66.41**	**-**	**66.41**

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 9.75% p.a. (as at March 31, 2025: 9.75% p.a.) .

3.13 DETAILS OF BORROWINGS (Contd.)

II Current borrowings:

		As at March 31, 2026	Particulars of Redemption / Repayment	As at March 31, 2025
		₹ Crores		₹ Crores
a	**Secured borrowings**			
	- STL 1 Sub 1	73.32	Repayable on demand	671.40
	- STL 5 Sub 6	5.00	Repayable on demand	5.00
	- STL 6 Sub 6	-	Repayable on demand	1.04
	- STL 2 Sub 7	-	Repayable on demand	14.72
	- STL 2 Sub 5	152.59	Repayable within 3 months	128.92
	- STL 3 Sub 5	32.70	Repayable on December 11, 2026	27.63
	- STL 1 Sub 8	57.96	Repayable on demand and carry variable interest rates ranging from SOFR plus 100 basis point from SOFR plus 200 basis points	31.57
	- STL 3 Sub 12	170.00	Repayable within 12 months from the date of disbursement	134.19
	- STL 1 Sub 11	17.41	Repayable on demand	37.75
	- STL 7 Sub 12	240.00	Repayable within 12 months from the date of disbursement	240.00
	- STL 1 Sub 13	21.54	Repayable on demand	0.85
	- STL 2 Sub 13	14.84	Repayable on demand	-
	- STL 1 Sub 14	72.54	Repayable on demand	13.12
		857.90		**1,306.19**

1 STL 1 Sub 1 relating to a subsidiary are cash credit facilities and working capital demand loans from banks which are secured by way of an exclusive charge on the receivables due to the subsidiary other than those that are specifically charged to the lenders of the subsidiary.

2 STL 5 Sub 6 and STL 6 Sub 6 relating to a subsidiary are working capital demand loans which are secured by way of hypothecation of bills receivables, book debt, inventories and all other movable assets both present and future of the subsidiary amounting to ₹ 26.61 crores (March 31, 2025: ₹ 19.20 crores) reduced by trade payable of the subsidiary.

3 STL 2 Sub 7 relating to a subsidiary are secured by way of a pari passu first charge on current assets (including stocks of raw materials, stores and spares, work-in-progress, finished goods and books debts) both present and future of the subsidiary to the extent of ₹ 25.00 crores (March 31, 2025: ₹ 25.00 crores).

4 STL 1 Sub 8 relating to a subsidiary are secured by way of a charge on trade receivables, inventories and assignment of risk insurance policy covering inventories of the subsidiary company and also backed by letter of comfort issued by the Parent Company.

5 STL 2 Sub 5 and STL 3 Sub 5 relating to a subsidiary is in the nature of an overdraft facility which is secured by corporate guarantee given by the Parent Company.

6 STL 3 Sub 12 and STL 7 Sub 12 availed by a subsidiary is secured by first pari passu charge on all assets of the specific project related assets, exclusive charge on electric vehicles (EV) of the specific project and receivables of the specific project.

7 STL 1 Sub 11 relating to a subsidiary is secured against net current assets of the subsidiary carry interest rates linked to 1-month MCLR.

8 STL 1 Sub 13 and STL 2 Sub 13 relating to a subsidiary are secured by assets of a specific project and carry interest rates linked to 1-year MCLR (currently 9%) and Overnight MCLR 8.15% (+) Credit Risk Premium of 2.08% (-) Business Spread Discount of 2.03%, respectively.

9 STL 1 Sub 14 relating to a subsidiary is secured by way of hypothecation of the book of the subsidiary.

		As at March 31, 2026	Particulars of Redemption / Repayment	As at March 31, 2025
		₹ Crores		₹ Crores
b	**Unsecured borrowings**			
	- STL 28	-	Repaid on April 11, 2025	150.00
	- STL 29	150.00	Repayable on June 25, 2026	
	- STL 1 Sub 8	94.83	Repayable on demand and carry interest rate of SOFR + 1.20%	128.19
	- Other Loans Sub 3	-	Repaid on July 2025	1.55
	- Commercial Paper	96.94	Commercial papers are issued for a period of 180 days (March 2025: 171 days to 365 days)	98.73
		341.77		**378.47**

The above outstanding borrowings carry varying rates of interest with the maximum rate of interest going upto 9.75% p.a. (as at March 31, 2025: 9.75% p.a.).

The carrying value of the above borrowings (as reflected in Notes 1.20 and 1.26) are measured at amortised cost using effective interest method while the above borrowings represents principal amount outstanding.

