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MEMORANDUM OF INFORMATION

PRIVATE PLACEMENT OF

SECURED RATED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 10,00,000/- EACH ("DEBENTURES"), AGGREGATING UPTO RS. 300,00,00,000/- (RUPEES THREE HUNDRED CRORES) WITH GREEN SHOE OPTION OF RS.200,00,00,000/- (RUPEES TWO HUNDRED CRORES) ("ISSUE")

(8% NCD Series AL2023 - Rs.300 Crores with green shoe option of Rs.200 Crores)

BY

ASHOK LEYLAND LIMITED
CIN: L34101TN1948PLC000105
(THE "ISSUER" OR THE "COMPANY")

Registered and Corporate Office: No.1 Sardar Patel Road, Guindy, Chennai –600032,
Phone No. 044 –22206115

Website: www.ashokleyland.com **Email:** secretarial@ashokleyland.com

Private Placement Offer Letter Dated: May 14, 2020
("Disclosure Document" or "Information Memorandum")

Note: This Information Memorandum is neither a Prospectus nor a statement in Lieu of Prospectus.

GENERAL RISK: Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. For taking an investment decision, investors must rely on their own examination of the Issue, the disclosure document and the risks involved. The Debentures have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the content of this Information Memorandum.

ISSUER’S ABSOLUTE RESPONSIBILITY: The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Disclosure Document contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Disclosure Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING: The Debenture has been rated “**AA; Negative (pronounced as Double A; Outlook - Negative)**” by ICRA Limited (“ICRA”) vide its letter dated April 30, 2020. Instruments with this rating are considered to have high degree of safety for timely servicing of financial obligations.

The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agency has the right to suspend or withdraw the rating at any time on the basis of new information etc. Please refer to Annexure 3 of this Information Memorandum for rationale for the above rating.

LISTING: Debentures are proposed to be listed on the Whole Sale Debt Market Segment of the National Stock Exchange of India Ltd (“NSE”). The Issuer shall comply with the requirements of the listing agreement to the extent applicable to it on a continuous basis. The Issuer intends to use electronic book mechanism as available on the electronic booking platform of the NSE.

Issue Schedule

Issue Opens on	Monday, May 18, 2020
Issue Closes on	Monday, May 18, 2020
Deemed Date of Allotment	Tuesday, May 19, 2020
Pay-in-Date	Tuesday, May 19, 2020

The Issuer reserves the right to change the issue opening and closing date and in such an event, the Date of Allotment for the Debentures may also be revised by the Company at its sole and absolute discretion.

This Information Memorandum has been provided in conformity with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and as amended from time to time (the “SEBI Debt Regulations”), as applicable for private placement of Debentures, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Section 42 of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the “PAS Rules”), as applicable for private placement of Debentures. This present Issue would be under the electronic book mechanism for issuance of debt securities on private placement basis as per the SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/05 dated January 5, 2018 issued by the SEBI (including any amendments thereto) under the SEBI Debt Regulations and the operational guidelines issued by NSE, as may be amended, clarified or updated from time to time. The Company intends to use NSE’s electronic bidding platform for issuance of debt securities on private placement basis (“NSE - EBP”) for this Issue.

SOLE ARRANGER TO THE ISSUE	
ICICI Bank Limited Corporate Office: ICICI Bank Towers Bandra Kurla Complex Mumbai - 400 051	
DEBENTURE TRUSTEE SBICAP Trustee Company Limited Apeejay House 3, Dinshaw Wachha Road Churchgate, Mumbai - 400 020 Tel: +91 22 4302 5555 Fax: +91 22 2204 0465 Email: corporate@sbicaptrustee.com Website: www.sbicaptrustee.com SEBI Reg. No. IND000000536 Contact Person: Ms. Aayushi Sanghavi, Company Secretary and Compliance Officer	REGISTRAR TO ISSUE Integrated Registry Management Services Private Limited 2 nd Floor, Kences Towers 1, Ramakrishna Street, North Usman Road T Nagar, Chennai - 600 017 Tel: +91 44 28140801 / 03 Fax: +91 44 28142479 Email: anusha@integratedindia.in Website: www.integratedindia.in SEBI Reg. No. INR000000544 Contact Person: Ms. N Anusha, Chief General Manager

TABLE OF CONTENTS

S. No.	Content	Page Nos.
1	Definitions and Abbreviations	5
2	Disclaimers	6
3	Brief details about the Issuer	9
4	Brief summary of Business/Activities of the Issuer	10
5	Brief history of the Issuer	21
6	Details of Shareholding of the Company as on March 31, 2020	23
7	Details of Directors of the Company	25
8	Details of Auditors of the Company	26
9	Details of Borrowings of the Company as on March 31, 2020	27
10	Shareholding details of Promoter and Promoter Group of the Company as on March 31, 2020	29
11	Abridged Version of financial information for the last three years	30
12	Material event / development or change having implication on Financials / credit quality	40
13	Name of Debenture Trustee along with their consent letter	40
14	Rating Letter	40
15	Listing of securities	40
16	Other information	40
17	Details of the Issue	41
18	Disclosures pertaining to Willful Default	41
19	Risk Factors	43
20	Inspection of documents	54
21	Other information and terms and conditions	54
22	Declaration by the Directors / Executives	64
23	Form PAS 4	65
24	General Information	65
25	Particulars of the Offer	67
26	Mode of Payment for subscription	70
27	Disclosures with regard to Interest of Directors, Litigation, etc.	70
28	Financial position of the Company	81
29	Declaration by the Directors / Executives	84
30	Annexures	
	Annexure 1 – Term Sheet	85
	Annexure 2 – List of other Directorships	91
	Annexure 3 – Credit Rating Letter	93
	Annexure 4 – Illustrative Cash Flow for a Debenture	99
	Annexure 5 – Consent Letter from Debenture Trustee	100
	Annexure 6 – List of Transaction documents in relation to the issue and subscription of the Debentures	
	Annexure 7 – Application form	101

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum

Term	Description
The Company / Issuer / ALL	Ashok Leyland Limited, a company having its registered and corporate office at No.1 Sardar Patel Road, Guindy, Chennai - 600032
Allotment / Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this issue
Arranger / ICICI Bank	ICICI Bank Limited
Board	Board of Directors of the Company or a duly constituted Committee thereof
BSVI	Bharat Stage VI
Credit Rating Agency	ICRA Limited
CV Industry	Commercial Vehicle Industry
Debentures / NCD	Rated, Listed, Secured, redeemable, Non – Convertible Debenture of the Company of a face value of Rs.10,00,000/- (Rupees Ten lakhs) each
Debenture Trustee / SBICAP	Trustee for the Debenture Holder(s), in this case being SBICAP Trustee Company Limited
DIN	Director Identification Number
ECB	External Commercial Borrowing
EV	Electric Vehicles
FY	Financial Year
GOI	Government of India
GST	Goods and Service Tax
GVW	Gross Vehicle Weight
Information Memorandum / Disclosure Document	This information Memorandum / Disclosure Document dated May 14, 2020 pursuant to which the Debentures are being offered for private placement
LCV	Light Commercial Vehicles
M&HCV	Medium and Heavy Commercial Vehicles
MBP	Modular Business Program
NEFT / RTGS	National Electronic Fund Transfer / Real Time Gross Settlement
OEM	Original Equipment Manufacturer
PAN	Permanent Account Number
Private Placement Offer cum Application Letter	The letter issued by the Issuer pursuant to the provisions of Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, to the investors in the format set out in the said rules
Promoter	Hinduja Automotive Limited
Promoter group	Promoter group of the Company as per the definition provided in Regulation 2(1)(pp) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
Registrar / Registrar to the Issue	Registrar to the Issue, in this case being Integrated Registry Management Services Private Limited
R&D	Research and Development
SEBI	Securities and Exchange Board of India
Stock Exchange	National Stock Exchange of India Ltd. (NSE)
TIV	Total Industry Volume

DISCLAIMERS OF THE ISSUER

This Disclosure Document is neither a prospectus nor a statement in lieu of a prospectus under the Companies Act, 2013. The issue of Debentures to be listed on the National Stock Exchange of India Limited is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the Debentures to the public in general.

This Disclosure Document has been prepared in conformity with Section 42 of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, each as amended from time to time. Therefore, as per the applicable provisions, copy of this Disclosure Document has not been filed or submitted to the SEBI for its review and/or approval. This Information Memorandum is not intended to be circulated to more than 200 persons in the aggregate in a Financial Year and to any person other than an Eligible Investor. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such.

This Disclosure Document has been prepared to provide general information about the Issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Disclosure Document does not purport to contain all the information that any potential investor may require. Neither this Disclosure Document nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Disclosure Document should not consider such receipt a recommendation to purchase any Debentures. Each investor contemplating purchase of any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Disclosure Document (including the documents incorporated by reference herein, if any) contains all information that is material in the context of the Issue and sale of the Debentures, is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Disclosure Document or in any material made available by the Issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Company and only such recipients are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Disclosure Document are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom application forms along with this Disclosure Document being issued have been sent by or on behalf of the Issuer. Any application by a person to whom the Disclosure Document has not been sent by or on behalf of the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Disclosure Document shall maintain utmost confidentiality regarding the contents of this Disclosure Document and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents without the consent of the Issuer till the issue opening date.

Nothing in this Disclosure Document constitutes an offer of securities for sale in the United States or any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation.

Certain statements in this Information Memorandum are not historical facts but are “forward-looking” in nature. Forward-looking statements appear throughout this Information Memorandum. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential to differ materially from those suggested by the forward-looking statements. The Issuer undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof. Forward looking statements speak only as of the date of this Information Memorandum. None of the Issuer, its Directors, its officers or any of their respective affiliates or associates has any obligation to update or otherwise revise any statement reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. For a further discussion on the factors that could cause actual results to differ, see the discussion under “Risk Factors” contained in this Information Memorandum.

The Issuer reserves the right to withdraw the private placement of the Debenture issue prior to the issue closing date(s) in the event of any unforeseen development adversely affecting the economic and regulatory environment or any other force majeure condition including any change in applicable law. In such an event, the Issuer will refund the application money, if any, along with interest payable on such application money, if any, in accordance with provisions of the Companies Act, 2013.

EACH PERSON RECEIVING THIS DISCLOSURE DOCUMENT ACKNOWLEDGES THAT:

Such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein; and Such person has not relied on any intermediary that may be associated with issuance of Debentures in connection with its investigation of the accuracy of such information or its investment decision.

The Issuer does not undertake to update the Disclosure Document to reflect subsequent events after the date of the Disclosure Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Disclosure Document nor any sale of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Disclosure Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Disclosure Document in any jurisdiction where such action is required. The distribution of this Disclosure Document and the offering and sale of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this Disclosure Document comes are required to inform themselves about and to observe any such restrictions. The Disclosure Document is made available to investors in the Issue on the strict understanding that the contents hereof are strictly confidential.

This Disclosure Document is dated May 14, 2020.

DISCLAIMER CLAUSE OF THE ARRANGER

Ashok Leyland Limited (the “Issuer”) has authorized ICICI Bank (“ICICI Bank” or the “Arranger”) to distribute this Disclosure Document in connection with the proposed transaction outlined in it (the “Transaction”) and the Debentures proposed to be issued in the Transaction (the “Debentures”).

“ICICI bank means ICICI Bank Limited and any group, subsidiary, associate or affiliate of ICICI Bank and their respective directors, representatives or employees and/or any persons connected with them.

Nothing in this Disclosure Document constitutes an offer of securities for sale in the United States or any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation.

The Issuer has prepared this Disclosure Document and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental and corporate approvals for the issuance of the Debentures. All the information contained in this Disclosure Document has been provided by the Issuer or is from publicly available information, and such information has not been independently verified by the Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this Disclosure Document or any of the information or opinions contained therein, and the Arranger hereby expressly disclaims, to the fullest extent permitted by law, any responsibility for the contents of this Disclosure Document and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Disclosure Document or any information or errors contained therein or any omissions therefrom. By accepting this Disclosure Document, you agree that the Arranger will not have any such liability.

DISCLAIMER OF THE STOCK EXCHANGE

As required under the SEBI Debt Regulations, a copy of this Disclosure Document be submitted to the Stock Exchange for hosting the same on its website. It is to be distinctly understood that such submission of the document with Exchange or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer's securities will be listed or continue to be listed on the Stock Exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoter/promoter group, its management or any scheme or project of the Company. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to the investors who shall be specifically approached by the Issuer. This Disclosure Document does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. The Debentures are governed by and will be construed in accordance with Indian law. Any disputes arising out of this Issue will be subject to the jurisdiction of the courts at Mumbai, Maharashtra and Chennai, Tamil Nadu in accordance with the terms of the Debenture Trust Deed. This private placement offer of Debentures is made in India to persons resident in India and non-residents as permissible. Nothing in this Disclosure Document shall constitute and/or deem to constitute an offer or an invitation to an offer, to be made to the Indian public or any section thereof, at large, through this Disclosure Document, and this Disclosure Document and its contents should not be construed to be a prospectus under the Companies Act, 2013. This Disclosure Document does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

DISCLAIMER IN RESPECT OF CREDIT RATING AGENCY

The ratings by the Credit Rating Agency should not be treated as a recommendation to buy, sell or hold the rated Debentures. The Credit Rating Agency ratings are subject to a process of surveillance which may lead to a revision in ratings. Please visit Credit Rating Agency's website www.icra.in or contact the Credit Rating Agency's office for the latest information on Credit Rating Agencies' ratings. All information contained herein has been obtained by the Credit Rating Agency from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and the Credit Rating Agency in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements of opinion and the Credit Rating Agency shall not be liable for any losses incurred by users from any use of this publication or its contents. Most entities whose bank facilities / instruments are rated by the Credit Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities / instruments.

You should carefully read and retain this Disclosure Document. However, you are not to construe the contents of this Disclosure Document as investment, legal, accounting, regulatory or tax advice, and you should consult with your own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Debentures.

A. BRIEF DETAILS ABOUT THE ISSUER

Name	Ashok Leyland Limited
Registered and Corporate office	No.1 Sardar Patel Road, Guindy Chennai - 600032 Tel No. +91 44 - 22206115
Website	www.ashokleyland.com
Company Secretary and Compliance Officer	Mr. N Ramanathan Tel No : +91 44 22206094 Email: Ramanathan.N5@ashokleyland.com Address: No.1 Sardar Patel Road Guindy, Chennai - 600032
Whole time Director and Chief Financial Officer	Mr. Gopal Mahadevan, Tel No: +91 44 22206111 Email: Gopal@ashokleyland.com Address: No.1 Sardar Patel Road Guindy, Chennai - 600032
Arranger	ICICI Bank Limited Corporate Office : ICICI Bank Towers Bandra Kurla Complex Mumbai - 400 051
Registrar & Transfer Agents	Integrated Registry Management Services Private Limited 2 nd Floor, Kences Towers 1, Ramakrishna Street, North Usman Road T Nagar, Chennai - 600 017 Tel No. +91 44 2814 0801 / 03
Credit Rating Agency	ICRA Limited, Karumuttu Centre, 5 th Floor 634, Anna Salai, Nandanam Chennai - 600 035 Tel No. +91 44 4596 4300
Auditors	Price Waterhouse & Co Chartered Accountants LLP 8 th Floor, Prestige Palladium Bayan 129 -140 Greams Road, Chennai - 600006
Debenture Trustee	SBICAP Trustee Company Limited Apeejay House 3, Dinshaw Wachha Road Churchgate, Mumbai - 400 020 Tel: +91 22 4302 5555

B. BRIEF SUMMARY OF THE BUSINESS / ACTIVITIES OF THE ISSUER

This Information Memorandum contains certain “forward-looking statements”. Statements that describe the Company’s plans or goals are also forward looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which the Company operates and our ability to respond to them.

Overview

Ashok Leyland Limited (ALL), a 71 years company, is an existing, profit-making, dividend-paying, listed Company. ALL is one of the largest manufacturers of commercial vehicles and diesel engines in India.

The Company was promoted as Ashok Motors Limited in 1948 to assemble the well known Austin cars. During the year 1950, the Company commenced assembly and distribution of Leyland commercial vehicles. An agreement was concluded with Leyland Motors Limited, U.K. to manufacture the vehicle in India and to participate in the equity capital of the Company, which was then renamed Ashok Leyland Limited.

ALL vehicles have established a reputation for their reliability, superior performance and durability. Various types of Medium and Heavy Commercial Vehicles (M&HCV) are offered by ALL in different models to meet diverse applications in moving men and material. In the M&HCV segment, the Company has a market share of 31.8% (FY 19-20) in the domestic market (Source: SIAM). In addition, the Company also has a presence in Light Commercial Vehicles segment. Through a joint venture with Nissan Motors Co. Limited, ALL had ventured into Light Commercial Vehicle segment and subsequently acquired the entire stake from Nissan Motors Co. Limited. This is a major step towards improving its presence across all segments in CV industry.

ALL which recorded a turnover of Rs. 26 billion in FY 2001-02, achieved a turnover of Rs. 290.55 billion (US\$ 4.2 billion) in FY 2018-19, a quantum jump of 10 times in the last 19 financial years.

Hinduja Automotive Limited (“HAL”) formerly known as Land Rover Leyland International Holdings Ltd (LRLIH) - which holds the majority shareholding of ALL, previously owned by the Rover Group, U.K. (erstwhile Leyland Group), was acquired by a joint venture of the Hinduja Group and IVECO, a fully owned subsidiary of FIAT, heralding a new chapter in the history of ALL. Now, the holding Company i.e. HAL is fully owned by Hinduja Group.

ALL’s shares are listed in BSE Limited and the National Stock Exchange of India Ltd.

Business of the Company

ALL is currently the second largest manufacturer of M & HCVs in India. ALL was established in 1948 and has nine manufacturing plants, with the parent plant at Ennore near Chennai, three plants at Hosur, near Bangalore (Hosur Unit I, II & IIA), foundries division in Sriperumpudur & Ennore, a gearbox manufacturing and vehicle assembly plant at Bhandara (near Nagpur), an assembly plant with bus body building facility at Alwar (near New Delhi) and a fully integrated unit in Pant Nagar, Uttarakhand.

ALL has established a very wide distribution network across India for the sale of its vehicles and spare parts. eALL employs 11,463 employees (as of March 31, 2020).

In line with the management policy of giving emphasis to R&D activities and the vision of emerging as a global player, ALL has invested substantial sums in ALL’s Technical Center at Vellivoyal chavadi near Chennai with state of the art equipment and facilities for development and testing. Globally benchmarked testing facility includes modern CAD setup and a Computer Testing Laboratory, a comprehensive array of test beds for vigorous testing of prototypes in the most demanding conditions.

During the year 2018-19, ALL sold 197,366 vehicles (including export of 12,301 vehicles) registering gross turnover of Rs.290.54 billion (US\$ 4.2 billion) and net profit of Rs. 19.83 billion. (US\$ 287 million).

With the establishment of state of the art and fully integrated plant at Pant Nagar, Uttarakhand, ALL's production facilities are in major regions across India.. In addition, it is also expanding its presence across the globe through inorganic growth (i.e. mergers and acquisitions) and establishment of assembly units nearer to its markets like United Arab Emirates (UAE).

Geographic presence:

S.No.	Location	Operation
1	Ennore, Tamil Nadu	Buses, Trucks, Engines, Axles, etc.
2	Hosur, Tamil Nadu	Trucks, Special Vehicles, Light Commercial Vehicles, Cabins, Power Units and Press Shop
3	Pantnagar, Uttarakhand	New generation platform and Cabs
4	Alwar, Rajasthan	Bus body building
5	Bhandara, Maharashtra	Gearbox
6	Foundries Division - Ennore and Sriperumbudur, Tamil Nadu	Castings for automobiles and tractors to industrial engines, construction equipment and power generation equipment

Manufacturing Facilities:

ALL operates from various manufacturing locations spread across India. The parent plant situated at Ennore, near Chennai. In this 121.9 acre facility, is a fully integrated plant, manufacturing chassis and important aggregates like gearbox, engine, and axles, run by a highly skilled workforce.

Hosur I plant, situated near Bangalore, commenced operations in 1980, is the key manufacturing hub for engines within Ashok Leyland. The wide range of engines assembled here span across BS III, BS IV and now BS VI compliant *diesel* and CNG (Compressed Natural Gas) engines, made in dust proof assembly lines with latest technology. It also manufactures critical components like Cylinder Block and Heads. This facility spread over 101.2 acres, with 44 acres are utilized by manufacturing shops and buildings including state of the art Engine R&D test cell facilities. Now, this facility is geared up for manufacturing BS VI vehicles.

Hosur II plant, situated near Bangalore, commenced operations in 1994 and has a state-of-the-art production facility. This is Deming Prize winning 'flexible' plant capable of manufacturing vehicles in a wide payload range – from 2.5 tonnes to up to 49 tonnes. Spread over 234 acres (65 acres built up area), this plant manufactures Ecomet, DOST, MAV, Tippers, RMC and Tractor trailers, LCV s, and the iconic defence vehicle Stallion. This manufacturing facility is also equipped with a state-of-the-art robotic painting system.

ALL's Cab Panel Press Shop (CPPS) Hosur IIA plant has world class 'Press' facility is equipped with cutting-edge hydraulic, mechanical and electric presses that are highly versatile and is capable of manufacturing panels of complex shapes and profiles with tools and dies. Cab panel for MDV and LCV and a door welding and assembly line define this facility.

Established in 1982, the Alwar Unit in the State of Rajasthan is a globally benchmarked bus body building facility that has several specialties including a U-shaped chassis conveyor, hydraulic automated panelling, body lifting mechanisms, paint booths and a shower testing facility. Sprawled over 325 acres (61.8 built up area), this is an assembly plant for a wide range of products, with an emphasis on passenger chassis, including Janbus, FESLF, Cheetah, and Viking amongst others.

ALL's Bhandara Unit, situated near Nagpur, State of Maharashtra, houses manufacturing and assembly facilities. It caters to the production of sophisticated synchromesh transmission to all ALL commercial vehicles manufactured at various locations across the globe. The 232-acres (112 acres built up area) facility is also equipped for vehicle assembly.

ALL has set up a plant in Pant Nagar, the State of Uttarakhand with the objective of supplementing its presence in Northern India. This 189 acre (79.2 built-up area) is an integrated axle machining and assembly facility. It

represents best-in-class industrial architecture. A benchmark in efficient operations, it is also the first plant to win the prestigious Deming Prize. For the first time in India, CNC flexible roll forming technology was introduced in this plant.

Research & Development

ALL has invested over Rs.3.5 Billion in ALL's Technical Center at Vellivoyalchavadi, about 15 kms from Chennai with state-of-the-art equipment and facilities for development and testing. ALL also strengthened the product development function significantly through recruitment of more than 1000 engineers with a wide range skills and work experience. ALL initiated extensive technical developments in the areas of vehicle, engine, transmission and cabin, among others.

A Modular Business Program ("MBP") has been launched for development of modular vehicles. AL is the first Indian OEM to develop vehicles under modular platform. Through this initiative, entire range of current truck platform in M&HCV will get migrated into single platform and BS6 will be launched only in MBP platform for M&HCV Trucks. These new range of vehicles would eventually replace the current platform of vehicles. Modularity concept covers high level of manufacturing flexibility, greater choices for customers and reduction in vehicle parts but provide ability to produce higher number of vehicle variants.

Strategic investments have been made to build a state-of-the-art R & D infrastructure with facilities such as the '8 poster', 24 test bed Engine R&D facility, component test lab, Material engineering, Chassis dynos and ARAI (Automotive Research Association of India) accreditation test track etc. for full vehicle test facility for testing all range of vehicles from LCV to multi-axle vehicles. ALL's continuing focus on product development and improvements has yielded significant benefits to customers.

ALL continued to invest heavily in product development. The Modular vehicle program, New LCV cab and BSVI engines for all application are on track. Substantial effort is being made to revamp the range of intermediate commercial vehicles and offer a global product to the Indian market. ALL's wide portfolio of buses and coaches are further being enhanced with development of luxury RE multi-axle coach. The acquisition of Optare, a UK based manufacturer of contemporary rear-engine city buses and a leader in "green" technology, has added to ALL's bus building capabilities. In addition, ALL continued to invest in drive train technologies of the future, particularly Electric vehicles portfolio.

BS VI

Four years back Government proposed new BS-VI emission norms from April 2020. Based on these requirements considering the market conditions, BS-VI architecture was configured. ALL conducted a detailed concept study keeping the same BS-IV engine but with a new exhaust after-treatment system. Conceptual experimentation was done long back in the year 2016 and was displayed in Auto Expo. Internal competency developed for engine for BSVI architecture, emission development, control system and calibration subsequently and installed infrastructure for development and testing. For selecting technology partners, several in-house workshops were done with experts.

Many innovative concepts are built into AL BS-VI product based on Indian market requirements viz; model-based airflow eliminating the need of a HFM sensor, air-assisted urea dosing, maintenance free OCV, intake throttle valve alone for thermal management, compact exhaust after-treatment system, 2-valve per cylinder, external HC dosing for active regeneration leading to reduced oil dilution etc. and nearly 5 patent applications are under progress. Various workshops being conducted with global engine consultants like AVL and FEV and with various exhaust after-treatment system suppliers like Tenneco, BASF, Cummins Emission Solution, Albonair GmbH etc. for making AL BS-VI robust. Concept testing and then selecting the engine and after-treatment specification were also carried out.

After receiving certificates, confirming compliance to BS-VI emission standard, from Automotive Research Association of India (ARAI), ALL becomes the first OEM to meet the BS VI emission norms across the full range of heavy duty trucks (GVW of 16.2T and above).

Modular Business Program

ALL has also embarked into the development of an advanced and ambitious Modular Business Program covering the M&HCV truck range of vehicles.

A new Modular Vehicle Platform has been developed, which is designed to be versatile and accommodate any type of internal aggregates and components. It is also designed to accommodate future design requirements, which will arise due to any new statutory requirements or next gen emission norms, apart from ability to modify and build any new customer requirement or regulation. This platform also enables ALL to build vehicles in the same platform to meet the previous gen emission norms or LH drive, specifically required for the international market. All the current platforms in M&HCV trucks is getting migrated into the single advanced Modular Platform and will be launched in 2020, aligning with the national introduction of BSVI emission norms. All the engines and the exhaust systems are now upgraded to meet the BSVI emission norms for the complete range of vehicles.

In Modular Business Program, apart from the architectural change to the vehicle platform, the business process has also undergone changes. The entire product lifecycle management process is managed in a modular data, which will reduce the time to market of any new vehicles. 3D CAD models are extensively used in design, manufacture, quality and service, to ensure all validations are done upfront. This process will also enable the customer to configure their vehicles with the help of a Tab.

Development of a modular platform for the entire truck range will be launched by ALL for the first time in the Indian Commercial Vehicle industry.

Electric Vehicles

The Electric Vehicles (EV) & eMobility Solutions Business has conceived the City Application Midi Bus which is currently deployed at Ahmedabad for the BRT application. Both Midi and Standard buses are being developed for the City bus market in an effort to cater to the growing EV market for Public Transportation. The investments aim at gearing up for the regulatory changes for all diesel platforms as well as capturing the Indian EV market which is the 2nd largest in the world next to China. A collaboration with ABB is in place towards Ultra Fast charging technology which is underway. ALL already offers Fast Charge (Fixed battery), Swap Charge (Swappable Battery) solutions to optimise the capital and Operating costs to the customer based on the actual operating conditions.

Light Commercial Vehicles

There is significant growth in Light Commercial Vehicle (LCV) segment for last mile connectivity. Considering the same ALL is developing new LCV Vehicle with GVW of 2.5T, 2.8T, 3.5T & 4.9T on New LCV Cab Platform. New LCV cab vehicles are being developed for RHD & LHD variant to cater the Domestic and Export markets.

The table below indicates the R&D expenditure by ALL during fiscal 2018 and 2019.

Particulars	Rs. Crores	
	2017-18	2018-19
Capital	62.54	119.35
Revenue	389.95	538.78
Total	452.49	658.13
% To Turnover	1.69	2.27

Product Range

Trucks:

ALL grown over these last 70 years, from a company assembling 350 Comet trucks in the year 1951, to a company that has registered sales of more than 1,00,000 medium and heavy commercial vehicles in the domestic market, during Fiscal 2018-19. Today, ALL is developing touch points across the length and breadth of the country. ALL topped the commercial vehicles category at the dealer points.

In this long journey, ALL moved from being a single model manufacturing company, to an organisation which today offers more than 500 variants, catering to almost each segment/application. ALL offers a wide range of products that serves diverse customers meeting their preferences and requirements. ALL ensures that the products are as per current market needs and promotes safety of customers. ALL is progressively promoting customer safety and improving fuel efficiency through best-in-class technologies and exploring new avenues in the field of alternative fuel. ALL R&D team is geared towards innovating and manufacturing vehicles that are best suited for Indian market.

ALL's portfolio encompasses Buses, Trucks, Light Commercial Vehicles (LCVs), Defence Mobility Solutions and Power Solutions. ALL has played a pioneering role in the introduction of various upgrades in product technology and the introduction of new kinds of products in India. ALL's customer segments include both private and State sectors including Defence.

Buses:

ALL, the market leader in buses in India and third largest bus manufacturer in the world in volume terms (Source: SIAM & OICA for Calendar year 2019), facilitates millions of people in getting to their destination every day through its wide product range of 18 to 80 seater buses- truly living it up to its ethos of serving national interest through every business venture.

In FY18, ALL continued to strengthen its product offering by migrating all bus products to BS IV with iEGR (intelligent Exhaust Gas Recirculation) technology and making them more environment and customer friendly. iEGR has better fuel efficiency than BS3 engines and does not need urea for emission control, leading to better savings for our customers. Developed by capturing customer voice in terms of feel, emotion, safety and comfort, our buses cover the entire range with different floor heights for varied applications for travel within the city, intercity and special applications like airport shuttle. As market leader, ALL has introduced tubeless tyre in our entire product range for superior comfort and safety along with enhancing the mileage, resulting in savings to our customers.

ALL offers buses in Intermediate Commercial vehicles (ICV), and Medium Duty vehicle (MDV) segments of the market. In ICV, our brand Sunshine dedicated to school application, symbolizes safe journey and happy memories to the school children. In MDV, Viking brand continues to promise versatility and reliability. 166" (wheel base) Cheetah was launched for our customers for their travel suited for hilly terrain. ALL continues to work alongside progressive State Transport Undertakings (STU's) to provide safe and comfortable public transport solutions by supplying about 6500 buses in FY 2019-20. .

Light Commercial Vehicles:

The Light Commercial Vehicle (LCV) vertical completes ALL's presence in the Commercial Vehicle space as a full-fledged CV player, offering customer solutions from 2.5 Tonnes to 55 Tonnes and 13 seats to 79 Seats. The LCV Business also helps ALL to de-risk from the usual business cyclicity, associated with Medium & Heavy Commercial vehicles.

Rising fuel costs pinch our customer's earnings and hence we have invested in superior engine technology and design which delivers better fuel efficiency. We have focused on superior ergonomics, driver comfort and safety, so our vehicles are not just meant for delivering goods, but also provide a superior experience. We launched AC cabins in our DOST (2011) and PARTNER (2014). We made power steering popular in small commercial vehicles. We have been robustly growing our After-Market presence.

ALL achieved a significant milestone with the rollout of the 200,000 LCVs from its manufacturing facility in Hosur, Tamilnadu. Achieving the 200,000 mark in less than 6 years bears testimony to how customers find value in the offerings from the house of Ashok Leyland.

Defence:

ALL is a complete mobility solution player for the Armed Forces. ALL association with India's armed forces spans more than 40 years, during which we have pulled our weight to secure borders, carry supplies and help soldiers through some of the harshest terrain and, occasionally, even into battle.

The Stallion, our flagbearer brand, represents the largest fleet of vehicles in an armed force. With over 70,000 vehicles produced, the Stallion is synonymous with an army vehicle.

Equipped for military payloads ranging from 2.5 to 30 tonnes and a full range of special applications, Ashok Leyland vehicles also bolster the defence forces.

Every one of our machines is infused with the very qualities we salute in the soldier—extraordinary endurance, power under pressure, rock-solid stability in hostile terrain and weather and above all, reliability.

Power Solutions:

LEYPOWER is a reputed brand of **diesel generator** sets in India. With state-of-the-art technology in engine, alternator and controllers, LEYPOWER provides a fully integrated power system at par with global standards at a very competitive overall cost of ownership. LEYPOWER ready-to-use diesel generator sets meet with the latest CPCB-II (Central Pollution Control Board) norms in India and built to comfortably meeting international norms.

ALL **agricultural engines** manufactured in the state-of-the-art facilities with global quality standard in 4 and 6 cylinder variants, continues to be the first choice amongst the various Original Equipment Manufacturers of both track and wheel Harvester combines.

ALL engines had been the heart of Agricultural Combines in India over four decades and continue to be the leader in the segment. We enjoy over 85% market share in wheel and track combine segment. With lowest running cost and continual operating capability, ALL Agricultural Engines continues to bring smiles on the faces of Indian farmers.

ALL manufactures many of the key components for its vehicles, including frames, engines, gear boxes, cabins and axles, and sourcing other components from suppliers almost all of which are in India.

ALL is also in the business of manufacture of High Pressure Aluminium Die Castings through a joint venture with Alteams OY Finland. This joint venture set up a manufacturing facility at Cheyyar near Chennai. This joint venture is fully established to meet both Telecom and automobile sector requirements. ALL benefits by sourcing gear box casings, case oil coolers, connection housings, etc. from this joint venture.

Hinduja Leyland Finance Limited (HLFL) a finance arm of ALL has a pan india presence operating from over 1550 locations spread across India of which 368 locations are owned and operated by HLFL directly and balance locations are operated either through Franchise or Dealer premises. In FY 2018-19, HLFL has financed around 21,779 AL vehicles (13,806 MHCVs and 7,973 LCVs).

Application-wise mapping

Product	User / Industry segment	Customer Segment
Buses	Passenger	State Transport Undertaking / Private Sector / Educational Insitutions
Multi axle vehicles (Trucks)	Fleet operators (multi purpose / tankers)	Private sector
Haulage (Trucks)	Fleet operators (multi purpose / tankers)	Private sector
Tractor Trailers (Trucks)	Fleet operators (Containerised Cargo)	Private sector
Tippers (Trucks)	Fleet operators (Mines / Sand / Solid Waste Management)	Private sector / Public bodies
LCVs	Fleet operators (multi purpose)	Private sector
Industrial Engines	All Industries including Telecom, etc., for power generation	Private sector
Marine Engines	Marine Industry	Private sector
Stallion truck	Defence	Government
Cargo SCV	MLO (Market Load Operator), Captive FMCG (Fast Moving Consumer Goods), Fruits & Vegetables, White Goods, FMCD (Fast Moving Consumer Durable), Hardware, Dairy)	Individual buyers, Corporate entities
Cargo LCV	Fleet Operators, Market Load Operator (Agriculture, Petroleum, Milk & Dairy products, Poultry, water tanker, containers)	Individual buyers, Corporate entities
Passenger LCV	School, staff, college, tourist	Educational institution, State Transport undertaking, Private sector
Power Solution Busines	All Industries	Private sector

Domestic Market

ALL has a significant presence in the M&HCV market. Market share details for the last three years are given below:

Particulars	Units		
	FY-18	FY-19	FY-20
Buses	Actual		
Total Industry Volume (TIV)	36117	39612	39924
ALL's volumes	13708	16323	18141
ALL's Market Share	37.95	41.21	45.44
Trucks			
Total Industry Volume (TIV)	304664	351128	183596
ALL's volumes	102826	115613	53028
ALL's Market Share	33.75	32.93	28.88
Total			
Total Industry Volume (TIV)	340781	390740	223520
ALL's volumes	116534	131936	71169
ALL's Market Share	34.20	33.77	31.84

Source: SIAM

Product Distribution Network

Besides ALL’s plans of managing the dealers through a dealer network connectivity (Dealer Management System), ALL has three levels of touch points of service, viz., Dealer Outlet, Authorised Service Center and Mutual Improvement through Relationship Mechanics. The current level of customer touch points are given hereunder:

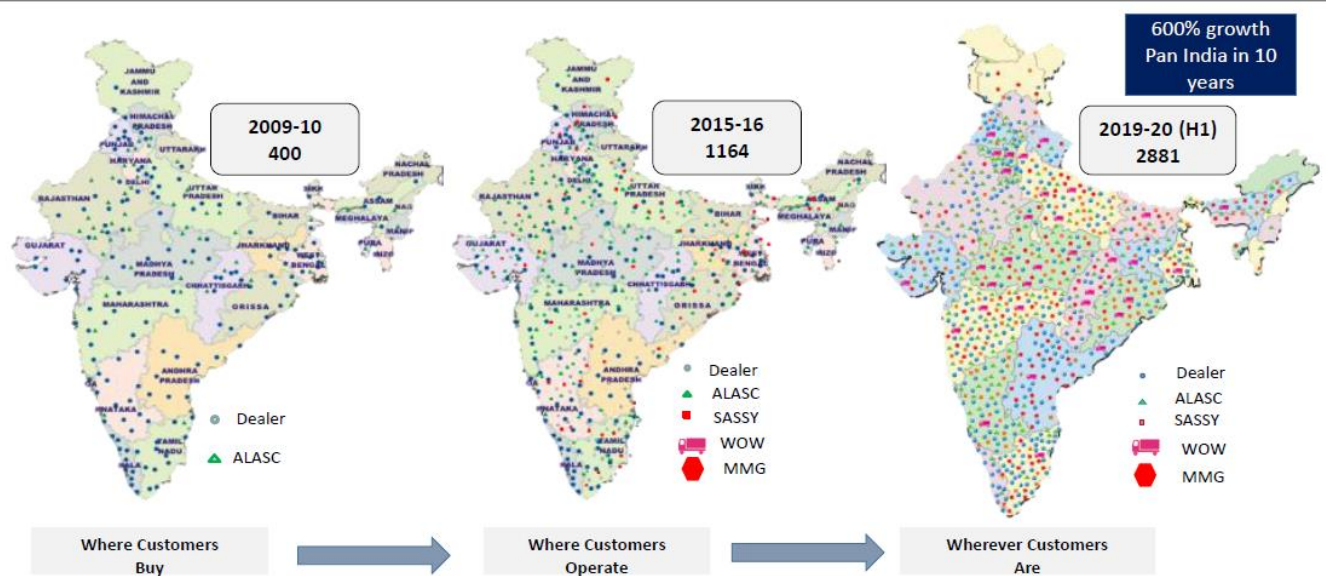
Period	Dealer Outlets	Authorized service centers	Dealer Outlet bays	Authorized service center bays
2016-17	342	211	2664	844
2017-18	350	228	2904	964
2018-19	374	274	3144	1167

ALL’s plan to have a Pan-India presence was achieved through the setting up of an effective dealership and service outlets across the country. This is reflected in ALL achieving significant market penetration in Northern, Eastern and Central regions of India.

Presence all over India

While the southern and western parts of India had traditionally been strong markets for ALL, it has been taking conscious efforts to expand its presence in other parts of the country. This includes establishment of dealer outlets and service outlets in new areas of Northern and Eastern parts of India and strengthening the existing ones. Further, Gulf Ashley Motors Ltd, a Company promoted to boost the presence of ALL in the Eastern parts of India also helped in improving its penetration levels. These efforts have paid rich dividends. To meet the market requirements efficiently, the manufacturing locations are also spread across various Regions of India.

The pan India presence of ALL’s manufacturing facilities, marketing and service outlets can be seen from the pictorial graph presented below:



Note: The above Map depicts the existing footprints.

International Operations

Exports

ALL's export sales represent 7.12% of its total unit vehicle sales for the year ended March 31, 2020. ALL exports commercial vehicles, including buses and trucks in particular to Sri Lanka, the Middle East, Bangladesh, Africa and other developing countries.

Export of vehicles (nos) – country-wise for the past years is given below:

Country	2015-16	2016-17	2017-18	2018-19	2019-20
SAARC	7,101	8,224	11,377	9,873	5,078
Middle East	3,666	2,445	3,412	1,521	2,799
Africa and Others	2,366	1,133	1,472	907	1,043
Total	13,133	11,802	16,261	12,301	8,920

Global Foot-prints

ALL formed Ashok Leyland (UAE) LLC in Ras Al Khaimah, RAKIA, UAE, to set up a bus bodybuilding unit, to increase its business presence in the Middle East. The acquisition of Optare, a UK based manufacturer of contemporary rear-engine city buses and a leader in “green” technology, has added to ALL's bus building capabilities. Optare is known for its low carbon range, low floor, mid buses and modern range of city buses.