3.13 DETAILS OF BORROWINGS (Contd.)

b Unsecured borrowings

i) Nature, key terms & security/guarantees part of supplier finance arrangement

Particulars	Description
Nature of arrangement	A subsidiary has entered into a Supply Finance arrangement with the M1xchange TReDS platform. Under this arrangement, the Subsidiary may, at their discretion, discount their vendor invoices with participating financiers on or after the invoice due date. Subsequently, the Subsidiary settles the corresponding amounts with the financier on extended credit terms as agreed under the arrangement.
Key terms	Payment terms under the arrangement are extended compared to standard supplier terms. The Subsidiary settles dues with the finance provider on the agreed due dates.
Security / guarantees	No additional security / corporate guarantees provided.

ii) Carrying amounts of supplier finance arrangement

Particulars	As at March 31, 2026
	₹ Crores
Total supplier finance liabilities	87.25
Of which: suppliers already paid by financiers	87.19
Of which: Invoices not yet discounted	0.06

iii) Payment terms disclosure

Particulars	As at March 31, 2026
Normal supplier credit period	0 - 45 days
Credit period under Supplier finance arrangement	130-135 days
Average extension period	85-90 days
Interest rate	6.68%-7.70%

iv) Amounts recognised in Statement of Profit or Loss:

Particulars	As at March 31, 2026
Interest on supplier finance arrangement	2.53

Further, the Group has not provided comparative information in respect of the amendments to Ind AS 7 and Ind AS 107 relating to supplier finance arrangements, as it has applied the transitional relief available on initial adoption of these amendments, which allows entities not to present comparative disclosures for prior periods.

3.13 DETAILS OF BORROWINGS (Contd.)

III **Net debt reconciliation:**

	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
1. Cash and cash equivalents	6,280.89	6,544.77
2. Liquid investments	5,140.63	4,265.83
3. Borrowings	(63,578.87)	(49,626.03)
4. Liabilities under Supplier finance arrangement	(87.25)	-
5. Derivative Asset / (Liability)	410.36	(11.18)
6. Lease Liabilities	(285.90)	(261.01)
Net debt	**(52,120.14)**	**(39,087.62)**

₹ Crores

Particulars	Other assets		Liabilities from financing activities				
	Cash and cash equivalents	Liquid investments	Borrowings (other than liabilities under Supplier finance arrangement)	Liabilities under Supplier finance arrangement	Derivative Asset / (Liability)	Lease Liabilities	Total
Net debt as at March 31, 2024	5,217.32	225.16	(40,580.94)	-	50.34	(237.84)	(35,325.96)
Cash flows (net)	1,327.78	3,990.53	(9,049.78)	-	-	99.22	(3,632.25)
Foreign exchange adjustments (Realised / Unrealised)	(0.33)	-	0.18	-	-	-	(0.15)
Profit on sale of liquid investments (net)	-	43.12	-	-	-	-	43.12
Interest expense	-	-	(300.84)	-	-	(18.86)	(319.70)
Interest paid	-	-	305.35	-	-	-	305.35
Other non-cash movements							-
- Addition / Deletion (Net) relating to lease liabilities	-	-	-	-	-	(103.53)	(103.53)
- Fair value adjustments	-	7.02	-	-	(61.52)	-	(54.50)
Net debt as at March 31, 2025	**6,544.77**	**4,265.83**	**(49,626.03)**	**-**	**(11.18)**	**(261.01)**	**(39,087.62)**
Cash flows (net)	(293.27)	779.25	(13,859.35)	(87.26)	-	81.68	(13,378.95)
Foreign exchange adjustments (Realised / Unrealised)	29.39	-	(89.08)	0.01	-	-	(59.68)
Profit on sale of liquid investments (net)	-	92.83	-	-	-	-	92.83
Interest expense	-	-	(332.01)	-	-	(19.21)	(351.22)
Interest paid	-	-	334.26	-	-	-	334.26
Other non-cash movements							
- Addition / Deletion (Net) relating to lease liabilities	-	-	-	-	-	(87.36)	(87.36)
- Fair value adjustments	-	2.72	(6.66)	-	421.54	-	417.60
Net debt as at March 31, 2026	**6,280.89**	**5,140.63**	**(63,578.87)**	**(87.25)**	**410.36**	**(285.90)**	**(52,120.14)**

Note:

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

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.14 INFORMATION RELATING TO SUBSIDIARIES

A) Details of the group's subsidiaries are as follows:

			Proportion of ownership interest	
Name of subsidiary	**Principal activity**	**Place of incorporation and operation**	**As at March 31, 2026**	**As at March 31, 2025**
Hinduja Leyland Finance Limited and its subsidiaries	Relating to financing activities	Chennai - India	61.12%	61.12%
Global TVS Bus Body Builders Limited	Relating to commercial vehicle	Madurai - India	66.67%	66.67%
Gulf Ashley Motor Limited	Trading in commercial vehicle	Chennai - India	93.15%	93.15%
Optare Plc and its subsidiaries	Manufacturing of commercial vehicle	United Kingdom	93.28%	92.59%
Ashok Leyland (Nigeria) Limited	Trading in commercial vehicle	Nigeria	100.00%	100.00%
Ashok Leyland (Chile) SA	Trading in commercial vehicle	Chile	100.00%	100.00%
HLF Services Limited	Manpower supply services	Chennai - India	82.05%	82.05%
Ashok Leyland (UAE) LLC and its subsidiary	Manufacturing of commercial vehicle	UAE	100.00%	100.00%
Albonair (India) Private Limited	Relating to commercial vehicle	Chennai - India	100.00%	100.00%
Albonair GmbH and its subsidiary	Relating to commercial vehicle	Germany	100.00%	100.00%
Ashley Aviation Limited	Relating to air chartering services	Chennai - India	100.00%	100.00%
Hinduja Tech Limited, its subsidiaries and joint venture	Relating to IT services	Chennai - India	72.93%	72.99%
Vishwa Buses and Coaches Limited	Relating to commercial vehicle	Chennai - India	100.00%	100.00%
Gro Digital Platforms Limited	Relating to commercial vehicle	Chennai - India	80.56%	80.56%
OHM Global Mobility Private Limited	Relating to commercial vehicle	Chennai - India	100.00%	100.00%
Ashok Leyland Foundation (from July 08, 2024)	Relating to CSR activities	Chennai - India	100.00%	100.00%

Ownership interest includes joint holding and beneficial interest.

3.14 INFORMATION RELATING TO SUBSIDIARIES (Contd.)

B) Composition of the Group:

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		March 31, 2026	March 31, 2025
Manufacturing of commercial vehicle	UAE	1	1
Manufacturing of commercial vehicle	KSA*	1	-
Trading in commercial vehicle	Ivory Coast*	-	1
Trading in commercial vehicle	Nigeria	1	1
Trading in commercial vehicle	Chile	1	1
Relating to commercial vehicle	India	3	3
Relating to commercial vehicle	Germany	1	1
Relating to commercial vehicle	China*	1	1
Relating to air chartering services	India	1	1
Relating to CSR activities	India	1	1

* wholly owned step down subsidiaries

Also refer note 3.1

Principal activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries	
		March 31, 2026	March 31, 2025
Relating to financing activities	Chennai - India**	3	3
Relating to commercial vehicle	Madurai - India	1	1
Relating to commercial vehicle	Chennai - India	1	1
Manufacturing of commercial vehicle	United Kingdom **	5	5
Trading in commercial vehicle	Chennai - India	1	1
Manpower supply services	Chennai - India	1	1
Relating to IT services	Chennai - India**	16	16

** includes 15 step down subsidiaries relating to IT services, 4 step down subsidiaries relating to manufacturing of commercial vehicles and 2 step down subsidiaries relating to financing activities (March 31, 2025: 15 step down subsidiaries relating to IT services, 4 step down subsidiaries relating to manufacturing of commercial vehicles and 2 step down subsidiaries relating to financing activities)

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

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

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Total comprehensive income allocated to non-controlling interests		Accumulated non-controlling interests	
		March 31, 2026	March 31, 2025	March 31, 2026 ₹ Crores	March 31, 2025 ₹ Crores	March 31, 2026 ₹ Crores	March 31, 2025 ₹ Crores
Hinduja Leyland Finance Limited and its subsidiaries	Chennai - India	38.88%	38.88%	704.38	665.60	4,084.30	3,383.75
Individually immaterial subsidiaries with non-controlling interests				(83.50)	(32.32)	220.25	229.02
				620.88	**633.28**	**4,304.55**	**3,612.77**