I) CORPORATE AND MANAGEMENT STRUCTURE

Subsidiaries, Associate Companies and Joint Ventures as of March 31, 2020

S. No	Name of the Company	Holding/ Subsidiary/ Associate Company	% of shares held	Nature of Activity
1.	Albonair GmbH	Wholly owned subsidiary	100.00	Emission Treatment Technology
2.	Albonair Automotive Technology Co., Ltd, China	Wholly owned subsidiary	100.00	Emission Treatment Technology
3.	Albonair (India) Private Limited	Wholly owned subsidiary	100.00	Emission Treatment Technology
4.	Ashok Leyland Nigeria Limited	Wholly owned subsidiary	100.00	Trading in Commercial Vehicles
5.	Ashok Leyland (Chile), S.A.	Wholly owned subsidiary	100.00	Trading in Commercial Vehicles
6.	Gulf Ashley Motor Limited	Subsidiary	92.98	Trading in Commercial Vehicles
7.	Optare PLC	Subsidiary	99.24	Manufacture of Commercial Vehicles
8.	Optare UK Limited	Subsidiary	99.24	Manufacture of Buses
9.	Optare Group Limited	Subsidiary	99.24	Investment Company
10.	Jamesstan Investments Limited	Subsidiary	99.24	Investment Company
11.	Optare Holding Limited	Subsidiary	99.24	Investment Company
12.	Optare (Leeds) Limited	Subsidiary	99.24	Manufacture of Commercial Vehicles

13.	East Lancashire Bus Builders Limited	Subsidiary	99.24	Manufacture of Commercial Vehicles
14.	Global TVS Bus Body Builders Limited	Subsidiary	66.67	Specialised Bus Body building
15.	Hinduja Tech GmbH	Subsidiary	62.00	IT services
16.	Hinduja Technologies Inc., USA	Subsidiary	62.00	IT services
17.	Hinduja Tech Limited	Subsidiary	62.00	Development of Application Software for Automobile Industries
18.	Hinduja Housing Finance Limited	Subsidiary	67.19	Housing Finance
19.	Hinduja Leyland Finance Limited	Subsidiary	67.19	Non-Banking Finance Company
20.	HLF Services Limited	Subsidiary	54.00	Manpower Supply services
21.	Ashley Aviation Limited	Wholly owned subsidiary	100.00	Business of Aviation, including leasing of Aircrafts
22.	Ashok Leyland (UAE) LLC	Associate	49.00	Vehicle Assembly and Bus Body
23.	Mangalam Retail Services Limited	Associate	37.48	Retail outlets for distribution of Petroleum and Petroleum products.
24.	Lanka Ashok Leyland PLC	Associate	27.85	Vehicle Assembly
25.	Ashok Leyland Defence Systems Limited	Associate	48.49	Manufacture of Light combat Vehicles and armored Vehicles
26.	Rajalakshmi Wind Energy Limited	Associate	26.00	Development, operation and maintenance of windmills.
27.	Ashley Alteams India Limited	Joint Venture	50.00	Dealers of ferrous and non-ferrous casting including automobile, telecom casting
28.	Ashok Leyland John Deere Construction Equipment Company Private Limited [§]	Joint Venture	4.85	Development of Technology used in Construction and mining industries.

[§]under voluntary liquidation

Management Structure

A Board of Directors comprising of professionals with rich experience in various fields manages ALL. The Managing Director and Chief Executive Officer is assisted by Senior Management Team handles day to day management of the affairs of the Company.

Board of Directors as on March 31, 2020

S.No.	Name	Director since	Category
1	Mr. Dheeraj G Hinduja	03/09/1996	Chairman, Non Independent Director
2	Prof. Dr Andreas H Biagosch	10/05/2013	Independent Director
3	Dr. Andrew C Palmer	04/11/2015	Independent Director
	Mr. Jean Brunol	20/10/2010	Independent Director
5	Mr. Jose Maria Alapont	25/01/2017	Independent Director
6	Ms. Manisha Girotra	08/09/2014	Independent Director
7	Mr. Sanjay K Asher	21/12/2010	Independent Director
8	Mr. Saugata Gupta	08/11/2019	Independent Director
9	Mr. Vipin Sondhi	08/11/2019	Managing Director and Chief Executive Officer
10	Mr. Gopal Mahadevan	24/05/2019	Whole-time Director and Chief Financial Officer

II) Key Operational / Financial parameters for the last three audited years.

A. Standalone

	Rs. in Crores			
Parameters	YTD Sep'19	FY18-19	FY17-18	FY16-17
Net worth	7,482.67	8,332.43	7,245.54	6,126.07
Total Debt	2,855.15	632.36	1226.28	2,144.85
of which – Non Current maturities of Long Term Borrowings	1,213.27	298.40	512.55	1,146.32
❖ Short Term Borrowings	1,417.01	100.00	100.00	198.64
❖ Current Maturities of Long Term Borrowings	224.87	233.96	613.73	799.89
Other Non-current Liabilities	757.85	804.61	758.80	345.93
Net Fixed Assets	5,137.10	5,080.62	5,045.76	4,813.69
Goodwill	449.90	449.90	449.90	-
Intangible Assets	1,199.77	741.61	474.95	362.98
Investments	2,696.40	2,636.50	2,451.51	2,001.68
Non-current Assets	904.27	1,129.43	850.80	761.60
Cash and Cash Equivalents	83.79	1,364.98	1,031.47	868.61
Current Investments	--	--	3,155.16	877.17
Current Assets	6,115.91	6,821.36	3,876.84	4,354.34
Current Liabilities	5,491.47	8,455.00	8,105.77	5,423.22
Net sales	9,613.36	29,054.95	26,633.00	21,453.14
EBITDA	832.12	3,245.68	3,160.10	2,338.80
EBIT	507.44	2,624.67	2,561.62	1,820.91
Interest	42.67	70.38	147.28	155.38
PAT	269.10	1,983.20	1,717.73	1,223.08
Dividend amounts	--	910.01	713.23	456.54
Current ratio	0.87	0.93	0.91	0.95
Interest coverage ratio	12.71	35.40	20.58	12.89
Gross debt/equity ratio	0.38	0.08	0.17	0.35
Debt Service Coverage Ratios	0.08	0.23	0.23	1.45

Note:

- The latest audited financial statements of the Company for the financial year ended March 31, 2020 are not yet available. Accordingly, the Issuer has provided the information as of the latest limited reviewed half yearly statement for the half year ended September 30, 2019 (Standalone & Consolidated).
- Interim Dividend of Rs. 146.78 Crores (Re.0.50 per share) paid to shareholders in March 2020.

B. Consolidated

	Rs. in Crores			
Parameters	Sep'19	FY18-19	FY17-18	FY16-17
Equity Share Capital	293.55	293.55	292.71	284.59
Other equity	7,658.74	8,452.02	7,127.88	6,108.35
Net worth	7,952.29	8,745.57	7,420.59	6,392.94
Non-Controlling Interests	1,151.67	1,075.07	825.33	588.99
Total Equity	9,103.96	9,820.64	8,245.92	6,981.93
Total Debt	21,971.91	19,167.91	15,791.04	13,167.93
of which – Non Current maturities of Long Term Borrowings	12,666.39	13,009.65	10,228.09	8,876.42
❖ Short Term Borrowings	3,845.71	2,137.75	1,919.20	1,034.71
❖ Current Maturities of Long Term Borrowings	5,459.81	4,020.51	3,643.75	3,256.80
Non-current Liabilities	984.72	975.76	852.50	410.65
Net- Fixed Assets	5,431.48	5,365.48	5,320.58	5,268.15

Goodwill	1,115.56	1,115.56	1,107.74	1,107.74
Intangible Assets	1,450.75	892.04	607.24	459.08
Investments	632.97	859.12	966.84	845.21
Loan to customer (under financing Activity)	20,166.42	19,475.95	15,053.67	10,834.85
of which – Non current	11,909.96	12,922.32	9,935.69	6,701.86
❖ Current	8,256.46	6,553.63	5,117.98	4,132.99
Non-current Assets	1,312.80	1,479.91	1,158.35	1,123.30
Cash and Cash Equivalents	427.26	1,767.39	1,218.04	1,013.14
Current Investments	694.56	632.76	3,415.74	1,088.11
Current Assets	6,859.27	7,533.70	4,669.79	4,928.75
Current Liabilities	6,030.48	9,157.6	8,628.53	6,107.81
Net Sales	10,207.96	30,493.81	27,883.33	22,689.99
Interest / finance income relating to Financing activities	1,466.43	2,703.03	2,033.78	1,499.83
EBITDA	1,825.84	5,038.06	4,447.57	3,424.63
EBIT	1,464.91	4,362.50	3,801.68	2,851.84
Interest	888.29	1,502.24	1,227.38	1,048.80
PAT	344.91	2,194.60	1,813.82	1,632.91
Dividend Amount	--	910.01	713.23	456.54
Current Ratio	1.06	1.08	1.02	1.07
Interest Coverage ratio	1.97	3.32	3.60	3.29
Gross debt/equity ratio	2.41	1.95	1.92	1.89
Debt service coverage ratio	0.11	0.38	0.37	0.29

Gross Debt: Equity Ratio of the Company:

(Gross Debt as on March 31, 2020 and Equity as on September 30, 2019 used for this purpose)

Before the issue of debt securities	0.44 times
After the issue of securities	0.48 times

III) Project cost and means of financing, in case of funding new projects: Not applicable

C. BRIEF HISTORY OF THE ISSUER

i) **Details of Share Capital as on March 31, 2020**

Share capital	Amount in Rs.
Authorised Capital	
27,85,60,00,000 Equity Shares of Re.1/- each	27,85,60,00,000
365,00,000 Redeemable Non-Cumulative Non-Convertible Preference Shares of Rs.10/- each	36,50,00,000
770,00,000 Non-Convertible Redeemable Preference Shares of Rs.100/- each	770,00,00,000
Total	35,92,10,00,000
Issued Capital	2,93,55,27,276
2,93,55,27,276 Equity shares of Re.1/- each	
Subscribed and Paid-up capital	2,93,55,27,276
2,93,55,27,276 Equity shares of Re.1/- each	

ii) Changes in its capital structure as at March 31, 2020 for the last five years:

Date of Change (AGM/EGM/Committee meeting)	Amount in Rs.	Particulars
13/6/2017	8,06,58,292	Issue and allotment of 8,06,58,292 shares to the equity shareholders of the erstwhile Hinduja Foundries Limited ("HFL") due to merger of HFL with the Company. The Authorised Capital of the Company increased to 35,92,10,00,000 crores consequent to the merger
1/11/2017	5,69,175	Issue and Allotment of 5,69,175 shares under ESOP Plan 2016
11/4/2018	37,27,000	Issue and Allotment of 37,27,000 shares under ESOP Plan 2016
23/5/2018	42,96,175	Issue and Allotment of 42,96,175 shares under ESOP Plan 2016
27/7/2018	2,00,000	Issue and Allotment of 2,00,000 shares under ESOP Plan 2016
10/8/2018	2,00,000	Issue and Allotment of 2,00,000 shares under ESOP Plan 2016

Changes in Capital Structure as at March 31, 2020 for the last five years:

Date of Allotment	No. of Equity shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash etc.)	Nature of allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital	Equity Share Premium	
13/6/2017	8,06,58,292	1.00	1.00	Cash	Scheme of Amalgamation of Hinduja Foundries Limited with the Company	2,92,65,34,926	2,92,65,34,926	Nil	-
1/11/2017	5,69,175	1.00	80.00	Cash	ESOP	2,92,71,04,101	2,92,71,04,101	79.00	-
11/4/2018	37,27,000	1.00	1.00	Cash	ESOP	2,93,08,31,101	2,93,08,31,101	Nil	-
23/5/2018	5,69,175	1.00	80.00	Cash	ESOP	2,93,14,00,276	2,93,14,00,276	79.00	-
23/5/2018	37,27,000	1.00	1.00	Cash	ESOP	2,93,51,27,276	2,93,51,27,276	Nil	-
27/7/2018	2,00,000	1.00	83.50	Cash	ESOP	2,93,53,27,276	2,93,53,27,276	82.50	-
10/8/2018	2,00,000	1.00	83.50	Cash	ESOP	2,93,55,27,276	2,93,55,27,276	82.50	-

iii) Equity Share Capital History of the Company as on last quarter end, for the last five years:

Date of Allotment	No. of Equity shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash etc.)	Nature of allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital	Equity Share Premium	
13/6/2017	8,06,58,292	1.00	1.00	Cash	Scheme of Amalgamation of Hinduja Foundries Limited with the Company	2,92,65,34,926	2,92,65,34,926	Nil	-
1/11/2017	5,69,175	1.00	80.00	Cash	ESOP	2,92,71,04,101	2,92,71,04,101	79.00	-
11/4/2018	37,27,000	1.00	1.00	Cash	ESOP	2,93,08,31,101	2,93,08,31,101	Nil	-
23/5/2018	5,69,175	1.00	80.00	Cash	ESOP	2,93,14,00,276	2,93,14,00,276	79.00	-
23/5/2018	37,27,000	1.00	1.00	Cash	ESOP	2,93,51,27,276	2,93,51,27,276	Nil	-
27/7/2018	2,00,000	1.00	83.50	Cash	ESOP	2,93,53,27,276	2,93,53,27,276	82.50	-
10/8/2018	2,00,000	1.00	83.50	Cash	ESOP	2,93,55,27,276	2,93,55,27,276	82.50	-

iv) Details of any Acquisitions or Amalgamation in the last 1 year: Nil

v) Details of any Reorganisation or Reconstruction in the last 1 year: Nil

D. Details of the shareholding of the Company as on March 31, 2020

i) Shareholding pattern of the Company as on March 31, 2020:

S. No.	Particulars	Total no. of Equity Shares	No. of Shares in Demat Mode	Total Shareholding as % of total no. of equity shares
1.	Promoter and Promoter Group	1,500,660,261	1,500,660,261	51.12
2.	Resident Individuals / Association of Persons	400,977,827	388,534,972	13.66
3.	IEPF Authority / Unclaimed Securities Suspense Account	5,560,184	5,560,184	0.19
4.	Clearing Members	14,434,466	14,434,466	0.49
5.	Financial Institutions/Insurance Co. / State Govt./Govt. Companies	146,600,078	146,239,078	4.99
6.	Foreign Institutional Investors	433,812	344,712	0.01
7.	Foreign Portfolio Investors	493,263,994	493,263,994	16.80
8.	NRI / OCB / Corporate Bodies - Foreign / Foreign National	18,505,881	18,487,269	0.63

S. No.	Particulars	Total no. of Equity Shares	No. of Shares in Demat Mode	Total Shareholding as % of total no. of equity shares
9.	Corporate Bodies / Limited Liability Partnership	23,457,677	23,362,885	0.80
10.	Mutual Funds	285,989,156	285,920,456	9.74
11.	Trusts	15,919,507	15,919,507	0.54
12.	Banks	5,499,433	5,484,693	0.19
13.	Alternate Investment Fund	267,000	267,000	0.01
14.	Others - GDR A/C	23,958,000	23,958,000	0.82
	Grand Total	2,935,527,276	2,922,437,477	100.00

Note:

- (i) Shares pledged or encumbered by the Promoter: Hinduja Automotive Limited, U.K. - 13,90,00,000 shares.
(ii) As per SEBI Circular CIR/CFD/CMD/13/2015 - 2,39,58,000 GDR shares held by non-promoter public is not considered for calculating the total % holding of the Company and hence the total promoters holding % as per stock exchanges disclosures will be 51.54% as against 51.12% mentioned above.

ii) List of top 10 holders of equity shares of the Company as on March 31, 2020:

S. No.	Name of the shareholders	Total no. of Equity Shares	No. of Shares in Demat form	Total Shareholding as % total no. of equity shares
1.	Hinduja Automotive Limited (under different folios including GDR shares)	1493532882	1493532882	50.88
2.	Reliance Capital Trustee Co Ltd (under different sub accounts)	165,184,502	165,184,502	5.63
3.	Government Pension Fund Global	58,886,226	58,886,226	2.01
4.	Mirae Asset Mutual Fund (under different sub accounts)	57,518,817	57,518,817	1.96
5.	Life Insurance Corporation of India / Life Insurance Corporation of India P & GS Fund	57,320,939	57,319,939	1.95
6.	Schroder International Selection Fund Emerging Asia	36,482,750	36,482,750	1.24
7.	Government of Singapore	32,522,397	32,522,397	1.11
8.	Franklin India Mutual Fund (under Different sub accounts)	24,893,527	24,893,527	0.85
9.	General Insurance Corporation of India	21,434,300	21,434,300	0.73
10.	Vanguard Total International Stock Index Fund	20,939,263	20,939,263	0.71

E. DETAILS OF DIRECTORS OF THE COMPANY

i) Details of the current Directors of the Company

Board of Directors as on March 31, 2020

S. No	Name and Designation	DIN	Age	Address	Director of the Company since
1	Mr. Dheeraj G Hinduja Chairman, Non Independent Director Occupation: Company Director	00133410	48	24 Carlton House Terrace, London SW153 AP, UK	03-09-1996
2	Prof. Dr. Andreas Hubertus Biagosch Independent Director Occupation: Company Director	06570499	64	IRMGARDSTR 10, Munchen 81479, Germany	10.05.2013
3	Dr. Andrew Charles Palmer Independent Director Occupation: Company Director	02155231	56	The Dower House, "Blakesley" NN12 8RD, U.K.	04-11-2015
4	Mr. Jean Brunol Independent Director Occupation: Company Director	03044965	68	34 Boulevard Victor Hugo Neuilly Sur Seine - 92200 France	20-10-2010
5	Mr. Jose Maria Alapont Independent Director Occupation: Company Director	07712699	69	Flat 10, St. James's Chambers Ryder Street, London SW1Y 6QA	25-01-2017
6	Ms. Manisha Girotra Independent Director Occupation: Company Director	00774574	50	71 Chitrakoot Altamount Road Mumbai - 400 026	08-09-2014
7	Mr. Sanjay K. Asher Independent Director Occupation: Company Director	00008221	56	32 Modi Street, Fort, Mumbai - 400 001	21-12-2010
8	Mr. Saugata Gupta Independent Director Occupation: Company Director	05251806	52	B-1002 Rustomjee Oriana, MIG Colony, Gandhi Nagar, Bandra (East), Mumbai - 400051	08-11-2019
9	Mr. Vipin Sondhi, Managing Director and Chief Executive Officer Occupation: Company Director	00327400	59	N-37, First Floor Panchsheel Parz New Delhi - 110 017	08-11-2019
10	Mr. Gopal Mahadevan Whole-time Director and Chief Financial Officer Occupation: Company Director	01746102	53	Chaitanya Laurels Flat No.B 703 Old No.59/60, New 81/83 C P Ramaswamy Road Alwarpet, Teynampet, Chennai - 600018	24-05-2019

For details of other directorships - Please refer to annexure 2

None of the current Directors of the Company are in the Defaulters List of RBI / ECGC.

ii) Details of change in the Directors since last three years: (from April 1, 2017)

Financial Year	Name, Designation and DIN	Appointment / Resignation	Date of Appointment / Resignation	Director of the Company Since (in case of resignation)	Remarks
2019-20	Mr. Saugata Gupta Independent Director, DIN: 05251806	Appointment	08-11-2019	-	-
	Mr. Vipin Sondhi Managing Director and Chief Executive Officer, DIN:00327400	Appointment	08-11-2019	-	-
	Mr. Gopal Mahadevan Whole-time Director and Chief Financial Officer, DIN:01746102	Appointment	24-05-2019	-	-
	Mr. Sudhindar K Khanna Independent Director, DIN:01529178	Resignation	05-04-2019	12-05-2015	-
2018-19	Mr. D.J. Balaji Rao Independent Director, DIN:00025254	Resignation	31-03-2019	27-03-2002	-
	Mr. Vinod K. Dasari Managing Director and Chief Executive Officer, DIN:00345657	Resignation	31-03-2019	08-05-2008	-
2017-18	Mr. A.K. Das Non Executive Director DIN:00122913	Resignation	21-07-2017	19-11-1994	-
	Mr. Shardul S Shroff Independent Director, DIN:00009379	Resignation	21-07-2017	01-08-2006	-

F. DETAILS OF AUDITORS OF THE COMPANY

i) Details of the auditors of the Company

Name	Address	Auditor of the Company since
Price Waterhouse & Co. Chartered Accountants LLP	8 th Floor, Prestige Palladium Bayan 129 -140, Greams Road Chennai - 600006	July 21, 2017

ii) Details of Change in Auditors of the Company since last three years

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)	Remarks
Price Waterhouse & Co. Chartered Accountants LLP	8 th Floor, Prestige Palladium Bayan, 129 -140 Greams Road Chennai - 600006	July 21, 2017	-	-

Joint Statutory Auditors					
M S Krishnaswami & Rajan	GB Apartments, JP Avenue 6 th Street, Dr Radhakrishnan Road, Mylapore Chennai - 600004	July 21, 2017 (Date of resignation)	1967	The joint statutory auditors were the statutory auditors of the Company till July 21, 2017	
Deloitte Haskins & Sells	Indiabulls Finance Centre Tower 3, 31 st Floor Elphinstone Mill Compound, Senapati Bapat Marg Elphinstone (W) Mumbai - 400013	July 21, 2017 (Date of resignation)	July 29, 2004		

G. DETAILS OF BORROWINGS OF THE COMPANY AS ON MARCH 31, 2020

i) Details of Long Term Secured Loan Facilities as on March 31, 2020:

(Rs. in Crores)

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount outstanding	Repayment Date / Schedule	Security
Federal Bank	Rupee Term Loan	500.00	500.00	\$	@
SIPCOT	Soft loan on VAT/CST paid	31.18	31.18	1.8.2025	#
Total		531.18	531.18		

\$ Repayable in five equal instalments on 9th September 2022, 2023, 2024, 2025 and 2026.

@ charge on specific list of Pant Nagar plant and machinery

First Charge on the Fixed Assets Created /proposed to be created and the same shall be on pari passu with other first charge holders of LCV Division

ii) Details of Short Term Secured Loan Facilities as on March 31, 2020:

(Rs. in Crores)

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount outstanding	Repayment Date / Schedule	Security
Consortium Arrangement	Working Capital Facility	FB - 900.00 NFB-1200.00	FB - 842 NFB -732.59	As per the terms of each availment	@

@ Secured by way of hypothecation of the whole stocks of Raw Materials, Semi Finished and Finished goods, Stores and Spares not related to Plant and Machinery (Consumable stores and spares) Bills Receivable, Book Debts and all other movables both present and future now lying or stored about the factories, premises and godowns situated at Ennore, Ambattur - Chennai, Hosur - Tamilnadu, Alwar - Rajasthan, Bhandara - Maharashtra, Pantnagar - Uttarakhand and other Regional Offices and depots to the extent of Rs. 2100 Crores.

Consortium Banks have enhanced the fund-based limit from Rs.900 Crores to Rs.2000 Crores recently. Documentation and creation of charge was been completed in April 2020.

iii) Details of Long term unsecured loan facilities as on March 31, 2020:

Lender's Name	Type of Facility	Amount Sanctioned	Principal outstanding Amount (Rs. Crores)	Repayment Date / Schedule
DBS BANK LTD, SINGAPORE	ECB	USD 65 Mn	151.33	26.06.2020
CTBC BANK CO., LTD., SINGAPORE	ECB	USD 20 Mn	50.44	11.09.2020
MUFG BANK LTD, SINGAPORE	ECB	USD 80 Mn	605.32	&
DBS BANK LTD, SINGAPORE	ECB	USD 20 Mn	151.33	#

Sales Tax Loan	Sales tax loan		82.94	On various dates
Total			1,041.36	

& Repayable in three equal annual instalments on 23rd Sep 2022, 25th Sep 2023 & 23rd Sep 2024.

Repayable in three equal annual instalments on 28th Feb 2023, 29th Feb 2024 & 28th Feb 2025

iv) Details of Short term unsecured loan facilities as on March 31, 2020:

				Rs. in Crores
Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount outstanding	Repayment Date / Schedule
MUFG Bank	Short term	200.00	200.00	June 18, 2020
Axis Bank	Short term	275.00	275.00	Sep 23, 2020 -150 Crores & Sep 26,2020 - 125 Crores
Deutsche Bank	Short term	50.00	50.00	June 18, 2020
Citicorp Financials	Short term	300.00	300.00	December 11, 2020
HDFC Bank	Buyers Credit	28.94	28.94	July 6, 2020 - 13.69 Crores & July 23, 2020 - 15.25 Crores
Total			853.94	

v) Details of NCDs as on March 31,2020 : Nil

vi) List of Top 10 Debenture Holders as on March 31,2020 : Not applicable

vii) The amount of corporate guarantee issued by the Company along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued:

Guarantees as on March 31, 2020		(Rs. in Crores)
SNo	Corporate Guarantees :	Amount
1	Optare PLC - given to CITI Bank	18.70
2	Optare PLC – given to ICICI Bank	28.05
3	Albonair Gmbh – given to CITI Bank	82.77
4	Ashley Alteams – given to FINNFUND	23.65
	Total	153.17

viii) Details of Commercial Paper: The total Face Value of Commercial Papers outstanding as on March 31, 2020 and its break up in the following table:

Nil as on March 31, 2020. During April 2020, the Company has placed Commercial Papers to the tune of Rs.500 Crores for 3 months at 5.75% p.a.

Maturity Date	Amount Outstanding (Rs. Crores)
July 28, 2020	500.00

ix) Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on March 31, 2020: Nil

x) Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past five years:

The Company has not defaulted in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness in last five years.

- xi) Details of any outstanding borrowings taken/debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option: Nil

H. SHAREHOLDING DETAILS OF PROMOTER AND PROMOTER GROUP OF THE COMPANY AS ON MARCH 31, 2020

Sl. No	Name of Shareholder	Total No. of Equity Shares	% of total shares of the Company	No. of shares in Demat Form	Total shareholding as % of total no. of equity shares	No. of Shares pledged	% of shares pledged with respect to shares owned
1	Hinduja Automotive Limited	1,493,532,882*	50.88	1,493,532,882	50.88	139,000,000	9.31
2	Hinduja Foundries Holdings Limited	7,127,379	0.24	7,127,379	0.24	-	-

(*) includes 32,92,00,140 shares held in GDR Form

I. ABRIDGED VERSION OF AUDITED CONSOLIDATED (WHEREVER AVAILABLE) AND STANDALONE FINANCIAL INFORMATION (LIKE PROFIT AND LOSS STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT) FOR ATLEAST THREE YEARS AND AUDITOR QUALIFICATIONS, IF ANY

PAST FINANCIAL PERFORMANCE (Standalone)

Statement of Profit and Loss (Standalone)

Rs. in Crores

	March '17	March '18	March '19	YTD Sep'19
Income				
Revenue from operations	21,453.14	26,633.00	29,054.95	9,613.36
Other income	136.27	196.58	109.94	66.57
Total Income	21,589.41	26,829.58	29,164.89	9,679.93
Expenses				
Cost of materials consumed	13,148.80	16,496.62	20,872.27	6,668.95
Purchases of Stock-in-Trade	1,583.39	659.36	766.10	365.54
Changes in inventories of finished goods, stock-in-trade and work-in- progress	(758.80)	1,275.10	(958.80)	(347.53)
Excise duty on sale of goods	1,313.01	276.60	-	-
Employee benefits expense	1,480.05	1,837.78	2,098.77	932.55
Finance costs	155.38	147.28	70.38	42.67
Depreciation and amortization expense	517.89	598.48	621.01	324.68
Other expenses	2484.16	3,124.02	3,140.87	1,228.30
Total Expenses	19,923.88	24,415.24	26,610.60	9,215.16
Profit before exchange (loss) on swap contracts, exceptional items and tax	1,665.53	2,414.34	2,554.29	464.77
Exchange loss on swap contracts	15.40	(3.21)	(2.63)	0.01
Profit before exceptional items and tax	1,680.93	2,411.13	2,551.66	464.78
Exceptional items	(350.85)	(25.30)	(54.86)	(84.93)
Profit before tax	1,330.08	2,385.83	2,496.80	379.85
Tax expense:				
Current tax	313.72	677.25	378.20	75.02
Deferred tax – charge / (credit)	(206.71)	(9.15)	135.40	35.74
Total Tax	107.01	668.10	513.60	110.76
Profit for the year	1,223.07	1,717.73	1,983.20	269.09
Other Comprehensive Income	8.52	(35.13)	(46.68)	(31.83)
Total Comprehensive Income	1,231.59	1,682.60	1,936.52	237.26
Earnings per share (Face value Re.1)				
❖ Basic (in Rs.)	4.24	5.87	6.76	0.92
- Diluted (in Rs.)	4.24	5.85	6.76	0.92

Balance Sheet (Standalone):

Rs. in Crores

	March '17	March '18	March '19	Sep'19
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	284.59	292.71	293.55	293.55
Other equity	5,841.48	6,952.83	8,038.88	7,189.12
Total Equity	6,126.07	7,245.54	8,332.43	7,482.67
Non-current liabilities				
Financial Liabilities				
(i) Borrowings	1,146.32	512.55	298.40	1,168.91
(ii) Lease liabilities	-	-	-	44.36
(iii) Other Financial Liabilities	47.22	1.44	34.59	29.73
Deferred tax liabilities (Net)	126.90	298.58	249.73	269.00
Provisions	132.55	255.04	249.63	204.84
Contract Liabilities	-	-	269.02	254.28
Other non-current liabilities	39.26	203.74	1.64	-
Total	1,492.25	1,271.35	1,103.01	1,971.12
Current liabilities				
Financial Liabilities				
(i) Borrowings	198.64	100.00	100.00	1,471.01
(ii) Trade payables	3,116.99	4,887.90	5,018.93	2,791.53
(iii) Lease liabilities	-	-	-	13.25
(iv) Other Financial Liabilities	1,973.73	1,793.95	1,600.34	1,320.65
Contract Liabilities	-	-	790.23	613.63
Other current liabilities	613.92	1,217.57	476.69	176.30
Provisions	518.31	808.49	802.77	800.98
Current tax liabilities (net)	-	11.59	-	-
Total	6,421.60	8,819.50	8,788.96	7,133.35
Liabilities directly associated with assets classified as held for sale	0.15	-	-	-
GRAND TOTAL	14,040.07	17,336.39	18,224.40	16,587.14
ASSETS				
Non-current assets				
Property, plant and equipment	4,656.10	4,811.43	4,805.98	4,678.73
Capital work-in-progress	157.60	234.33	274.64	458.37
Goodwill	-	449.90	449.90	449.90
Other Intangible assets	314.71	286.64	358.63	325.63
Intangible assets under development	48.26	188.31	382.98	560.31
Right to use Asset	-	-	-	313.83
Financial assets				
(i) Investments	2,001.68	2,451.51	2,636.50	2,696.40
(ii) Trade receivables	0.18	0.03	0.14	0.29
(iii) Loans	45.57	33.54	31.71	35.08
(iv) Other financial assets	136.52	26.20	41.44	25.34
Advance tax assets (net)	111.06	91.00	102.34	114.60
Other non-current assets	468.27	700.03	953.80	728.96
Total	7,939.95	9,272.92	10,038.06	10,387.44
Current assets				
Inventories	2,631.03	1,758.33	2,684.67	2,950.16
Financial assets				
(i) Investments	877.17	3,155.16	-	-
(ii) Trade receivables	1,064.39	944.78	2,505.53	1,448.02

	March '17	March '18	March '19	Sep'19
(iii) Cash and cash equivalents	868.61	1,031.47	1,364.98	83.79
(iv) Bank balances other than (iii) above	43.36	10.69	8.61	12.04
(v) Loans	21.47	24.10	22.46	25.04
(vi) Other financial assets	189.43	390.34	465.06	813.58
Contract assets	-	-	11.04	10.45
Other current assets	281.66	748.60	1,123.99	856.62
Total	5,977.12	8,063.47	8,186.34	6,199.70
Assets classified as held for sale	123.00	-	-	-
GRAND TOTAL	14,040.07	17,336.39	18,224.40	16,587.14

Note: The latest audited financial statements of the Company for the financial year ended March 31, 2020 are not yet available. Accordingly, the Issuer has provided the information as of the latest limited reviewed half yearly statement for the half year ending September 30, 2019.

PAST FINANCIAL PERFORMANCE (Consolidated)

Statement of Profit and Loss (Consolidated)

Rs. in Crores

	March '17	March '18	March '19	YTD Sep'19
Income				
Revenue from operations	24,189.82	29,917.11	33,196.84	11,674.39
Other income	130.69	199.14	128.06	49.07
Total Income	24,320.51	30,116.25	33,324.90	11,723.46
Expenses				
Cost of materials consumed	14,069.56	17,317.71	21,680.55	7,071.32
Purchases of Stock-in-Trade	1,403.62	750.50	837.48	400.62
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(739.47)	1,149.86	(919.42)	(372.25)
Excise duty on sale of goods	1,318.86	281.52	-	-
Employee benefits expense	1,850.00	2,257.48	2,639.85	1,206.35
Finance costs	1,048.80	1,227.38	1,502.24	888.29
Depreciation and amortization expense	572.79	645.89	675.56	360.93
Other expenses	2993.32	3,911.61	4,048.38	1,591.58
Total Expenses	22,517.48	27,541.95	30,464.64	11,146.84
Profit before exchange loss on swap contracts, share of profit of associates and joint ventures, exceptional items and tax	1,803.04	2,574.30	2,860.26	576.62
Exchange loss on swap contracts	15.40	(3.21)	(2.63)	0.01
Share of profit of associates and joint ventures (net)	(9.87)	6.57	11.28	1.33
Profit before exceptional items and tax	1,808.57	2,577.66	2,868.91	577.96
Exceptional items	24.69	(12.73)	2.75	(49.07)
Profit before tax	1,833.26	2,564.93	2,871.66	528.89
Tax expense:				
Current tax	440.03	789.28	525.67	131.65
Deferred tax – charge / (credit)	(243.91)	(38.17)	151.39	52.33
Total Tax	196.12	751.11	677.06	183.98
Profit for the year	1,632.91	1,813.82	2,194.60	344.91
Other Comprehensive Income	61.25	(95.99)	183.51	38.55
Total Comprehensive Income	1,694.16	1,717.83	2,378.11	383.46
Earnings per share (Face value Re.1)				
❖ Basic (in Rs.)	5.51	6.02	7.08	0.99
❖ Diluted (in Rs.)	5.51	6.00	7.08	0.99

Balance Sheet (Consolidated):

	Rs. in Crores			
	March '17	March '18	March '19	Sep'19
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	284.59	292.71	293.55	293.55
Other equity	6,108.35	7,127.88	8,452.02	7,658.74
Equity attributable to owners of the company	6,392.94	7,420.59	8,745.57	7,952.29
Non-controlling interest	588.99	825.33	1,075.07	1,151.67
Total Equity	6,981.93	8,245.92	9,820.64	9,103.96
Non-current liabilities				
Financial Liabilities				
(i) Borrowings	8,876.42	10,228.09	13,009.65	12,517.48
(ii) Lease liabilities	-	-	-	148.91
(iii) Other Financial Liabilities	48.65	29.97	122.87	136.76
Deferred tax liabilities (Net)	126.93	298.51	257.76	325.05
Provisions	189.16	313.32	316.87	268.63
Contract Liabilities	-	-	269.02	254.28
Other non-current liabilities	45.91	210.7	9.24	-
Total	9,287.07	11,080.59	13,985.41	13,651.11
Current liabilities				
Financial Liabilities				
(i) Borrowings	1,034.71	1,919.20	2,137.75	3,845.71
(ii) Trade payables	3,450.15	5,053.53	5,179.02	2,970.70
(iii) Lease liabilities	-	-	-	21.49
(iv) Other Financial Liabilities	4,841.17	5,291.33	6,012.47	7,053.70
Contract Liabilities	-	-	814.80	644.99
Other current liabilities	718.04	1,281.07	562.05	229.15
Provisions	349.35	634.01	609.50	570.08
Current tax liabilities (net)	5.75	12.34	0.27	0.18
Total	10,399.17	14,191.48	15,315.86	15,336.00
Liabilities directly associated with assets classified as held for sale	0.15	-	-	-
GRAND TOTAL	26,668.32	33,517.99	39,121.91	38,091.07
ASSETS				
Non-current assets				
Property, plant and equipment	5,072.23	5,069.47	5,070.85	4,950.13
Capital work-in-progress	195.92	251.11	294.63	481.35
Goodwill (on consolidation)	1,107.74	1,107.74	1,115.56	1,115.56
Other Intangible assets	410.82	418.93	509.06	483.08
Intangible assets under development	48.26	188.31	382.98	560.31
Right to use asset	-	-	-	407.36
Investments – Accounted for using equity method	-	97.23	102.11	101.82
Financial assets				
(i) Investments	845.21	869.61	757.01	531.15
(ii) Trade receivables	0.18	0.03	0.14	0.29
(iii) Loans	6,701.86	9,935.69	12,922.32	11,909.96
(iv) Other financial assets	178.02	180.44	321.30	340.56
Deferred tax assets (net)	113.48	141.78	10.30	8.98
Advance tax assets (net)	137.39	131.83	188.44	230.10
Other non-current assets	694.23	704.27	959.73	732.87

Total	15,505.34	19,096.44	22,634.43	21,853.52
Current assets				
Inventories	2,901.03	2,207.68	3,063.43	3,357.21
Financial assets				
(i) Investments	1,088.11	3,415.74	632.76	694.56
(ii) Trade receivables	1,238.40	1,175.51	2,717.18	1,683.25
(iii) Cash and cash equivalents	1,013.14	1,218.04	1,767.39	427.26
(iv) Bank balances other than (iii) above	50.48	12.47	9.90	13.33
(v) Loans	4,132.99	5,117.98	6,553.63	8,256.46
(vi) Other financial assets	293.88	458.13	498.22	860.82
Contract assets	-	-	12.76	10.96
Other current assets	321.61	816.00	1,232.21	933.70
Total	11,039.64	14,421.55	16,487.48	16,237.55
Assets classified as held for sale	123.34	-	-	-
GRAND TOTAL	26,668.32	33,517.99	39,121.91	38,091.07

Note: The latest audited financial statements of the Company for the financial year ended March 31, 2020 are not yet available. Accordingly, the Issuer has provided the information as of the latest limited reviewed half yearly statement for the half year ending September 30, 2019

Cashflow statement – Standalone

Particulars	Rs. in Crores			
	March 31, 2017	March 31, 2018	March 31, 2019	September 30, 2019
Cash flow from operating activities				
Profit for the year	1,223.08	1,717.73	1,983.20	269.10
Adjustments for:				
Income tax expense	107.01	668.10	513.60	110.76
Prepaid lease rentals	-	3.13	3.02	-
Depreciation, amortisation and impairment	517.89	598.48	621.01	314.02
Amortisation – Right-of-use asset	-	-	-	10.66
Share based payment cost	18.12	52.80	2.43	7.94
Impairment loss allowance, write off on trade receivable/ advances (net)	54.79	(0.17)	(25.28)	(8.96)
Impairment loss/(reversal) in the value of investments (including impact of capital reduction)	(174.29)	264.40	3.77	0.86
Impairment loss allowance on loans (including interest)	244.14	(242.37)	-	-
Translation difference on conversion of loan to equity in subsidiary	-	(10.14)	-	-
Provision for obligations / others	281.00	12.73	35.15	39.33
Foreign exchange loss/ (gain)	5.96	(6.99)	17.11	4.71
Exchange loss/ (gain) on swap contracts	(15.40)	3.21	2.63	(0.01)
Loss / (Profit) on sale of Property, Plant and Equipment (PPE) and intangible assets – net	(8.03)	(3.02)	12.49	(2.42)

Particulars	March 31, 2017	March 31, 2018	March 31, 2019	September 30, 2019
Profit on sale of investments – net	(23.07)	(43.37)	(46.89)	(3.33)
Net (gain) / loss arising on financial asset mandatorily measured at FVTPL	7.85	(5.29)	10.45	(2.75)
Finance costs	155.38	147.28	70.38	42.67
Interest income	(67.81)	(53.95)	(39.76)	(28.71)
Dividend income	(1.16)	(1.29)	(1.54)	(18.50)
Operating profit before working capital changes	2,325.46	3,101.27	3,161.77	735.36
Adjustments for changes in:				
Trade receivables	337.42	32.45	(1,572.34)	1,074.09
Inventories	(809.82)	903.15	(926.34)	(265.49)
Non-current and current financial assets	0.32	(129.45)	(55.70)	46.07
Contract assets		-	(11.04)	0.59
Other non-current and current assets	16.49	(427.49)	(766.59)	238.51
Redemption/ (Payment) to escrow accounts		-	(71.23)	73.13
Related party advances/receivables (net)	(17.52)	52.74	(1.95)	4.56
Trade payables	440.15	1,577.68	129.13	(2,230.88)
Non-current and current financial liabilities	221.53	(16.95)	255.20	(267.34)
Contract liabilities		-	1,059.25	(191.34)
Other non-current and current liabilities	(67.84)	764.86	(1,009.55)	(321.23)
Other non-current and current provisions	56.20	211.86	7.37	(85.91)
Cash generated from operations	2,502.39	6,070.12	197.98	(1,189.88)
Income tax paid (net of refund)	(347.62)	(426.75)	(560.33)	(87.09)
Net cash (used in)/ from operating activities (A)	2,154.77	5,643.37	(362.35)	(1,276.97)
Cash flow from investing activities				
Purchase of PPE and intangible assets	(378.27)	(539.50)	(763.12)	(547.43)
Proceeds on sale of PPE and intangible assets	12.29	5.06	31.65	11.27
Purchase of non-current investments	(1,095.96)	(746.35)	(202.63)	(58.01)
Sale proceeds of non-current investments / Capital reduction	-	0.70	3.40	-
Purchase of / sale proceeds from current investments (net)	25.80	(2,229.46)	3,202.05	3.33