3.14 INFORMATION RELATING TO SUBSIDIARIES (Contd.)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

Hinduja Leyland Finance Limited and its subsidiaries	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Current assets	26,624.87	19,032.85
Non-current assets	45,501.15	37,507.41
Total assets	**72,126.02**	**56,540.26**
Current liabilities	17,038.70	12,785.19
Non-current liabilities	44,582.42	35,052.00
Total liabilities	**61,621.12**	**47,837.19**
Equity attributable to owners of the Company	6,420.52	5,319.32
Non-controlling interests	4,084.30	3,383.75
	Year ended March 31, 2026	**Year ended March 31, 2025**
	₹ Crores	₹ Crores
Revenue	8,051.23	6,280.51
Expenses (including tax expense)	7,173.83	5,500.52
Profit for the year	**877.40**	**779.99**
Profit attributable to owners of the Company	536.26	472.50
Profit attributable to the non-controlling interests	341.14	307.49
Profit for the year	**877.40**	**779.99**
Other Comprehensive Income attributable to owners of the Company	571.06	550.29
Other Comprehensive Income attributable to the non-controlling interests	363.26	358.11
Other Comprehensive Income for the year	**934.04**	**908.40**
Total Comprehensive Income attributable to owners of the Company	1,107.31	1,022.79
Total Comprehensive Income attributable to the non-controlling interests	704.38	665.60
Total Comprehensive Income for the year	**1,811.69**	**1,688.39**
Net cash outflow from operating activities	(9,708.52)	(7,196.63)
Net cash outflow from investing activities	(2,721.36)	(1,758.09)
Net cash inflow from financing activities	12,973.07	9,227.63
Net cash inflow	**543.19**	**272.91**

The Audit Committee and Board of Directors of Hinduja Leyland Finance Limited (HLF) and NDL Ventures Limited (NDL), at their respective meetings held on November 25, 2025, approved a Scheme of Merger by Absorption under Sections 230 to 232 of the Companies Act, 2013, for the merger of Hinduja Leyland Finance Limited with NDL Ventures Limited.

The Audit Committee and Board of Directors of HLF and NDL also approved share exchange ratio of 25 equity shares of NDL for every 10 equity shares of HLF. The Board also approved the conversion of each Non Convertible Debenture (NCD) of Hinduja Leyland Finance Limited into one equivalent NCD of NDL Ventures Limited on similar terms and conditions.

During FY 2025-26, the Scheme received the no-objection certificate from the Reserve Bank of India and approval from the Competition Commission of India. The BSE limited vide letter dated May 18, 2026 has conveyed its "No Objection / No adverse Observation", for the proposed scheme. The scheme will be filed with the National Company Law Tribunal, Mumbai for final approval.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.14 INFORMATION RELATING TO SUBSIDIARIES (Contd.)

D) Goodwill

	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Gross Goodwill at the beginning of the year	1,952.87	1,813.96
Add: Recognised during the year (Refer Note 3.27)*	44.67	138.91
Gross Goodwill at the end of the year	**1,997.54**	**1,952.87**
Opening accumulated impairment	616.98	616.98
Add: Impairment during the year	29.72	-
Closing accumulated impairment	**646.70**	**616.98**
Carrying amount of Goodwill	**1,350.84**	**1,335.89**

Allocation of goodwill to cash-generating units

For impairment testing purposes, goodwill is allocated to each Cash Generating Unit (CGU) that represents the lowest level within the Group at which goodwill is monitored for internal management purposes and is not larger than an operating segment of the Group.

The carrying amount of goodwill was allocated to major cash-generating units as follows:

Cash Generating Unit

	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Commercial vehicle		
Light commercial vehicle division of parent company	449.90	449.90
Hinduja Tech Limited	125.21	125.21
Drive System Design (DSD) Group	202.67	180.27
Tecosim Group GmbH	124.15	131.60
Others	22.44	22.44
Financial service		
Hinduja Leyland Finance Limited	426.47	426.47
	1,350.84	**1,335.89**

3.14 INFORMATION RELATING TO SUBSIDIARIES (Contd.)

Key assumptions used in value-in-use calculations for the year ended March 31, 2026:

CGU	Post tax discount rate (%)	Terminal growth rate (%)
Light commercial vehicle division of parent company	18.00	3.00
Hinduja Tech Limited	15.50	5.00
Drive System Design	15.50	2.00
Tecosim Group GmbH	15.50	2.00
Hinduja Leyland Finance Limited	17.50	4.00

Key assumptions used in value-in-use calculations for the year ended March 31, 2025:

CGU	Post tax discount rate (%)	Terminal growth rate (%)
Light commercial vehicle division of parent company	19.00	3.00
Hinduja Tech Limited	15.50	5.00
Drive System Design	15.50	2.50
Tecosim Group GmbH	24.00	2.00
Hinduja Leyland Finance Limited	19.00	4.00

The recoverable amount of each CGU has been determined based on value-in-use calculations using five year period cash flow projections.

Both pre tax and post tax discount rate give the same recoverable amount.

During the year ended March 31, 2026, the Group performed impairment testing for each of the above CGUs separately. Based on the assessment, the Group recognised an impairment loss of ₹ 29.72 crores against the goodwill relating to TECOSIM Group GmbH. The impairment loss has been disclosed under "Other Expenses" (Refer Note 2.6).

The change in the following assumptions used in the impairment review would, in isolation, lead to an increase to the aggregate impairment loss recognised as at March 31, 2026 (although it should be noted that these sensitivities do not take into account the potential mitigating actions):

Assumption	Change in assumption	Additional impairment amount (₹ Crores)
Post tax discount rate (%)	1% increase	12.75
Terminal growth rate (%)	1% decrease	7.36

*includes foreign currency translation adjustments.