Particulars	March 31, 2017	March 31, 2018	March 31, 2019	September 30, 2019
Proceeds on sale of immovable properties - exceptional items		-	-	
Maturity of other bank deposits	(12.50)	37.50	-	
Inter corporate deposits - given	(706.10)	(573.00)	(735.00)	(500.00)
Inter corporate deposits - repaid	706.10	573.00	735.00	50.00
Loans and advances (given) / repaid to related parties (net)	(95.77)	(12.19)	-	-
Interest received	66.43	53.73	38.60	11.99
Dividend received	1.16	1.29	1.54	18.50
Net cash from/ (used in) investing activities (B)	(1,476.82)	(3,429.22)	2,311.49	(1,010.35)
Cash flow from financing activities				
Proceeds from issue of equity shares (including securities premium)	-	4.55	8.64	-
Proceeds from non-current borrowings	175.00	-	-	1,072
Repayments of non-current borrowings	(1,022.60)	(1,173.78)	(631.61)	(225.01)
Receipts / (Payments) relating to swap contracts on non-current borrowings	(110.05)	(105.81)	(30.45)	2.49
Proceeds from current borrowings	6,190.00	9,240.00	10,951.00	9,364.82
Repayments of current borrowings	(6,115.02)	(9,338.64)	(10,951.00)	(8,047.82)
Payment of Lease liability	-	-	-	(8.53)
Interest paid	(163.79)	(167.77)	(102.90)	(59.07)
Dividend paid and tax thereon	(325.40)	(549.48)	(859.84)	(1,093.27)
Net cash (used in) financing activities [C]	(1,371.85)	(2,090.93)	(1,616.16)	1,005.61
Net cash Inflow / (Outflow) [A+B+C]	(693.90)	123.22	332.98	(1,281.71)
Opening cash and cash equivalents	1,562.73	908.08	1,031.47	1,364.98
Exchange fluctuation on foreign currency bank balances	(1.40)	0.17	0.53	0.52
Pursuant to business combination	1.18	-	-	-
Closing cash and cash equivalents	868.61	1,031.47	1,364.98	83.79

Cashflow statement – Consolidated

Rs. in Crores

Particulars	March 31, 2017	March 31, 2018	March 31, 2019	September 30, 2019
Cash flow from operating activities				
Profit for the year	1,632.91	1,813.82	2,194.60	344.91
Adjustments for:				
Income tax expense	196.12	751.11	677.06	183.98
Share of (profit) / loss of associates and joint ventures (net)	9.87	(6.57)	(11.28)	(1.33)
Depreciation, amortisation and impairment	572.79	645.89	675.56	342.65
Amortisation – right of use asset	-	-	-	18.28
Prepaid lease rentals	-	3.13	3.02	-
Share based payment cost	19.69	53.65	3.48	8.73
Obligation relating to discontinued products of LCV division	-	-	17.09	4.33
Provision for obligations	81.28	-	-	-
Impairment in value of goodwill	96.06	-	-	-
Impairment loss allowance, write off on trade receivable/ advances / loans (net)	280.89	106.88	337.19	166.77
Impairment loss/(reversal) in the value of investments (including impact of capital reduction)	-	-	-	-
Provision for non-moving inventory	54.21	(47.56)	7.34	(2.37)
Net (gain) / loss arising on financial asset mandatorily measured at FVTPL	7.85	(5.36)	(1.91)	0.26
Foreign exchange loss/ (gain)	(15.09)	8.74	15.96	3.41
Exchange loss/ (gain) on swap contracts	(15.40)	3.21	2.63	(0.01)
Profit on sale of Property, Plant and Equipment (PPE) and intangible assets-net	(8.04)	(5.99)	(4.62)	(2.46)
Loss on sale of immovable property - Exceptional item	-	-	15.94	-
Profit on sale of investments - net	(23.52)	(43.37)	(46.89)	(3.33)
Impairment reversal in the value of investments (net) (including impact of capital reduction)	-	-	(34.79)	-
Gain on disposal of interest in a former joint venture	(187.46)	-	(0.99)	-
Provision for losses relating to joint venture entities(net) -(reversal) / Charge	(14.58)	-	-	-
Finance costs	195.32	169.50	100.18	56.98
Interest income	(49.20)	(40.30)	(41.69)	(29.70)

Particulars	March 31, 2017	March 31, 2018	March 31, 2019	September 30, 2019
Dividend income	(0.01)			
Operating profit before working capital changes	2,833.70	3,406.78	3,907.88	1,091.10
Adjustments for changes in:				
Trade receivables	583.70	51.80	(1,554.67)	1,050.47
Inventories	(785.04)	740.90	(863.09)	(291.41)
Non-current and current financial assets	(2,394.35)	(4,582.32)	(4,531.55)	(747.70)
Other non-current and current assets	56.10	(403.36)	(522.18)	255.83
Redemption /(payment) to escrow account	-	-	(71.23)	73.13
Contract Assets	-	-	(12.76)	1.80
Related party advances/receivables (net)	11.85	6.68	1.93	0.71
Trade payables	113.94	1,598.06	119.06	(2,211.90)
Non-current and current financial liabilities	398.69	85.81	474.23	(360.64)
Other non-current and current liabilities	(41.72)	881.26	(985.90)	(361.65)
Non-current and current contract liabilities	-	-	1,083.82	(184.55)
Other non-current and current provisions	(32.96)	255.25	(38.24)	(91.99)
Cash generated from operations	743.93	2,040.86	(2,992.70)	(1,776.80)
Income tax paid (net of refund)	(473.83)	(578.43)	(752.79)	(172.91)
Net cash (used in)/ from operating activities [A]	270.10	1,462.43	(3,745.49)	(1949.71)
Cash flow from investing activities				
Purchase of PPE and intangible assets	(448.86)	(651.16)	(1,126.35)	(589.87)
Proceeds on sale of PPE and intangible assets	12.84	11.55	30.96	12.65
Payments to non-controlling interest in relation to a subsidiary	-	-	(30.00)	-
Purchase of stake in a subsidiary	-	(225.42)	(1.04)	-
Proceeds from sale of non-current investments (including escrow bank account)	-	6.97	148.17	227.21
Purchase of non-current investments	(453.47)	(106.79)	(1.11)	(1.24)
Sale / (Purchase) of current investments (net)	(823.59)	(2,284.27)	2830.27	(58.47)
Maturity of other bank deposits	(14.68)	42.83	0.36	-

Particulars	March 31, 2017	March 31, 2018	March 31, 2019	September 30, 2019
Inter corporate deposits - given	(706.10)	(573.00)	(780.00)	(500.00)
Inter corporate deposits - repaid	706.10	573.00	780.00	50.00
Interest received	32.87	40.05	40.6	12.96
Dividend received	0.01	-	-	-
Net cash from/ (used in) investing activities [B]	(1,694.88)	(3,166.24)	1,891.86	(846.76)
Cash flow from financing activities				
Proceeds from issue of equity shares (including securities premium)	-	4.55	8.64	-
Issues of shares to Non-controlling interest shareholders	118.56	186.06	76.45	-
Proceeds from non-current borrowings	4,186.43	3,019.53	3,752.22	5,881.21
Repayments of non-current borrowings	(3,534.15)	(1,327.34)	(631.61)	(4,959.51)
Proceeds from current borrowings	6,829.92	10,301.60	11,337.98	12,474.53
Repayments of current borrowings	(6,226.45)	(9,431.65)	(11,121.68)	(10,766.57)
Receipts / (Payments) relating to swap contracts on non-current borrowings	(110.05)	(105.81)	(30.45)	2.49
Payments of Lease liability	-	-	-	(6.68)
Interest paid	(201.11)	(192.04)	(133.96)	(70.89)
Dividend paid and tax thereon	(325.40)	(549.48)	(859.84)	(1,098.76)
Net cash (used in) financing activities [C]	737.74	1,905.42	2,397.75	1,455.82
Net cash Inflow / (Outflow) [A+B+C]	(687.04)	201.61	544.12	(1,340.65)
Opening cash and cash equivalents	1,681.19	1,013.14	1,218.04	1,767.39
Add - Consequent to business combination	20.39	-	0.37	-
Exchange fluctuation on foreign currency bank balances	(1.40)	3.29	4.86	0.52
Closing cash and cash equivalents	1,013.14	1,218.04	1,767.39	427.26

Note: The Company shall provide latest Audited or Limited review Financials in line with timelines as mentioned in the Simplified Listing Agreement issued by SEBI vide Circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing/ publishing its half yearly/ annual result.

There were no Auditor Qualifications for the periods under consideration.

- J. ABRIDGED VERSION OF LAST AUDITED / LIMITED REVIEW HALF YEARLY CONSOLIDATED (WHEREVER AVAILABLE) AND STANDALONE FINANCIAL INFORMATION (LIKE PROFIT & LOSS STATEMENT AND BALANCE SHEET) AND AUDITORS QUALIFICATIONS, IF ANY : Refer to (I) above**
- K. ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER/PROMOTER AND PROMOTER GROUP, TAX LITIGATIONS RESULTING IN MATERIAL LIABILITIES, CORPORATE RESTRUCTURING EVENT ETC) AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST / CONTINUE TO INVEST IN THE DEBT SECURITIES. – Nil, except for the impact caused due to the global outbreak of the novel coronavirus and its continuing implications (COVID-19).**
- L. THE NAMES OF THE DEBENTURE TRUSTEE(S) SHALL BE MENTIONED WITH STATEMENT TO THE EFFECT THAT DEBENTURE TRUSTEE(S) HAS GIVEN HIS CONSENT TO THE ISSUER FOR HIS APPOINTMENT UNDER REGULATION 4 (4) AND IN ALL THE SUBSEQUENT PERIODICAL COMMUNICATIONS SENT TO THE HOLDERS OF DEBT SECURITIES.**

SBICAP Trustee Company Limited vide its letter dated May 8, 2020 has given its consent to act as the debenture trustee in respect of the Debentures

- M. THE DETAILED RATING RATIONALE (S) ADOPTED (NOT OLDER THAN ONE YEAR ON THE DATE OF OPENING OF THE ISSUE)/ CREDIT RATING LETTER ISSUED (NOT OLDER THAN ONE MONTH ON THE DATE OF OPENING OF THE ISSUE) BY THE RATING AGENCIES SHALL BE DISCLOSED.**

Rating letter and Rationale from ICRA assigning AA (Outlook: Negative) is obtained. The credit rating letter is enclosed as **Annexure 3**.

- N. IF THE SECURITY IS BACKED BY A GUARANTEE OR LETTER OF COMFORT OR ANY OTHER DOCUMENT / LETTER WITH SIMILAR INTENT, A COPY OF THE SAME SHALL BE DISCLOSED. IN CASE SUCH DOCUMENT DOES NOT CONTAIN DETAILED PAYMENT STRUCTURE(PROCEDURE OF INVOCATION OF GUARANTEE AND RECEIPT OF PAYMENT BY THE INVESTOR ALONG WITH TIMELINES), THE SAME SHALL BE DISCLOSED IN THE OFFER DOCUMENT.**

Security is not backed by any guarantee or letter of comfort or any other document / letter with similar intent.

- O. COPY OF CONSENT LETTER FROM THE DEBENTURE TRUSTEE SHALL BE DISCLOSED.**

Consent Letter from Debenture Trustee is enclosed as **Annexure 5**.

- P. NAMES OF ALL THE RECOGNISED STOCK EXCHANGES WHERE THE DEBT SECURITIES ARE PROPOSED TO BE LISTED CLEARLY INDICATING THE DESIGNATED STOCK EXCHANGE.**

Wholesale Debt Market Segment of National Stock Exchange of India Ltd. (NSE).

- Q. OTHER DETAILS**

- (a) DRR creation – relevant regulations and applicability:**

In accordance with Section 71 of the Companies Act, 2013, read with Rule 18(7) of Companies (Share Capital and Debentures) Rules, 2014 and circulars issued by Central Government in this regard, the Company would not be crediting / transferring any amount to the debenture redemption reserve in respect of the proposed issuance of the Debentures. Notwithstanding the above, the Company is required to invest or deposit on or before the 30th April of every year, at least 15% of the amount of Debentures which will mature during the year, ending on 31st March of the next year, in any one

or more methods of investments or deposits as provided in Rule 18(7)(vi) of the Companies (Share Capital and Debentures) Rules, 2014.

(b) **Issue / instrument specific regulations – relevant details (Companies Act, RBI guidelines, etc):**

The Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 dated June 6, 2008, as amended from time to time, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time is applicable to the issue of the Debentures and the Company is in compliance with the same.

(c) **Application process:**

Please refer to “Issue Procedure”.

R. **Details of the Issue:**

For details of the issue kindly refer to **Annexure 1**.

DISCLOSURES PERTAINING TO WILFUL DEFAULT

- i) Name of the bank declaring the entity as a willful defaulter: None of the banks have declared the Company as a willful defaulter.
- ii) The year in which the entity is declared as a willful defaulter: Not applicable
- iii) Outstanding amount when the entity is declared as a willful defaulter: Not applicable
- iv) Name of the entity declared as a willful defaulter: Not applicable
- v) Steps taken, if any, for removal from the list of willful defaulters: Not applicable
- vi) Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: Not applicable
- vii) Any other disclosure as specified by SEBI: Not applicable

DOCUMENTS SUBMITTED TO THE STOCK EXCHANGES

The following documents along with the listing application have been/shall be submitted to the designated stock exchanges:

- (a) memorandum and articles of association and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last three years audited annual reports and six months results;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Copy of the board / committee resolution authorizing the borrowing and list of authorized signatories;
- (e) An undertaking from the Company stating that the necessary documents for the creation of the charge, where applicable, including the trust deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc. and the same would be uploaded on the website of the designated stock exchange, where the debt securities have been listed, within five working days of execution of the same;
- (f) Any other particulars or documents that the designated stock exchange may call for as it deems fit;

- (g) An undertaking that permission / consent from the prior creditor for a second or pari-passu charge being created, where applicable, in favour of the trustee to the proposed issue has been obtained.

DOCUMENTS SUBMITTED TO THE DEBENTURE TRUSTEE

The following documents have been / shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the Deemed Date of Allotment:

- (a) memorandum and articles of association and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last three years' audited annual reports and six months results;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit and loss statement, balance sheet and cash flow statement) and auditor qualifications, if any;
- (e) An undertaking to the effect that the Company would, till the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in the simplified Listing Agreement issued by SEBI vide circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015, as amended from time to time for furnishing / publishing its half yearly/ annual result. Further, the Company shall within 180 (one hundred eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture holders within 2 (two) working days of their specific request.

Key Investment Considerations

ALL's Production volume in 2018-19 has gone up to 205,104 vehicles from 103,319 vehicles in 2011-12. In order to achieve the increased level of production, ALL had commissioned a fully integrated vehicle manufacture / assembly plant at Uttarakhand and expanded its capacity at Ennore for gearbox production. In addition, ALL also expanded its presence across the globe. Due to economic slowdown in FY 2019-20, and the sudden drop in Total Industry Volume (TIV) production volume has come down to 116,527 vehicles.

ALL achieved it's vision of being top 10 in trucks and top 5 in buses in 2018-19. Recently, ALL became the 3rd largest bus manufacturer in the world. ALL has now set a new vision of becoming top 10 global CV player (including LCV). Also, in a bid to de-volatize the risk of cyclicity in domestic market, ALL has strategized to improve it's global footprint.

It is planned to double LCV production capacity at Hosur 2 to meet the new product demand. It is also planned to expand cab paint facility. Apart from these, there are requirements for capability creation for Emission changes, MBP, Electric Vehicles and new Products. Capex incurrence would be regulated according to market conditions and requirements.

Outlook:

FY' 20 witnessed sharp downturn in both rural and urban demand with falling freight rates, weak freight availability accentuated by non-cyclical reasons like increased axle load norms, weak core sector growth and low capital expenditure by Government, continued stress in the NBFCs and many other factors which were both cyclical and structural in nature.

In all, Commercial vehicle market in India posted a drop of 20% YOY in total industry volumes (TIV), driven by 42% drop in M&HCV Trucks and a 10% drop in LCVs. However, MHCV Buses bucked the trend with their TIV

growing by 13%. All segments in trucks and buses (except MDV buses covering Private & STU) have registered drop in volumes. Drop is more pronounced in higher tonnage segments covering multi-axled vehicles, tractor trailers and tippers. Similarly drop was witnessed in all zones.

With demand falling, OEMs resorted to aggressive inventory reduction of BS-IV vehicles (BS VI regulations came into force from April'20) via production cuts. Ashok Leyland has also reduced its finished vehicle inventory in the pipe line from ~26000 vehicles in July 2019 to almost nil in March 2020. Vehicles available in stock as of March 2020 were towards meeting Defence and International operations requirements.

Given the level of uncertainty prevailing in both the domestic and international markets, it would be difficult to predict the prospects for the industry for the financial year 2020-21. It can be expected that with growth in GDP due to Government spending, good agricultural output, focus on creation of infrastructure - especially road building, housing, policy on vehicle scrappage, lower tax regime could provide the necessary fillip.

All the above mentioned are not Company specific issues, but issues relating to Commercial vehicles industry in general.

COVID-19 Preparedness:

ALL's Plants are well prepared to start their operations. ALL has an SOP, complaint to the Ministry of Home Affairs and State Government guidelines on administration and social distancing. Some of its plants have received permission to start operations already. ALL will waste no effort to ramp up the production at the shortest possible time

However, the key concern is in supply-chain. A major section of ALL suppliers is in Maharashtra / Pune region which is containment zone; and this is expected to adversely affect ALL production process. Interstate logistics is another concern as different states have different approaches/rules to Pandemic management. Logistics suppliers are wary of the risks posed to their goods / driver safety. Availability of labor is another concern both for ALL and its suppliers.

ALL does not import any significant components directly and its imports constitute around 1% of the total procurement. Some of our Tier 1 suppliers source parts from China/ Europe such as special connectors, special clamps, valves, sensors and several electronic parts, which are affected due to the pandemic.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfill its obligations under the Debentures. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. These risks may include, among others, business aspects, equity market, bond market, interest rate, market volatility and economic, political and regulatory risks and any combination of these and other risks. Prospective Investors should carefully consider all the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in the Debentures. To obtain a complete understanding, prospective Investors should read this section in conjunction with the remaining sections of this Information Memorandum, as well as the other financial and statistical information contained in this Information Memorandum. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, the Issuer's business, results of operations and financial condition could suffer, the price of Debentures could decline, and the Investor may lose all or part of their investment. More than one risk factor may have simultaneous effect with regard to the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Debentures. The inability of the Issuer to pay interest, principal or other amounts on or in connection with the Debentures may occur for other reasons which may not

be considered significant risks by the Issuer based on information currently available to them or which they may not currently be able to anticipate.

In this section, any reference to “we”, “us” or “our” refers to Ashok Leyland Limited, its subsidiaries, joint ventures and associate companies on a consolidated basis, as the context requires, and any reference to “Company” refers to Ashok Leyland Limited. Unless otherwise indicated, all financial information presented herein is on a standalone basis.

General economic conditions in India and the markets where we operate could have a significant adverse effect on our sales and results of operations.

Demand for commercial vehicles in the Indian market is influenced by various factors, including, among others, the levels of activity in the manufacturing and infrastructure sectors, the resultant demand for transportation of freight goods from the steel, iron ore, mining, cement, coal and other industries and agricultural produce, import and export activities, implementation of new emission standards and diesel prices. For example, a decrease in Govt's investment in road infrastructure could lead to a corresponding decrease in demand for commercial vehicles. Economic slowdowns in the past have affected the demand for our products and delayed or shortened the periods of growth. Deterioration in key economic factors such as growth rate and an increase in inflation, together with reduced availability of financing for vehicles at competitive rates, may adversely affect the demand for our products.