Also Refer Notes 1E.2,1D and 3.27.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.15 INFORMATION RELATING TO ASSOCIATES

Details of material associates

There are no associates which are individually material and thus, only aggregate information of associates that are not individually material is given below:

Aggregate information of associates that are not individually material	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
The Group's share of profit	53.48	29.12
The Group's share of other comprehensive income / (loss)	2.49	1.34
The Group's share of total comprehensive income / (loss)	**55.97**	**30.46**

	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Aggregate carrying amount of the Group's interests in these associates	156.29	98.02

3.16 INFORMATION RELATING TO JOINT VENTURES

Details of material joint ventures

There are no joint ventures which are individually material and thus, only aggregate information of joint ventures that are not individually material is given below:

Aggregate information of joint ventures that are not individually material	Year ended March 31, 2026	Year ended March 31, 2025
	₹ Crores	₹ Crores
The Group's share of (loss) / profit	(1.99)	2.46
The Group's share of other comprehensive income / (loss)	0.04	0.01
The Group's share of total comprehensive income / (loss)	**(1.95)**	**2.47**

	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Aggregate carrying amount of the Group's interests in these joint ventures	48.09	49.88

3.17 During the year ended March 31, 2026, the Parent Company invested GBP 30 million (₹ 370.58 crores) on March 24, 2026 in Optare Plc, UK (its subsidiary) [Intermediary 1]. Intermediary 1 invested the entire proceeds received from the Parent Company, amounting to GBP 30 million on March 27, 2026 in Switch Mobility Limited, UK (its subsidiary) [Ultimate Beneficiary].

For the year ended March 31, 2025, the Parent Company paid share application money on March 27, 2025, amounting to GBP 45 million (₹ 498.76 crores) towards additional equity investment in Optare Plc, UK (its subsidiary) [Intermediary 1], and the shares were subsequently allotted on April 02, 2025. During the year, Intermediary 1 invested, directly and indirectly, in Switch Mobility Limited, UK (its subsidiary) [Ultimate Beneficiary], amounting to GBP 31.62 million through multiple tranches on April 24, 2025 - GBP 2.0 million, May 20, 2025 - GBP 2.5 million, June 05, 2025 - GBP 7.12 million, June 25, 2025 - GBP 4.5 million, August 22, 2025 - GBP 4.0 million, September 23, 2025 - GBP 4.5 million, November 26, 2025 - GBP 4.0 million, and February 19, 2026 - GBP 3.0 million.

For the year ended March 31, 2025, Hinduja Tech Limited (HTL), a subsidiary of the Parent Company, invested in Hinduja Tech Gmbh, Germany (its subsidiary) [Intermediary 1] as equity share capital by subscribing to 1,68,00,000 shares of EUR 1.25 each on September 23, 2024. Hinduja Tech Gmbh, Intermediary 1 paid ₹ 173.24 crores (EUR 19 million) (as upfront consideration) to the erstwhile shareholders of TECOSIM Group [Utimate Beneficiary] on November 30, 2024.

The Parent Company and the Subsidiary has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013, to the extent applicable, and these transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Except as detailed above, the Group, its associates and joint venture companies, which are incorporated in India has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

3.18 During the year ended March 31, 2025, Hinduja Tech Limited [Intermediary 1], a subsidiary of the Parent Company, received funds aggregating to ₹ 390.23 crores from M/s Gandaraditya Chola [Funding Party] and subsequent utilisation of funds in the FY 2025-26 is as follows:

i) An amount of ₹ 34.12 Crores was utilised towards payment to the erstwhile shareholders of DSD [Ultimate Beneficiary] through equity infusion into Hinduja Tech UK [Intermediary 2] on April 25, 2025.

ii) An amount of ₹ 17.57 Crores was utilised towards meeting the working capital requirements of Hinduja Tech Inc. (Ultimate Beneficiary) by way of loans disbursed on various dates between June 06, 2025 and November 07, 2025.

iii) An amount of ₹ 16.61 Crores was utilised towards meeting the working capital requirements of the Tecosim Group through loans disbursed to Hinduja Tech Germany [Intermediary 2] on various dates between April 14, 2025 and July 30, 2025. The said amounts were subsequently advanced by Intermediary 2 to the Tecosim Group for meeting its working capital requirements.