Our products are also sold outside India and any deterioration in the economies in which we sell our products will have an impact on the demand for our products. The global economy and financial markets have experienced extreme levels of instability, and there is substantial volatility in markets, including, without limitation, stock markets, foreign exchange markets, commodity markets, fixed income markets and credit markets, which in turn has adversely affected the economy in India.

Restrictive financial and other covenants may limit our operations and financial flexibility.

Some of the Company's financing agreements and debt arrangements set limits on and/or require prior approval of lenders before, among other things, pledging assets as security, making investments and other restricted payments, selling assets, effecting any consolidations or mergers, making acquisitions, hedging, undergoing a change of control and making substantial changes to the nature of the business. In addition, certain covenants may limit the Company's ability to borrow additional funds or to incur additional liens. Such restrictions or limitations may adversely limit the Company's operations and financial flexibility, and adversely affect its business, results of operations and financial condition.

Our business is seasonal and cyclical in nature and a substantial decrease in sales during certain quarters could have a material adverse impact on financial performance.

The sales volumes and prices for commercial vehicles and in particular trucks are influenced by cyclicity and seasonality of demand. In relation to the MHCVs, demand is generally lower in the first half of a Fiscal and higher in the second half of a Fiscal due to the harvest season and increased movement of agricultural products, as well as the desire of customers to take advantage of certain tax benefits before the year end. In addition, it is observed that consumer demand for vehicles is generally depressed towards the end of a calendar year, and particularly in December, as customers seek to avoid vehicles purchased being classified as older models based on the year of manufacture. As a result, consumers prefer to delay the acquisition of a vehicle to January of the next calendar year.

This seasonality and cyclicity of the demand for our products may cause a substantial decrease in sales during certain periods, thereby adversely affecting our results of operations and financial condition. Due to the seasonality of our business, our quarterly financial results may not be comparable on a quarter to quarter basis.

Increased competition in the commercial vehicle industry in India may adversely affect our results of operations and financial condition.

We face strong competition in India across our product lines from other domestic and international commercial vehicle manufacturers. We expect to face increased competition from international manufacturers who seek to

penetrate the Indian commercial vehicle market through technology transfers, joint ventures or direct investments. There is a risk that competitors will set up or actively target the same geographical regions and product segments as us. Increased competition may result in greater price competition and reduced demand for our products, thereby adversely affecting our results of operations and financial condition.

These factors may in turn adversely affect our results of operations and financial condition.

We are subject to risks associated with product liability, warranty and recall due to defects in our products or related after-sales services, which could generate adverse publicity and adversely affect our business, results of operations and financial condition.

Defects, if any, in our products could require us to undertake service actions or vehicle recalls. These actions could require us to expend considerable resources in correcting these problems and could materially and adversely affect demand of our products.

Defects in our products that arise from defective components or spare parts supplied to us may be covered under warranties provided by our suppliers. An unusual number or amount of warranty claims against a supplier, however, could affect our relationship with that supplier. Repeated warranty claims may also result in a rise in our cost of obtaining insurance.

Further, if a supplier fails to meet quality standards, they could expose us to the risk of product liability claims, the costs and expenses of which we may not be able to recover from our suppliers. Any defects in our products or after-sales services could also result in customer claims for damages. In defending such claims, we could incur substantial costs and receive adverse publicity. Management resources could be diverted away from our ordinary business towards defending such claims. As a result, our business, results of operations and financial condition could be adversely affected.

Sales of our commercial vehicles is dependent on the availability of financing to the ultimate buyers of such vehicle.

A large number of vehicle purchasers finance their purchases through third party financing. The recent economic downturn has led to a decline in the availability of consumer credit, increased consumer borrowing costs and increased default rates as a result of the financial crisis. Such factors have negatively affected global automotive sales and the continuation or worsening of these difficulties may lead to lower production volumes beyond the reductions we have anticipated in our planning and budgeting process.

Further, volatility in interest rates affects the ability and willingness of prospective vehicle purchasers to obtain financing for the purchase of vehicles manufactured by us. These factors may adversely affect our business and results of operations.

The Company's business is dependent on certain principal customers who are dealers of its commercial vehicles and the loss of, or a significant reduction in purchases by such customers could adversely affect its business. Delay in payment by some of the Company's customers may affect its business and financial condition.

The Company is dependent on certain principal customers. The Company's principal customers include commercial vehicle dealers and STUs. The loss of a significant customer could have an adverse effect on our business. Since we are significantly dependent on certain key customers, the loss of any one of such customers or a significant reduction in demand from some of our customers could have an adverse effect on our business and financial results. Also some of our customers may delay in making payments due to us and this may affect the results of our operations and financial conditions.

We are dependent on our distribution channels, the underperformance of which may adversely affect our sales and results of operations.

We rely on a network of authorised dealers, consignment stockists, service centres and distributors for the marketing, sale and distribution of our products, payment collection and maintaining day-to-day contact with our customers and providing after-sales services. Any failure of our dealers, stockists or distributors to perform their functions and adhere to high quality standards of service or continue their relationship with us could

adversely affect our brand and products and as a result also adversely affect our results of operations. There can be no assurance that they will meet the desired standards of service levels. Any failure of our distribution channels may have an adverse effect on our business, operations and financial condition.

We are dependent on our supply chains, the underperformance of which may adversely affect our sales and results of operations.

We depend on external suppliers for the supply of raw materials, components and certain spare parts for our products. In India some of our suppliers are our affiliates and some of the suppliers may be our sole supplier of such parts or components in India. Any failure on the part of these suppliers to supply raw materials, components and certain spare parts could have a significant adverse impact on our manufacturing process. We may not have any formal agreements with some of these suppliers in connection with the supply of such parts. All these factors may have an adverse effect on our operations and business.

Any failure by any of our suppliers to adhere to our technical specifications, quality requirements and production and delivery schedules could disrupt our manufacturing process, which could have a material adverse effect on our results of operations and financial condition.

The electric vehicle market may not evolve as anticipated.

Sales of electric vehicles are hard to predict because consumer demand may fail to shift in favor of electric vehicles, and this market segment may remain small relative to the overall market for years to come. Consumers may remain or become reluctant to adopt electric vehicles due to the lack of fully developed charging infrastructure, long charging times or increased costs of purchase and fueling. If the value proposition of electric vehicles fails to fully materialize, this could have a material adverse effect on our financial condition.

Increases in the cost of raw materials, commercial vehicle components and diesel fuel prices may have a material adverse impact on our results of operations and financial position.

The prices of commodity items used in manufacturing automobiles, including steel, aluminium, copper, zinc and rubber have become increasingly volatile over the past few years. While we continue to pursue global sourcing and cost-reduction initiatives, any further increase in the prices of raw materials, to the extent that such increases cannot be passed on to our customers through vehicle price increases, could severely impact demand and affect our financial condition.

Further crude oil prices are vulnerable to amongst other things global political events. An increase in crude oil prices will increase fuel costs, which poses a significant challenge to automobile manufacturers worldwide, including us, especially in the commercial vehicle segments where fuel costs represent a significant portion of the operating costs of such vehicles. Our commercial vehicles are primarily powered by diesel fuel engines. Retail prices for diesel fuel in India have historically been subject to governmental regulation and control. A substantial increase in diesel prices could adversely affect the competitiveness of diesel fuel-powered vehicles as compared to other vehicles or other modes of transportation, which could result in a shift in demand away from diesel fuel-powered vehicles in India, and thereby adversely affecting our sales, results of operations and financial condition. Therefore, continued or increased high prices for fuel could materially and adversely impact the results of our operations.

Currency exchange rate fluctuations could adversely affect our results of operations and financial condition.

Our historical financial information is presented in Indian Rupees. Any depreciation of the value of the Indian Rupee can adversely affect the cost of our borrowings and transactions outside of India denominated in currencies other than the Indian Rupee.

We import capital equipment, raw materials and components, and also sell vehicles in various countries outside of India. These transactions are denominated primarily in US Dollars, Japanese Yen, Euro and British Pound-Sterling. To manage our foreign exchange exposure, we have entered into forward contracts and currency swaps. However, there is no guarantee that such derivative contracts will mitigate exchange exposures in full, if at all, at all times. As such, the fluctuation in the value of the Indian Rupee against the US Dollar that may occur in future

years which may adversely impact our revenues, borrowing costs and import costs, consequently affecting our results of operations and financial condition.

Our continued success depends on our ability to offer quality products on a timely basis and at competitive prices, which meet technological advances, satisfy changing customer demands and achieve market acceptance. Delays in the launch of new models and lower than anticipated market acceptance of new models may adversely affect our results of operation.

The quality, supply stability and timely delivery of our products at competitive prices are essential to customer satisfaction and retention. Unanticipated delays or cost overruns in implementing a new project, failure to launch a new product or failure in expanding our capacity to meet customer requirements could materially and adversely impact our results of operations and financial condition.

Launching new models ahead of or in competition with our competitors is necessary in order for us to operate successfully in the highly competitive automotive vehicle industry. The launch of a new model generally requires substantial capital investment and generally, high initial production costs. The capital investment in plant and machinery, in addition to product development costs, associated with the launch of a new model may result in higher levels of depreciation and amortization, and may have an adverse impact on the profitability of the Company especially if the new model does not perform according to expectations in the market. Therefore, any delay in the introduction of new models or lower than expected market acceptance of our new models, may adversely affect our results or operations.

In addition, the automotive industry is characterized by technological advances, evolving industry standards, changing customer preferences and the introduction of new products. Our future success will depend in part on our ability to develop and introduce new products that keep pace with changes in these standards and preferences, our ability to enhance our existing range of products, and our ability to achieve market acceptance. There can be no assurance that we will be successful in developing new products or incorporating evolving technologies into our products on a timely or cost-effective basis or at all, or if these products, services and solutions will be developed by us at our own research and development facilities, or that we will be successful in marketing and selling them and achieving market acceptance for such products.

Compliance with safety or emission standards relating to our products or our manufacturing facilities, or other environmental regulation, may adversely affect our business and results of operations.

As an automotive manufacturing company, we are subject to extensive governmental regulations regarding vehicle emission levels, noise and safety of automotive products, as well as on levels of pollutants generated by the plants that produce automotive vehicles, that may increase our manufacturing costs and delay operations. To comply with applicable regulatory requirements, we incur substantial capital expenditure and research and development costs to upgrade our products and manufacturing facilities. This may increase our production costs and thereby adversely affect the competitiveness of our products. In addition, any change in such legislation or regulatory requirements could require us to invest substantial additional capital to develop products that comply with such new legislation or regulatory requirements. Also, there is significant potential that consumer demands will take increasing account of fuel efficiency and emissions. Further our operations may be significantly impacted if there is a delay in complying with the applicable laws. Such delays could adversely impact operations, resulting in delays in delivering products to customers, and in turn could materially and adversely affect our results of operations and financial condition.

The loss, shutdown or slowdown of operations at any of our facilities, or the failure of information technology systems, could have a material adverse effect on our results of operations and financial condition.

Our facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply interruptions, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. The occurrence of any of these risks could affect our operations by causing production at one or more facilities to shut down or slow down. No assurance can be given that one or more of the factors mentioned above will not occur, and this could have a material adverse effect on our results of operations and financial condition.

Our information technology systems are a critical part of our business and help us manage key business processes such as product design and development, customer and dealer relationship management and transaction

processing, together with our management information system. Any delays in implementing critical upgrades to our information management systems or technical failures associated with our information technology systems, including those caused by power failures, computer viruses or unauthorized tampering of our information technology systems, may adversely impact our ability to manufacture our products, manage our vendors and dealers and provide services to our customers. In addition, we may be subject to claims as a result of any theft or misuse of personal information of customers stored on our systems, all of which could adversely affect our results of operations and financial condition.

Any inability to manage our export business may adversely affect our results of operations. Further we are also subject to risks associated with expansion into new segments and geographies.

Our growth strategy relies on the expansion of our operations by introducing certain automotive products in other parts of the world, including in the Middle East, Russia, Africa, Latin America and other parts of Asia. The costs associated with entering into and establishing in new markets, and expanding such operations, may be higher than expected, and we may face significant competition in these regions. Our products may not be accepted or we may not be successful in capturing market share in any of the new product segments that we enter into which could adversely impact our results of operations. In addition, our international business is subject to many actual and potential risks, including language barriers, cultural differences and other difficulties in staffing and managing overseas operations. Further, there are inherent difficulties and delays in contract enforcement and the collection of receivables under the legal systems of some foreign countries, the risk of non-tariff barriers, other restrictions on foreign trade or investment sanctions, and the burdens of complying with a wide variety of foreign laws and regulations. If we are unable to manage risks related to our expansion and growth, our business, returns on investment, results of operations and financial condition could be adversely affected.

Our products are exported to a number of geographical markets and we plan to expand our international operations further in the future. Consequently, we are subject to various risks associated with conducting our business outside domestic markets and our operations may be subject to political instability, wars, terrorism, regional and/or multinational conflicts, natural disasters, fuel shortages, epidemics and labor strikes in international markets. Any significant or prolonged disruptions or delays in the operations due to these risks could adversely impact our results of operations and financial condition.

Our employees are members of unions and we may be subject to industrial unrest, slowdown or increased manpower costs, which may adversely affect our results of operations and financial condition.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution, employee removal and legislation that imposes certain financial obligations on employers upon retrenchment.

A majority of our permanent employees, other than officers and managers, are members of labour unions and are covered by wage agreements, where applicable, with the labour unions. It may therefore be difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of management's attention to union intervention. Also each wage agreement may have a different tenure, depending on its location.

The memorandum of settlements executed by the Company with various trade unions in relation to the Company's various manufacturing facilities may expire in the future and this may have an adverse effect on the Company's financial condition (for e.g. some of the wage agreements require the employees to comply with certain productivity levels). We have, in the past, had labour stoppages and other industrial unrest and may in the future be subject to labour unrest, which may delay or disrupt our operations in the affected regions, including the acquisition of raw materials and parts, the manufacture, sales and distribution of products and the provision of services. If work stoppages or lock-outs at our facilities or at the facilities of our major suppliers occur or continue for a long period of time, our business, results of operations and financial condition may be adversely affected.

We may be unable to adequately protect our intellectual property. We may also be subject to claims alleging breach of third-party intellectual property rights.

The Company has applied for the registration of certain patents and trademarks, including in respect of some of our products and services. There can be no assurance that the Company will be able to register the patents or trademarks or that third parties will not infringe our intellectual property or misuse our name or logo, which may adversely affect our business, prospects and reputation. Further, we may become subject to claims by third parties if we use slogans, names, designs, software or other such subjects in breach of any intellectual property rights registered by such third party. Any legal proceedings pursuant to such claims, or settlements thereunder, may divert management attention and require us to pay financial compensation to such third parties, as well as compel us to change our marketing strategies or brand names of our products and services, which could adversely affect our business, prospects, results of operation and financial condition.

We are highly dependent on our senior management to manage our current operations and meet future business challenges.

Our future success is highly dependent on our senior management to maintain strategic direction, manage current operations and risk profile and meet future business challenges, including the planned expansion and the addition of new businesses. Although the Company has a director's and officer's insurance policy, it does not maintain key man insurance and the loss of, or inability to attract or retain, such persons could adversely affect our business and results of operations. For example, the expertise, experience and services of the Company's Managing Director and other members of the senior management team are integral to the business. The Company's employment agreements with the senior management personnel do not obligate them to work for the Company for any specified period. Certain of these agreements contain non-compete and non-solicitation clauses for a period of two years following termination of employment. If one or more of these key personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly or at all, and we may not be able to further augment our management team appropriately and this could have a material adverse effect on our business, results of operations and financial condition.

We rely on technology transfers from third parties to continue improvement of our products.

We rely on and require technology transfers from third parties to manufacture and continue improvement of our products. We also depend on third parties for technology transfers and improvement of our products. We can provide no assurance that we will continue to be able to license these and other technologies, or otherwise obtain transfers of technology to continue to improve our products, on terms favourable to us or at all.

Stringent fiscal and other governmental regulations may adversely affect the results of our operations.

We are subject to taxes and other levies imposed by the central or state governments in India, including Goods & Service tax, customs duties, income tax, and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. The imposition of any additional taxes or levies designed to limit the use of commercial vehicles could adversely affect demand for our products, as well as the results of our operations. Changes in corporate and other taxation policies, as well as changes in export policies and other incentives given by the various governments, could also adversely affect results of our operations.

Regulations in the areas of investments, taxes and levies may also have an impact on Indian securities, including the Equity Shares. Regulations impacting sectors that drive the demand for the transportation of goods by road may also impact the results of our operations and financial condition.

The Company has given corporate guarantees which, if claimed on, may require it to pay the guaranteed amounts. The Company has also given undertakings which if acted upon may affect its business and results of operations.

As of March 31, 2020, the Company has given certain corporate guarantees aggregating to Rs.153.17 Crores, in favour of certain parties, in order to further its business interests in the commercial vehicle industry.

In the event that the parties whose obligations the Company has guaranteed do not perform their obligations under any of the guarantees, the lenders for such facilities may require alternate guarantees or the acceleration or repayment of the amounts guaranteed. The Company may not be successful in procuring alternate guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such guarantees, which could adversely affect its business, cash flows, results of operations and financial condition.

Further, the Company is sometimes required to provide undertakings either on behalf of itself or on behalf of its subsidiaries, joint ventures or associate companies in relation to transactions which it enters into as part of its business operations. In the event these undertakings are acted upon the Company may be required to expend its resources and this may have an adverse effect on our financial condition, results of operations and business.

We are subject to risks associated with growing the business through mergers and acquisitions.

We believe that mergers and acquisitions may in future provide us with opportunities to grow significantly in the global automobile markets by offering superior brands and products. Any such acquisitions may provide us with access to products, brands, technology, services and additional capabilities while also offering potential synergies. However, the scale, scope and nature of the integration that may be required in connection with mergers or acquisitions might pose significant challenges. We may not be able to integrate the merged or acquired entities effectively. The merger or acquisition may not meet expectations and the realization of the anticipated benefits may be blocked, delayed or reduced as a result of numerous factors, some of which may be outside our control.

We will continue to evaluate growth opportunities through suitable mergers and acquisitions in the future. However growth through mergers and acquisitions involves business risks, including unforeseen contingent risks or latent business liabilities, that may only become apparent after the merger or acquisition is completed. Some of the key factors will be the integration and management of the merged or acquired entity with us, as well as the retention of key personnel and utilisation of synergies in design engineering, sourcing, sales and marketing. If any of these factors fails to materialize, our results of operations and financial condition could be adversely affected.

Some of the Company's records relating to certain filings made with the registrar of companies by the Company for the period between 1948 – 1981 are not traceable.

The Company is unable to locate certain corporate records which include copies of certain filings made by the Company with the registrar of companies in India. These filings include, *inter alia*, certain filings made with the registrar of companies in relation to certain changes to its authorized share capital, allotments of equity shares, etc. since incorporation of our Company until December 1981. While the Company believes that these forms were duly filed with the registrar of companies, it has been unable to obtain copies of these documents, including from the registrar of companies.

The Company can provide no assurance that all such filings were in fact made or that these filings will be available in the future or that it will not be subject to any penalty imposed by the competent regulatory authority in connection with these filing requirements.

We engage contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.

We appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations in India. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements or other such difficulties in managing contract labour may have an adverse impact on our results of operations and financial condition.

Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject, and this may have a material adverse effect on our business and financial condition.

We maintain insurance for a variety of risks, including risks relating to fire, special perils, burglary, etc., and other similar risks. While we believe that the insurance coverage which we maintain directly or through our contractors, would be reasonably adequate to cover the normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses. Any liability in excess of our insurance limits could result in additional costs, which would reduce our profits and adversely affect our business and results of operations.

Changes in policies of the Gov could adversely impact our results of operations and financial condition.

A significant proportion of our production facilities are located in India, and a significant portion of our revenue is derived from sales of our products in the Indian market. Consequently, we, and the market price and liquidity of our shares, may be affected by policy changes in India. For example, the imposition of foreign exchange controls, rising interest rates, increases in taxation or the creation of new regulations could have a detrimental effect on the Indian economy generally and our Company in particular. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular. The government of India has in recent years sought to implement economic reforms. The role of the Gov and the State Governments in the Indian economy as producers, consumers and regulators have remained significant and there can be no assurance that liberalization policies will continue in the future. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our results of operations and financial condition in particular. Furthermore, we are also impacted by political instability in the states where we operate. Furthermore, India's obligation under its World Trade Organisation agreement could lower the present level of tariffs on imports of components and vehicles which could adversely affect our sales and results of operations

Any downgrading of the Company's debt ratings or of India's sovereign debt rating could adversely affect the Company's business.

The Company's long-term debt is currently rated by ICRA as ICRA AA (*Outlook: Negative*). The Company's short-term debt is currently rated ICRA A1+ by ICRA. Further, the Company's long term debt is also rated by CARE as CARE AA (*Outlook: Negative*) and short term debt rating is CARE A1+.

There is no certainty that in the future, the Company's ratings would not be downgraded and any downgrading in its credit ratings may increase interest rates for refinancing its outstanding debt, which would increase the Company's financing costs, and adversely affect its future issuances of debt and ability to raise new capital on a competitive basis, which may adversely affect the Company's profitability and future growth.

In addition, any adverse revisions to India's credit ratings for domestic and international debt by rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. This could have an adverse effect on our business and future financial performance and ability to fund our growth.

New regulation for safety and emission may adversely affect the Issuer's results of operation

The existing emission norms or Bharat Stage (BS) -IV were to be replaced by new BS-VI regulations from April 1, 2020. In the wake of the nationwide lockdown, the Supreme Court has permitted the registration of not more than 10 percent of the pending BS-IV stock with vehicle dealers within 10 days of lifting the lockdown in the country. The Ministry of Road Transport and Highways has advised National Informatics Centre to facilitate the States /UTs in limited registration of BS-IV vehicles all over India except Delhi/ NCR in compliance with Supreme Court directions contained in its order dated March 27, 2020.

Consequently, the non-salability of existing BS-IV vehicles in Delhi/ NCR and the limited & conditional sale of BS-IV vehicles in rest of the country may impact the sales of the Issuer. The issuer has been able to clear its BS IV inventory, but for fewer than 100 vehicles. However, there are many vehicles that are sold, but not yet registered

because of the closure of RTOs. The implementation of the BS-VI norms will increase the cost of the vehicles, and the increase for diesel vehicles may be more than that for petrol vehicles. It may impact the customer demand for Issuer's products and may adversely impact the issuer's operations. Moreover, concerns over safety and environmental protection may drive further legislation and regulatory reforms and the consequent increase in costs may adversely affect the Issuer's result of operations.

Extended slowdown on automotive industry may affect the performance of the Issuer.

The automotive industry around the world encountered a cyclical slowdown in financial year 2020. Inadequate monsoon, lack of liquidity with non-banking financial companies to extend credit and uncertainty regarding BS-VI implementation were some of the factors that impacted the growth of Issuer's business. If owing to economic conditions & other such factors, the slowdown in the industry is extended, it will have an adverse and material impact on the performance of the Issuer.

The Debentures are subject to stamp duty requirements

Potential purchasers and sellers of the Debentures should be aware that stamp duty in accordance with the laws and practices of India are required to be paid at the time of issuance of the Debentures and if the tenor of the Debentures is extended. Non-payment of stamp duty results in the document becoming inadmissible as evidence in Indian courts. Payment and/or delivery of any amount due in respect of the Debentures will therefore, be conditional upon the payment of all applicable stamp duty.

The Issuer is not required to maintain a debenture redemption reserve ("DRR")

Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, the Issuer is not required to maintain DRR for debentures issued through a private placement. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the Debentures.

The Company's transactions with related parties may have an adverse effect on the results of its operations and financial condition.

The Company has entered into transactions with certain related parties on arm's length basis and in the ordinary course of business.

These transactions and any future transactions with our related parties, have involved or could potentially involve conflicts of interest and this could have an adverse effect on our results of operations and financial conditions.

Our business and activities are regulated by the Competition Act, 2002.

The Competition Act, 2002, seeks to prevent practices that could have an appreciable adverse effect on competition. Under the Competition Act, 2002 any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may attract substantial penalties. Any agreement among competitors, or practice or decision in relation to, enterprises or persons engaged in identical or similar trade of goods or provision of services which directly or indirectly determines purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares markets or source of production or provision of services by way of allocation of geographical area, types of goods or services or number of customers in the relevant market or directly or indirectly results in bid rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act, 2002 also prohibits the abuse of a dominant position by any enterprise. Provisions of the Competition Act, 2002 relating to acquisitions, mergers or amalgamations of enterprises that meet certain asset or turnover thresholds and regulations issued by the Competition Commission of India with respect to notification requirements for such combinations. Further our acquisitions, mergers or amalgamations may require the prior approval of the Competition Commission of India, which may not be obtained in a timely manner or not at all.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, 2002 any enforcement proceedings initiated by the Competition Commission of India, any other relevant authority under the Competition Act, 2002 any claim by any party under the Competition Act, 2002 or any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission of India, our business and financial performance may be materially and adversely affected. Further the Competition Commission of India has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act, 2002 on the agreements entered into by us at this stage.

We may be materially and adversely affected by the Reserve Bank of India policies and actions.

The Indian stock Exchange are vulnerable to fluctuations based on changes in monetary policy formulated by the Reserve Bank of India (the "RBI"). We can make no assurances about future market reactions to RBI announcements and their impact on the price of the Company's shares. Furthermore, our business could be significantly impacted were the RBI to make major alterations to monetary or fiscal policy. Certain changes, including the raising of interest rates, could negatively affect our sales and consequently our Revenue, any of which could have a material adverse effect on our financial condition and results of operations.

Spread of COVID-19 and the consequent nationwide lockdown to impact the Issuer's operations and financial condition

The rapid outbreak of the COVID-19 pandemic, has severely impacted the physical and financial health of the people across the globe. To prevent the contagion in the country, four phase of nationwide lockdown was announced by the Government of India. As a result, the demand of the Issuer's products has seen a drastic slowdown. Moreover, it has hampered the supply chain for the automotive industry and hence that will also have an impact on the supply chain of the Issuer, and this could pose challenges relating to procurement of raw materials in the foreseeable future. The Issuer is also unaware of when the nation-wide lockdown in India may be lifted. It is likely that the lockdown be extended further, due to the rapid spread of COVID-19 in India.

A similar lockdown has been announced by several countries, where the Issuer has a business presence or trade relations. Consequently, it may impact the Issuer's domestic and foreign operations. While, the Issuer will monitor the developments of the COVID-19 situation closely, assess and respond proactively to minimize any adverse impacts on the financial position and operating results of the Issuer, it is possible that the Issuer's business, financial condition and results of operations could be adversely affected due to the COVID-19 pandemic. If the COVID-19 situation persists or worsens, it may adversely impact the Issuer's business and the financial condition

The Debentures may not be a suitable investment for all purchasers.

Potential Investors should ensure that they understand the nature of the Debentures and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Debentures and that they consider the suitability of the Debentures as an investment in the light of their own circumstances and financial condition.

The Issuer cannot assure you that the Issuer's Debentures will be listed on the Stock Exchanges in a timely manner or at all, which may restrict your ability to dispose of the Debentures.

In accordance with Indian law and practice, permission for listing of the Debentures will not be granted by the Stock Exchanges until after the Debentures offered in this Issue have been allotted. There could be a failure or delay in listing the Debentures on the Stock Exchanges which would restrict your ability to dispose of the Debentures.

Active trading market for the Issuer's Debentures may not develop.

The Issuer intends to list the Debentures on the WDM segment of the NSE and such other recognised stock exchanges that the Issuer may deem fit after giving prior notice to the Debenture Trustee. The Issuer cannot provide any guarantee that the Debentures will be frequently traded on the NSE or such other stock exchanges on which the Debentures are listed and that there would be any market for the Debentures. If an active market for the Debentures fails to develop or be sustained, the trading price of the Debentures could fall. If an active trading market were to develop, the Debentures could trade at prices that may be lower than the initial offering price of the Debentures. Whether or not the Debentures will trade at lower prices depends on many factors, including but not limited to : (i) prevailing interest rates and the market for similar securities, (ii) general economic conditions and (iii) the Issuer's financial condition, financial performance and future prospects.

Changes in interest rates may affect the price of the Issuer's Debentures.

All securities where a fixed rate of interest is offered, such as the Debentures, are subject to price risk. Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond the Issuer's control, including the monetary policies of the RBI, deregulation of the financial services sector in India, domestic and international economic and political conditions, inflation and other factors. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of the Debentures.

Particulars of the dates of, and parties to all material contracts, agreements involving financial obligations of the issuer

Copies of Material Contracts as disclosed below may be inspected at the Registered/Corporate Office of the Company between 10.00 a.m. and 6.00 p.m. on any working day until the Issue Closing Date.

1. Memorandum and Articles of Association of Ashok Leyland Limited;
2. Annual Report 2018 - 19 of Ashok Leyland Limited; Refer to Page no. 90 & 91 for financials for the year ended 31st March 2019.
3. The present issue of non-convertible debentures by the Company is made pursuant to the Resolution of the Board of Directors of the Company passed at their meeting held on March 18, 2020. The Borrowing is within the total borrowing limits as set out in the resolution passed under Section 180 (1) (c) of the Companies Act 2013, passed at the Annual General Meeting of the Company held on 26th July 2014. The Company has all the corporate, regulatory and contractual approvals including lenders' approval (if so required under any of the relevant financing documents) to issue the Non Convertible Debentures.

An undertaking that the issuer shall use a common form of transfer:

As the NCDs are to be issued in dematerialised form, the transfers will take place in electronic mode.

PART B

Terms and Conditions of the Issue

The Debentures being issued are subject to the applicable provisions of the Memorandum and Articles of Association of the Company, this Disclosure Document and the debenture trust deed to be executed by the Company with the Debenture Trustee which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Company (the "Debenture Trust Deed").

Notwithstanding, anything to the contrary contained in any of the transaction documents in relation to the Debentures, including this Disclosure Document, the provisions of the Debenture Trust Deed shall have an overriding effect over the provisions of the other transaction documents in relation to the Debentures and in the event of any conflict/inconsistency between the provisions contained in the Debenture Trust Deed and the

provisions contained in the transaction documents in relation to the Debentures (including this Disclosure Document), the provisions contained in the Debenture Trust Deed shall prevail.

The Debenture Trust Deed shall be executed within 90 (ninety) days from the Deemed Date of Allotment.

In the event the Company fails to execute the Debenture Trust Deed within the period specified in sub-regulation (1) of Regulation 15 of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time (**SEBI ILDS Regulations**), without prejudice to any liability arising on account of violation of the provisions of the Securities and Exchange Board of India Act, 1992 (as amended from time to time) and the SEBI ILDS Regulations, the Company shall also pay interest of at least two percent per annum to the debenture holders, over and above the agreed coupon rate, till the execution of the Debenture Trust Deed.

Size of the Issue:

The Company proposes to issue 3000 Secured Redeemable Non Convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten lakh) each aggregating to Rs. 300 crores (Rupees Three Hundred Crores only) with greenshoe option of Rs. 200 Crores (Rupees Two hundred Crores only) on the main terms and conditions herein set forth.

Authority for the Issue:

The present issue of secured redeemable non convertible debentures by the Company is made pursuant to the Resolution of the Board of Directors of the Company passed at their meeting held on 18th March 2020. The Board of Directors at the meeting held on 18th March, 2020 have delegated the powers to a Fund Raising Committee to manage the issue. The Borrowing is within the total borrowing limits as set out in the resolution passed under Section 180 (1) (c) of the Companies Act 2013, passed at the Annual General Meeting of the Company held on 26th July 2014. The Company has all the corporate, regulatory and contractual approvals including lenders approval (if so required under any of the relevant financing documents) to issue the Non Convertible Debentures.

The Resolution for creation of first charge over specific assets of the Company vide Section 180 (1) (a) of the Companies Act, 2013, was passed at the Annual General Meeting of the Company held on 26th July 2014.

For other terms, kindly refer to the Term Sheet given in this document. (Annexure 1)

PART C

Other Terms and Conditions:

Governing Law and Provisions

The Debentures offered are subject to provisions of the Companies Act, 2013, the Securities Contract Regulation Act, 1956, terms of this Disclosure Document, Memorandum and Articles of Association of the Issuer, Instructions contained in the Application Form and other terms and conditions as may be incorporated in the debenture trustee agreement and the Debenture Trust Deed. Over and above such terms and conditions, the Debentures shall also be subject to the applicable provisions of the Depositories Act 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment and issue of capital and listing of securities issued from time to time by Securities and Exchange Board of India (SEBI), concerned Stock Exchange or any other authorities and other documents that may be executed in respect of the Debentures. Any disputes arising out of this issue will be subject to the non exclusive jurisdiction of the Court at Mumbai, Maharashtra and Chennai, Tamil Nadu subject to the terms of the Debenture Trust Deed.

Issue of Debentures in Dematerialised Form:

The Company has made depository arrangements with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the issue of Debentures in dematerialised form. The Debentures will be issued only in dematerialised form and the potential investors can deal with the same as per

the provisions of Depositories Act 1966 and the regulations made there under and the rules, regulations and byelaws of NSDL and CDSL, as notified from time to time.

Market Lot

The market lot will be one Debenture. Since the Debentures are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of Debentures.

Issue Procedure

The Issuer proposes to Issue the Debentures on the terms set out in this Disclosure Document. The Debentures being offered pursuant to this Disclosure Document are subject to the provisions of the Companies Act, 2013 and the erstwhile Companies Act, 1956, the SEBI ILDS Regulations, SEBI Circular bearing reference no. SEBI/HO/DDHS/CIR/P/2018/05 dated January 5, 2018 and the SEBI Circular bearing ref no. SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 on electronic booking mechanism for issuance of debt securities on private placement basis, the operating guidelines for NSE - EBP, the Memorandum and Articles of Association of the Issuer, the terms of this Disclosure Document and other terms and conditions as may be incorporated in the Debenture Trust Deed. This section applies to all applicants. Please note that all applicants are required to make payment of the full application amount along with the Application Form.

Only eligible investors as given hereunder may apply for the Debentures by completing the Application Form in the prescribed format in BLOCK LETTERS in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

Since the aggregate issue size during this financial year crosses Rs. 200 crores, the Issuer will use the electronic book mechanism in line with the SEBI circular bearing reference no. SEBI/HO/DDHS/CIR/P/2018/05 dated January 5, 2018, the SEBI circular bearing ref no. SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 and the operational guidelines for participation in NSE – EBP issued by the NSE (collectively, the “**EBM Guidelines**”).

How to Bid

All eligible investors will have to register themselves with NSE-EBP platform offered by NSE for participating in electronic book building mechanism. Investors should refer the operating guidelines for issuance of debt securities on private placement basis through an electronic book mechanism as available on website of NSE.

Right to accept or reject bids

The Issuer reserves its full, unqualified and absolute right to accept or reject any bid(s), in part or in full, without assigning any reason thereof and to make provisional / final allocations at its absolute discretion.

Provisional/ Final allocation

Post completion of bidding process, the Issuer will upload the provisional allocation on the NSE-EBP platform. Post receipt of investor details, the Issuer will upload the final allocation file on the NSE-EBP platform.

Application Procedure

Eligible investors will be invited to subscribe by way of the Application Form prescribed in the Disclosure Document during the period between the issue opening date and the issue closing date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the deemed date of allotment at its sole discretion, without giving any reasons. The issue of the Debentures will be open for subscription during the banking hours on each day during the period covered by the issue schedule.

The Issuer reserves the right to close the Issue at the earlier date on the Issue of the Debentures being fully subscribed.

The Issuer reserves the right to close the Issue at any time on the issue closing date.

Fictitious Application

All fictitious applications will be rejected.

Basis of Allotment

The board of directors of the Issuer, its committee and/or any other authorised officials of the Issuer reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof. Application Forms that are not complete in all respects may be rejected in sole discretion of the Issuer.

Subject to the aforesaid, in case of over subscription, priority will be given to potential debenture holders on a first come first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to the Issuer by the deemed date of allotment.

Eligible Investors

Nothing in this Disclosure Document shall constitute and/or deem to constitute an offer or an invitation to an offer, to be made to the public or any section thereof through this Disclosure Document and this Disclosure Document and its contents should not be construed to be a prospectus under the Companies Act, as amended or the rules made thereunder.

This Disclosure Document and the contents hereof or thereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Issuer and only such recipients are eligible to apply for the Debentures.

Any investor(s) authorised to invest in these Debentures, when specifically approached and subject to the compliance with the relevant regulations/guidelines applicable to them for investing in this Issue, are eligible to apply for this private placement of Debentures by submitting all the relevant documents along with the Application Form ("**Eligible Investors**").

Other than as stated above, applications cannot be made by person(s) or entity(ies) resident outside India, including but not limited to non-resident Indians and overseas corporate bodies.

All potential debenture holders are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential debenture holders in the issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

All Eligible Investors and subsequent debenture holders (who shall purchase the Debentures in the secondary market) are required to consult their own advisors in investing in the Debentures and comply with the relevant rules/regulations/guidelines/notifications applicable to them for investing in the Debentures.

As per the Board Resolution of ALL, QIB and Partnership firms are not part of the eligible investors.

Documents to be provided by Eligible Investors

Eligible Investors need to submit the following documents, as applicable:

- (a) memorandum and articles of association or other constitutional documents including Government notification/certificate of incorporation;
- (b) resolution authorising investment;
- (c) certified true copy of the power of attorney to custodian;
- (d) specimen signatures of the authorised signatories;
- (e) SEBI registration certificate (for Mutual Funds);
- (f) copy of PAN card; and
- (g) application Form (including NEFT/RTGS details).

Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the debenture holder(s) through cheque/NEFT/RTGS.

Permanent Account Number

Every applicant should mention its Permanent Account Number (PAN) allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

Minimum Subscription

As the Issue under this Disclosure Document will be made on private placement basis, the requirement of minimum subscription shall not be applicable to the issue and therefore the Issuer shall not be liable to refund the subscription(s)/ proceed(s) in respect of Issue in the event of the total Issue collection falling short of the proposed Issue size or certain percentage of the proposed Issue size.

Submission of completed Application Form

All applications duly completed accompanied by transfer instructions from the respective investor's account to the account of the Issuer, shall be submitted at the registered office of the Issuer.

Mode of Payment

Applications complete in all respects must be submitted before the last date indicated in the Issue time table or such extended time as decided by the Issuer in accordance with applicable laws. Payment should be made by the deadline specified by the NSE. Successful bidders should do the funds pay-in to the following bank account ("**Designated Bank Account**"):

Beneficiary Bank Details	NSE Clearing Limited
Name of the Banker:	HDFC Bank Limited
IFSC Code	HDFC0000060

Successful bidders must do the funds pay-in, in totality, to the Designated Bank Account up to 10:30 am on the Pay-In Date ("**Pay-in Time**"). Successful bidders should ensure to do the funds pay-in from their same bank account which is updated by them in the NSE- EBP while placing the bids. In case of mismatch in the bank account details between NSE- EBP and the bank account from which payment is done by the successful bidder, the payment would be returned back. Provided that, in case of bids made by the Arranger on behalf of Eligible Investors, funds pay-in shall be made from the bank account of such Eligible Investor.

Note: In case of failure of any successful bidder to complete the funds pay-in by the Pay-in Time or the funds are not received in the NSE Clearing Limited's Designated Bank Account by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer and/or the Arranger shall not be liable to the successful bidder. Funds pay-out on would be made by NSE Clearing Limited to the bank account of the Issuer.

Cheque(s), demand draft(s), money orders, postal orders will not be accepted. The entire amount of ₹10,00,000 (Rupees Ten Lakhs Only) per Debenture is payable on application. Applications should be for the number of Debentures applied by the Eligible Investor.

Applications not completed in the manner required are liable to be rejected.

The date of subscription shall be the date of realisation of proceeds of subscription money in the Designated Bank Account, as listed above.

Bid opening and closing date	May 18, 2020
Minimum Bid Lot	10,00,000
Mode of Bidding	Open
Type of Bidding	Fixed rate bidding
Manner of Allotment	Uniform yield allotment
Manner of Settlement	NSE Clearing Limited
Pay in or Settlement	T+1; May 19, 2020

Basis of Allotment and Schedule for Allotment

The Issuer reserves the sole and absolute right to allot the Debentures to any applicant. The unutilised portion of the application money will be refunded to the applicant by electronic transfer to the bank account notified by the applicant. In case the cheque payable at par facility is not available, the Issuer's reserves the right to adopt any other suitable mode of payment. The Issuer will allot the Debentures to the debenture holders dematerialised account within 2 (two) Business Days of the Deemed Date of Allotment.

Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) calendar days from the deemed date of allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the Registrar & Transfer Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

List of Beneficiaries

The Issuer shall request the Depositories / Registrar & Transfer Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment of interest or repayment of redemption monies, as the case may be.