The Subsidiary has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013, to the extent applicable, and these transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Except as detailed above, the Group, its associates and joint venture companies, which are incorporated in India has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group, its associates and joint venture companies incorporated in India shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

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

3.20 For the year ended March 31, 2025 , Hinduja Tech Limited, a Subsidiary had issued Compulsorily Convertible Preference Shares (CCPS) amounting to ₹ 392.03 crores. Given that the number of shares to be issued upon conversion was variable and linked to EBITDA for the year ended March 31, 2025, these CCPS were initially classified as a financial liability measured at Fair value through profit and loss ('FVTPL') under Ind AS 109.

As at March 31, 2025, the financial liability is remeasured in accordance with Ind AS 109 at ₹ 350.81 crores, which has resulted in a fair value gain of ₹ 41.23 crores and has been presented as an exceptional item in the consolidated statement of profit and loss.

As at March 31, 2025, the final conversion ratio has been fixed at 1:1 and this fixed conversion ratio indicated a fundamental change in the instrument's primary economic characteristics, shifting towards equity. As a result, the subsidiary has reclassified the CCPS from a financial liability to its equity.

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

3.22 The Group has complied with the number of layers prescribed under the Companies Act, where applicable.

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

3.24 The Group has not traded or invested in crypto currency or virtual currency during the current or previous year, where applicable.

3.25 Pursuant to the provisions of section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act, as amended, the step-down subsidiary (Tecosim Engineering Services Private Limited, India) at the ensuing annual general meeting will be seeking the approval from the shareholders of the step-down subsidiary (Tecosim Engineering Services Private Limited, India) for the waiver of recovery of excess managerial remuneration paid ₹ 0.84 crores for the period from April 01, 2025 to March 31, 2026, by way of a special resolution.

3.26 The figures for the previous year have been reclassified / regrouped wherever necessary including for amendments relating to Schedule III of the Companies Act, 2013 for better understanding and comparability. The reclassifications / regroupings do not have material impact on the consolidated financial statements.

3.27 Accounting for Business Combination

TECOSIM Group Gmbh

- On November 29, 2024, the Hinduja Tech Limited, a subsidiary of the Parent Company, through its wholly owned subsidiary Hinduja Tech GmBH Limited entered into a Share Purchase Agreement (SPA) to acquire 100% of the issued capital of TECOSIM Group Gmbh along with its subsidiaries Tecosim GmbH, Tecosim Limited (UK), Tecosim Engineering S.R.L (Romania), Tecosim Inc (US), Tecosim Japan Limited (Japan), Tecosim Engineering Services Private Limited (India) (collectively referred to as 'TECOSIM Group') respectively for an upfront cash consideration of ₹ 173.24 crores (EUR 19 million). There are no contingent consideration arrangements.
- Consequently the acquired entities became step-down subsidiaries of Hinduja Tech Limited, India effective from November 29, 2024 on satisfactory completion of the closing conditions under the SPA and has been consolidated with effect from that date.
- The TECOSIM group provides advanced solutions to transport, energy, healthcare, fitness industry and technology sectors and specialises in services such as Computer Aided Engineering, Manufacturing Execution Systems, Industrial Measurement Technology etc.
- The primary reason for this acquisition was to expand the market reach and enhance the global presence of the group.
- As required by Ind-AS 103, Business Combinations, the Hinduja Tech Limited has accounted for the assets and liabilities of the TECOSIM Group at their respective fair values, including the intangibles and resultant goodwill arising from such acquisition.
- For the year ended March 31,2025, the Group had accounted for the acquisition on a provisional basis interms of Ind AS 103. During the current year, the Group has completed the measurement period assessment and the provisional amounts recognised earlier have not required any adjustment. Accordingly, the acquisition accounting has been finalised without any change to the provisional fair values previously disclosed.

Particulars	₹ Crores
Assets	**Provisional / Final Fair Values**
Property, plant and equipment	20.77
Intangible assets (excluding customer relationships)	3.63
Customer relationships recognized pursuant to business combinations	46.05
Deferred tax liablities on acquired intangibles	(11.59)
Other assets (Net of liabilities)*	(17.22)
Total	**41.64**
Fair value of purchase consideration	173.24
Goodwill arising on acquisition	131.60

* Includes cash and cash equivalents acquired of ₹ 15.92 crores

As at the date of acquisition, fair value of acquired trade receivables was ₹ 36.36 crores. The gross contractual amount of receivable amounted was ₹ 36.78 crores and allowance for credit loss was ₹ 0.42 crores.

Since the date of acquisition, TECOSIM Group has contributed ₹ 234.43 crores (March 2025: ₹ 87.78 crores) to the Group's revenue from operations and ₹ 45.81 crores (March 2025: ₹ 4.72 crores) of losses before taxation to the Group.

During the year ended March 31, 2025, the Company incurred acquisition-related expenses totalling ₹ 17.31 crores. These expenses were included in the Consolidated statement of profit and loss as follows:

- Insurance expenses: ₹ 1.54 crores
- Professional charges: ₹ 15.77 crores

3.28 The Board of Directors of Switch Mobility Limited, UK (Switch UK), a step-down subsidiary of the Parent Company, on March 26, 2025, approved the cessation of manufacturing and assembly activities at the Sherburn facility, consequent to which the facility has been closed during the year. Switch UK would continue to be present in the UK market and will participate in all the demand requirements in the UK by sourcing the buses through near by plants. Switch UK's aftermarket operations and service will continue to operate in the UK.

3.29 During the year ended March 31, 2026, the Hinduja Tech Limited (HTL), a subsidiary of Parent Company reassessed the useful life of the customer relationship intangible asset recognised on acquisition of the DSD Group. This reassessment was undertaken in light of the decline in actual revenues compared to the projections considered at the time of acquisition. Accordingly, the useful life of the customer relationship intangible asset has been revised from 8.1 years to 5 years. The resulting impact on the amortisation charge for future periods is ₹ 25 crores.

During the current financial year, the HTL assessed the customer relationship intangible assets recognised on acquisition of the Tecosim Group for impairment in accordance with the requirements of Ind AS 36 – Impairment of Assets.

Based on above assessment, indicators of impairment in respect of certain customer relationships were identified. The assessment indicated that the actual economic benefits derived from these assets were lower than those initially anticipated at the time of acquisition. This was primarily attributable to lower-than-expected revenues, reduced repeat business from customers, and changes in customer engagement patterns, which adversely impacted the projected future cash flows associated with these assets.

Accordingly, HTL performed an impairment test by comparing the carrying amount of the assets with their recoverable amount. The recoverable amount has been determined based on value-in-use calculations, using cash flow projections derived from financial budgets approved by management.

Based on the above evaluation, the HTL has recognised an impairment loss of ₹ 22.12 crores in the Consolidated statement of Profit and Loss during the year, which has been disclosed under other expenses (Refer Note 2.6).

The value-in-use calculations are based on cash flow projections over a period of five years, and the key assumptions used in determining the recoverable amount include a discount rate of 15.5%. These assumptions are considered reasonable and consistent with external and internal sources of information available at the reporting date. Post impairment, the carrying amount of the customer relationships reflects their respective recoverable amounts as at the reporting date.

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

Part "A": Subsidiaries

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

₹ Crores

S.no	Subsidiary	Acquired on	Country of incorporation	Reporting Currency	Share capital (including share application money pending allotment)	Other equity	Total liabilities	Total assets	Investments (except in case of investments in subsidiaries)	Turnover	Profit / (Loss) before taxation	Tax Expenses/ (Credit)	Profit / (Loss) after taxation	Other Comprehensive Income	Total Comprehensive Income	% of Shareholding
1	Hinduja Leyland Finance Limited and its subsidiaries	April 1, 2013	India	INR	545.27	9,959.55	61,621.11	72,094.19	2,970.10	8,051.21	1,184.71	307.34	877.37	934.04	1,811.41	61.12%
2	Global TVS Bus Body Builders Limited	December 10, 2013	India	INR	9.90	50.39	44.19	104.48	-	412.21	22.69	5.74	16.95	(0.21)	16.74	66.67%
3	Gulf Ashley Motor Limited	April 1, 2013	India	INR	29.70	(24.80)	47.49	52.39	-	249.48	4.81	0.87	3.94	(0.03)	3.91	93.15%
4	Optare Plc and its subsidiaries	April 1, 2013	UK	GBP	1,161.14	(1,030.36)	2,859.08	2,982.90	-	1,931.18	(163.30)	(15.04)	(148.26)	(62.21)	(210.47)	93.28%
5	Ashley Aviation Limited	January 1, 2019	India	INR	45.90	(44.53)	2.38	3.75	-	16.23	(2.22)	-	(2.22)	-	(2.22)	100.00%
6	Ashok Leyland (Nigeria) Limited	April 1, 2013	Nigeria	NGN	0.36	(15.71)	36.31	20.95	-	6.12	1.85	0.46	1.39	(2.97)	(1.58)	100.00%
7	Ashok Leyland (Chile) SA	April 1, 2013	Chile	CLP	3.76	(3.76)	-	-	-	-	-	-	-	-	-	100.00%
8	HLF Services Limited	April 1, 2013	India	INR	0.55	27.07	33.31	60.93	20.25	388.35	7.40	2.53	4.88	2.13	7.01	82.05%
9	Ashok Leyland (UAE) LLC and its subsidiary	April 1, 2015	UAE	AED	96.52	223.77	1,289.06	1,609.35	-	3,825.24	94.13	20.55	73.58	27.99	101.57	100.00%
10	Albonair (India) Private Limited	April 1, 2013	India	INR	45.00	162.82	247.89	455.71	-	980.43	41.45	11.05	30.40	(0.23)	30.17	100.00%
11	Hinduja Tech Limited and its subsidiaries*	February 25, 2021	India	INR	211.07	147.45	466.47	880.89	-	867.04	(211.75)	(6.70)	(205.05)	49.56	(155.49)	72.93%
12	Albonair GmbH, Germany and its subsidiary	April 1, 2013	Germany	EUR	372.38	(360.59)	281.56	293.35	-	371.25	(8.33)	2.28	(10.61)	2.89	(7.72)	100.00%
13	Vishwa Buses and Coaches Limited	November 19, 2020	India	INR	45.50	2.47	35.45	83.42	-	327.88	0.78	0.20	0.58	0.02	0.60	100.00%
14	Gro Digital Platforms Limited	April 14, 2021	India	INR	90.00	(51.98)	37.62	75.64	-	157.84	(21.92)	(4.92)	(17.00)	0.40	(16.60)	80.56%
15	OHM Global Mobility Private Limited	September 1, 2023	India	INR	300.00	(37.20)	1,592.20	1,854.99	-	273.77	(47.80)	(12.11)	(35.69)	(0.40)	(36.09)	100.00%
16	Ashok Leyland Foundation (from July 08, 2024)	July 08, 2024	India	INR	0.01	(0.01)	0.07	0.07	-	44.40	-	-	-	-	-	100.00%

* Hinduja tech limited and its' subsidiaries holds 28.57% in its' Joint venture, Zebeyond Limited (Investment amounting to ₹ 8.84 crores comprising of 150 shares) and exercises significant influence via voting rights. Networth of Zebeyond Limited (not subject to audit) as at March 31, 2026 is ₹ Nil and its' total comprehensive loss is ₹ 5.45 crores considered for consolidation.

Notes:

1 Reporting period of all entities mentioned above is April to March

2 There is no dividend proposed by the above entities

3 Exchange rate used in case of foreign subsidiaries, associates and joint ventures are given below:

CURRENCY	EUR	GBP	CLP	USD	NGN	AED	LKR
Closing Rate	109.00	125.51	0.10	94.84	0.07	25.82	0.30
Average Rate	102.48	118.46	0.10	88.37	0.06	24.06	0.29

4 During the year, Ashok Leyland West Africa SA, a step down subsidiary of the Parent Company have been liquidated.

Part "B": Associates and Joint Ventures

₹ Crores

Sl.No	Name of Associate / Joint Venture	Latest Audited Balance Sheet date	Shares held by the Parent Company as at the year end			Significant influence	Reason for not consolidating	Networth	Total comprehensive income for the year	
			No.	Investment Held (₹ Crores)	Holding %				Considered in consolidation	Not considered in Consolidation
	(A) Associates									
1	Ashok Leyland Defence Systems Limited	31-Mar-26	79,92,218	25.39	48.49%	Voting Power	Not Applicable	176.07	28.70	30.49
2	Lanka Ashok Leyland PLC	31-Mar-26	10,08,332	0.57	27.85%	Voting Power	Not Applicable	270.03	27.27	70.65
3	Mangalam Retail Services Limited	31-Mar-26	37,470	0.04	37.48%	Voting Power	Not Applicable	0.08	##	##
	(B) Joint Ventures									
1	Ashley Alteams India Limited	31-Mar-26	7,59,47,500	75.94	50.00%	Voting Power	Not Applicable	96.45	13.38	13.37
2	TVS Trucks and Buses Private Limited	31-Mar-26	2,49,50,000	24.95	49.90%	Voting Power	Not Applicable	9.56	(9.88)	(9.91)
3	Ashok Leyland John Deere Construction Equipment Company Private Limited # (under liquidation)	24-Sep-21	17,27,270	1.73	50.00%	Voting Power	Not Applicable	-	-	-

The Company along with its subsidiary Gulf Ashley Motor Limited holds 50% interest.

amount is below rounding off norms adopted by the Group.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Baskar Pannerselvam
Partner
Membership Number: 213126

May 28, 2026
Chennai

For and on behalf of the Board of Directors

Dheeraj G Hinduja
Executive Chairman
DIN : 00133410

Shenu Agarwal
Managing Director and
Chief Executive Officer
DIN : 03485730

K.M. Balaji
Chief Financial Officer

N. Ramanathan
Company Secretary

May 28, 2026
Chennai

ASHOK LEYLAND

Koi Manzil Door Nahin

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CIN: L34101TN1948PLC000105

LS GRAPHIC PRINTS

HINDUJA GROUP