Applications under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the potential Investor and the tax exemption certificate/document of the potential debenture holder, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other

constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- (a) SEBI registration certificate
- (b) Resolution authorizing investment and containing operating instructions
- (c) Specimen signature of authorized signatories

Transfer and Transmission:

The provisions relating to transfer, transmission and other related matters in respect of shares of the Company contained in the Articles of Association of the Issuer and the Companies Act, 2013 shall apply, mutatis mutandis (to the extent applicable to debentures), to the Debentures as well. The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by depositories and the relevant depository participants of the transfer or transferee and any other applicable laws and rules notified in respect thereof.

Right of the Issuer to Purchase and Re-sell Debentures

Purchase and Resale of Debentures: The Issuer may, subject to applicable laws, at any time and from time to time, purchase Debentures issued under this Disclosure Document at discount, at par or premium in the open market. Such Debentures, at the option of the Issuer, be cancelled, held or resold at such a price and on such terms and conditions as the Issuer may deem fit and as permitted by applicable laws.

Security for the Debentures:

The NCDs being issued under this Document shall be secured through first charge over the specific assets of the Issuer (both present and future) with 1.10x cover at all times during the currency of the Debentures

The Company shall execute all relevant documents and create and perfect the security for the said Debentures within a period of 90 days from the date of allotment, subject to statutory regulations.

If the Company fails to create and perfect the security within above stipulated timeline, the Company will pay penal interest of 2% per annum, payable monthly from the expiry of the security creation timeline till the date the security is duly created and perfected.

Security Cover:

The Company shall, at all times, maintain a security cover of 1.10 times on a book value basis over the tenor of the said Debentures.

If the Debenture Trustees are of the opinion that at any time during the subsistence of the trusteeship agreement, the security provided by the Company has become inadequate to cover the debentures then outstanding, the Company shall provide and furnish to the trustees, to their satisfaction, such additional security as may be acceptable to cover such deficiency.

Trustees

The Company obtained the consent of SBICAP Trustee Company Limited to act as the debenture trustee for holders of the proposed debentures ("**Debenture Trustee**"). All the remedies of the debenture holder(s) for the amounts due on the Debentures will be vested with the Debenture Trustee on behalf of the debentureholder(s).

The holders of the Debentures shall without any further act or deed be deemed to have irrevocably given their consent to and authorised the Debenture Trustee or any of their agents or authorised officials to do interalia, acts/deeds and things necessary in respect of or relating to the security to be created for securing the debentures being issued in terms of this Memorandum of Information.

Debenture Certificate:

The Company shall arrange to credit the Debentures in the dematerialised form to the beneficiary account of the investor(s). The Debentures since issued in electronic (dematerialized) form, will be governed as per the provisions of the Depository Act, SEBI (Depositories and Participants) Regulations, 1996, rules notified by NSDL / Depository Participant from time to time and other applicable laws and rules notified in respect thereof. The Debentures shall be allotted in dematerialized form only.

Place and Mode of Payment by Company:

All monies due and payable by the Company to the debenture holders under or in terms of this issue shall be paid by RTGS transfer / cheque or bank draft drawn on a scheduled bank participating in the high value clearing at Chennai/Mumbai/ New Delhi / Calcutta on the due date. The debenture holder shall intimate his option of receiving the payment at any of the above mentioned places at the time of subscription failing which the cheque shall be made payable in Chennai.

Service of Notice:

Any notice or request required or permitted to be given or made under this issue to the debentureholders or to the Company shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand, mail or fax to the party to which it is required or permitted to be given or made at such party's address.

Guidelines:

The Company shall abide by and comply with the guidelines issued by the Government of India / other statutory authorities from time to time in respect of the issue of debentures by public limited companies in respect of private placements.

Book closure:

Debenture Register would be closed for interest payment 15 days before each interest due date / redemption date.

Deduction of Tax at Source:

Tax as applicable under the Income Tax, 1961, or any other statutory modification(s) or re-enactment(s) thereof will be deducted at source. Tax exemption certificate / document, under Section 193 of the Income Tax Act, 1961, if any, must be lodged at the registered office of the Company, along with the application form or at least 15 days before the interest payment becoming due, failing which interest payments will be made after deduction of applicable tax at source.

Tax exemption certificate / document in respect of non-deduction of tax at source on interest on application money, must be submitted along with the Application Form.

However, Finance Act 2008 has inserted clause (ix) under the proviso to Section 193, which reads as under:

“Any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and rules made thereunder.”

The amendment, which was effective 1st June 2008, will have following implications:

Tax will not to be deducted at source by the Company from interest paid on these debentures issued by the company, which are listed on the recognized stock exchanges and held in dematerialised form by investors.

Future Borrowings:

The Company shall be at liberty to raise in future any indebtedness / borrowings, by way of availing loans, facilities, availing deferred credit, issuing debentures, bonds, commercial papers, securities or otherwise, provided such indebtedness / borrowings do not prejudice the security interest / security created in favour of the Debenture Trustee for the Debentures. Further, the Company shall be at liberty to raise in future any secured loans or issue debentures / bonds or avail or deferred credit or other financial facilities prejudicing or affecting the security interest / security created in favour of the Debenture Trustee for the Debentures, subject to the consent of the Debenture Trustee, without the consent of the debenture holders, so long as there is no default by the Company in payment of principal or interest or combination thereof and there is no substantial change in management and the existing promoter/promoter group shall, during the tenure of the Debentures, maintain atleast 40% of the issued equity share capital of the Company. The Company shall maintain the stipulated security cover all the times during the life these debentures.

Rights of Debentureholder(s):

Debentureholder(s) will not be entitled to any rights and privileges of shareholders other than those available to them under the terms of this Disclosure Document, the Debenture Trust Deed and applicable laws. The debentures shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of the Company. The principal amount and interest, if any, on the debentures will be paid to the holder only, or in the case of joint holders, to the person whose name stands first in the register of debentureholders maintained by the Company. The debentures shall be subject to other terms and conditions incorporated in the debenture certificate and the trust deed.

Modification of Rights:

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated in accordance with the Debenture Trust Deed.

Redemption :

In case of the Debentures held in dematerialized form, no action is required on the part of the debenture holder(s) at the time of Redemption of the Debentures and on the Final Redemption Date, as the case may be the redemption proceeds would be paid by cheque to those debenture holder(s) whose name(s) appear on the list of beneficial owners given by the Depositories to the Company. The name(s) would be as per the Depositories' records on the Record Date fixed for the purpose of Redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action. The Company shall compute the redemption amounts to be paid to each of the debenture holders. The redemption proceeds shall be directly credited through ECS, RTGS or NEFT and where such facilities are not available the Company shall make payment of all such amounts by way of cheque/demand draft. The cheque/demand draft for redemption proceeds, will be dispatched by courier or hand delivery or registered post at the address provided in the Application/at the address as notified by the debenture holder(s) or at the address with the Depositories' record. Once the redemption proceeds have been credited to the account of the debenture holder(s) or the cheque/demand draft for redemption proceeds is dispatched to the debenture holder(s) at the addresses provided or available from the Depositories' record, the Company's liability to redeem the Debentures on the date of redemption shall stand extinguished and the Company will not be liable to pay any coupon, interest, income or compensation of any kind from the date of redemption of the Debenture(s).

Events of Default

The Debenture Trustee at its discretion may, and if so required in writing by the holders of not less than 66 1/6% in principal amount of the Debentures than outstanding or if so directed by and extraordinary resolution of the debenture holders shall (subject to being indemnified and/or secured by the debenture holders to its satisfaction), give notice to the Issuer that penal interest in respect of the Debentures shall become payable if any of the events listed below (each, an “**Event of Default**”) has occurred

Customary to such issuance including without limitation, each of the following events shall be an Event of Default:

1. Failure on the part of the Issuer to make any payments of any amounts in relation to the Debenture (or any part thereof) on the relevant due dates or otherwise, when due. For the avoidance of doubt, there is no cure period for any payment default.
2. If security is not created and perfected within the stipulated timelines.
3. Breach of terms having Material Adverse Effect or covenants (as stipulated in the transaction documents) and has not been cured by the Issuer within a period of 30 days after the Issuer has knowledge then an Event of Default has been declared.
4. If the Issuer is unable or has admitted in writing, its inability to pay any financial indebtedness (other than default under this NCD issue) in excess of Rs.100,00,00,000/- (Rupees Hundred Crores only) in aggregate, on the date it has become due, and such default has not been remedied to the satisfaction of the lender thereof/waived by the lender/creditor within a period of 30 (thirty) days from the date of occurrence of such default, it shall also constitute and event of default under the present NCD issue.
5. The Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay (in the opinion of the Debenture Trustee) its financial debts, or stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Debenture Trustee) any part of (or of a particular type of) its financial debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or any part of (or all of a particular type of) its financial debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant financial creditors in respect of any of such financial debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the financial debts of the Issuer.
6. Repudiation of any term of the transaction documents by the Issuer unless otherwise agreed/consented by the Debenture Trustee.
7. The Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganization, liquidation or dissolution.
8. It is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Debentures or the Debenture Trust Deed.
9. Appointment of an interim resolution professional under the Insolvency and Bankruptcy Code, 2016.

Disclosure:

The Company hereby agrees as a precondition of the investment in its Debentures that in the case it commits default in the repayment of principal amount of the Debentures or in the repayment of interest thereon or any of the agreed instalments of the Debentures on the due dates, the investors and / or RBI reserve the right to disclose or publish its name and the names of the directors as defaulters in such manner and through such medium as the investors or the RBI in their absolute discretion may think fit.

The discount at which such offer is made and the effective price for the investor as a result of such discount

Not applicable

Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities

The Issuer has paid interest payments and principal repayments on due dates.

Permission or Consent from prior creditor for a first pari passu charge being created in favour of the trustees to the proposed issue has been obtained

Not applicable.

Names of the recognized stock exchange where securities are proposed to be listed clearly indicating the designated stock exchange and also whether in principle approval from the recognised stock exchange has been obtained.

NSE. In-principle approval will be obtained from NSE.

DECLARATION

It is hereby declared that this Disclosure Document contains full disclosures in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 & the regulations to amend the Securities and Exchange Board of India (Issue & listing of debt Securities) Regulation 2008 vide Circular on. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012.

The Issuer also confirms that this Disclosure Document does not omit disclosure of any material fact, which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement.

The Issuer accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.

Signed by Mr. Gopal Mahadevan, Whole time Director and Chief Financial Officer of the Company, pursuant to the authority granted by the Board of Directors of the Company in their meeting held on March 18, 2020.

For Ashok Leyland Limited

Date: May 14, 2020

Place: Chennai

DISCLOSURES AS PER THE COMPANIES ACT, 2013

SECTION A (Form PAS-4)

ADDITIONAL DISCLOSURES

1. GENERAL INFORMATION

a. Name, address, website and other contact details of the company indicating both registered office and corporate office:

S. No.	Particulars	Details
1.	Name	Ashok Leyland Limited
2.	Registered Office Address	No.1 Sardar Patel Road, Guindy, Chennai –600032.
3.	Corporate Office Address	No.1 Sardar Patel Road, Guindy, Chennai –600032
4.	Telephone	044 –22206094
5.	Email	Secretarial@ashokleyland.com
6.	Website	www.ashokleyland.com

b. Date of Incorporation of the Company: September 7, 1948

c. Business carried on by the company and its subsidiaries with the details of branches or units, if any:

ALL is currently the second largest manufacturer of M & HCVs in India.

ALL was established in 1948 and has nine manufacturing plants, with the parent plant at Ennore near Chennai, three plants at Hosur, near Bangalore (called Hosur I, II & III), foundries division in Sriperumpudur & ennore, a gearbox manufacturing and vehicle assembly plant at Bhandara (near Nagpur), an assembly plant with bus body building facility at Alwar (near New Delhi) and a fully integrated unit in Pant Nagar, Uttarakhand.

ALL has established a very wide distribution network across India for the sale of its vehicles and spare parts.

AUTOMOTIVE OPERATIONS

Please refer page no.11 for Manufacturing facilities
-refer page no.14 for Product range
-refer page no.17 for Product distribution network

RESEARCH AND DEVELOPMENT

Please refer page no.12 for Research & Development

DETAILS OF SUBSIDIARIES AS ON MARCH 31, 2020

Sl. No	Name of the subsidiary	Principal activity	Place of incorporation and operation	% of shares held
1.	Albonair GmbH and its subsidiary	Emission Treatment Technology (relating to commercial vehicle)	Germany	100.00
2.	Albonair (India) Private Limited	Emission Treatment Technology (relating to commercial vehicle)	Chennai - India	100.00
3.	Ashok Leyland Nigeria Limited	Trading in Commercial Vehicles	Nigeria	100.00

4.	Ashok Leyland (Chile), S.A.	Trading in Commercial Vehicles	Chile	100.00
5.	Gulf Ashley Motor Limited	Trading in Commercial Vehicles	Chennai - India	92.98
6.	Optare PLC and its subsidiaries	Manufacture of Commercial Vehicles	United kingdom	99.24
7.	Global TVS Bus Body Builders Limited	Specialised Bus Body building	Madurai – India	66.67
8.	HLF Services Limited	Manpower Supply services	Chennai - India	54.00
9.	Hinduja Leyland Finance Limited and its subsidiary	Non-Banking Finance Company	Chennai – India	67.19.
10.	Ashley Aviation Limited	Business of Aviation, including leasing of Aircrafts	India	100.00
11.	Ashok Leyland (UAE) LLC and its subsidiaries	Vehicle Assembly and Bus Body	UAE	49.00

Please refer to page no.18 for the consolidated list of subsidiary, associate and other related entities.

d. Brief particulars of the management of the company:

A Board of Directors comprising of professionals with rich experience in various fields manages ALL. The Managing Director and Chief Executive Officer is assisted by the Senior Management Team handles day to day management.

Board of Directors

S. No.	Name	Designation	DIN Number	Address	Age, Nationality, Occupation
1.	Mr. Dheeraj G Hinduja	Chairman	00133410	24 Carlton House Terrace, London SW153 AP, UK	46, BRITISH, Company Director
2.	Prof. Dr Andreas H Biagosch	Independent Director	06570499	Irmgardstr 10, Munchen 81479, Germany	64, GERMAN, Company Director
3.	Dr. Andrew C Palmer	Independent Director	02155231	The Dower House, "Blakesley" NN12 8RD, U.K.	56, BRITISH, Company Director
4.	Mr. Jean Brunol	Independent Director	03044965	34 BD Victor Hugo Neuilly Sur Seine - 92200 France	68, FRANCE, Company Director
5.	Mr. Jose Maria Alapont	Independent Director	07712699	Flat 10, St. James's Chambers Ryder Street, London SW1Y 6QA	69, SPANISH, Company Director
6.	Ms. Manisha Girotra	Independent Director	00774574	71 Chitrakoot Altamount Road Mumbai - 400 026	50, INDIAN, Company Director

S. No.	Name	Designation	DIN Number	Address	Age, Nationality, Occupation
7.	Mr. Sanjay K. Asher	Independent Director	00008221	32 Modi Street, Fort, Mumbai - 400 001	56, INDIAN Company Director
8.	Mr. Saugata Gupta	Independent Director	05251806	B-1002 Rustomjee Oriana, MIG Colony, Gandhi Nagar, Bandra (East), Mumbai - 400051	52, INDIAN, Company Director
9.	Mr. Vipin Sondhi	Managing Director and Chief Executive Officer	00327400	N-37, First Floor, Panchsheel Park, New Delhi 110 017	59, INDIAN, Company Director
10.	Mr. Gopal Mahadevan	Whole-time Director and Chief Financial Officer	01746102	Chaitanya Laurels Flat No.B 703 Old No. 59/60 N No.81/83 C P Ramaswamy Road, Alwarpet, Teynampet, Chennai - 600018	53, INDIAN, Company Director

e. Names, addresses, DIN and occupations of the directors: Please refer to the disclosure set out under Paragraph 1(d) above.

f. Management's perception of risk factors: As per the disclosure set out under "Risk Factors" set out on Page no.43 of this Disclosure Document.

g. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –

i)	statutory dues	Nil
ii)	debentures and interest thereon	Nil
iii)	deposits and interest thereon	Nil
iv)	loan from any bank or financial institution and interest thereon	Nil

h. Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process:

Company Secretary and Compliance Officer	Mr. N Ramanathan Tel No : +91 44 22206094 Email: Ramanathan.N5@ashokleyland.com Address: No.1 Sardar Patel Road, Guindy, Chennai-600032.
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i. Any Default in Annual filing of the company under the Companies Act, 2013 or the rules made thereunder - Nil

2. PARTICULARS OF THE OFFER

- i) **Financial position of the Company for the Last 3 years – please refer to page no.30**
- ii) **Date of passing the board resolution – March 18, 2020**
- iii) **Date of passing of resolution in the general meeting, authorizing the offer of securities – July 26, 2014**

iv) Kinds of securities offered (i.e. whether share or debenture) and class of security: the total number of shares or other securities to be issued:

3000 secured, rated, redeemable, listed, non-convertible debentures aggregating to Rs. 300,00,00,000 (Rupees Three Hundred Crores only) with green shoe option of Rs. 200,00,00,000/- (Rupees Two hundred Crores only), each having a face value of Rs. 10,00,000 (Rupees Ten Lakhs only), issued on private placement basis.

v) Price at which the security is being offered including the premium, if any, along with justification of the price :

The Debentures are being issued at the following price:

Face Value: ₹ 10,00,000/- (Rupees Ten Lakhs only)

Discount : Nil

Premium : Nil

vi) Name and address of the valuer who performed valuation of the debentures offered, and basis on which the price has been arrived at along with report of the registered valuer:

Not Applicable

vii) Relevant date with reference to which the price has been arrived at:

Not Applicable

viii) The class or classes of persons to whom the allotment is proposed to be made:

Non-Banking Financial Institutions, Financial Institutions, Banks, Mutual Funds, Asset Management Companies, firms, Body Corporates, Trusts, and other persons.

ix) Intention of promoter and promoter group, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [not required in case of issue of non-convertible debentures]:

None of the promoter / promoter group, directors or key managerial personnel are proposing to subscribe to the Debentures.

x) The proposed time within which the allotment shall be completed:

Deemed date of allotment - May 19, 2020.

xi) The names of the proposed allottees and the percentage of post private placement capital that may be held by them [not required in case of issue of non- convertible debentures]:

Not Applicable

xii) The change in control, if any, in the company that would occur consequent to the private placement:

Not Applicable

xiii) The number of persons to whom allotment on preferential basis/private placement/ rights issue has already been made during the year, in terms, of number of securities as well as price: Nil

xiv) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

Not Applicable

xv) Amount which the company intends to raise by way of proposed offer of securities:

Up to Rs. 300,00,00,000/- (Rupees Three Hundred Crores only) with green shoe option of Rs.200,00,00,000/- Crores (Rupees Two hundred Crores only).

xvi) Terms of raising of securities: Duration, if applicable, rate of dividend or rate of interest, mode of payment and repayment:

Duration: The date falling 3 (three) years from the Deemed Date of Allotment.

Rate of interest: The applicable coupon rate shall be 8% annualized.

Mode of payment and repayment: The Debentures shall be redeemed on the maturity date falling 3 years from the deemed date of allotment.

xvii) Proposed time schedule for which the private placement offer cum application letter is valid:

Please refer to the Term Sheet, Annexure 1.

xviii) Purposes and objects of the offer:

The funds raised by the issue shall be utilised by the Company exclusively for: (i) capital expenditure and (ii) general corporate purposes.

xix) Contribution being made by the Promoters or Director either as part of the offer or separately in furtherance of such object:

No contribution being made by the Promoter and promoter group or Directors either as part of the offer or separately in furtherance of such object.

xx) Principle terms of assets charged as security, if applicable:

First charge on the specific assets of the Company (both present and future) with 1.10x cover.

The security interest specified above will be created and perfected within 90 (ninety) days from the Deemed Date of Allotment or any other extended timeline as agreed between the Company and the debenture holders.

The terms and conditions in respect of security cover and replacement of the security shall be as per the Debenture Trust Deed and the relevant Debenture Documents.

xxi) The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations:

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.

xxii) The pre-issue and post-issue shareholding pattern of the Company in the following format:

S.No.	Category	Pre-Issue		Post-Issue	
		No. of shares held	% of share holding	No. of shares held	% of share holding
A	Promoters Holding				
1	Indian	-	-	-	-
	Individuals	-	-	-	-
	Body Corporate	-	-	-	-
	Sub Total	-	-	-	-
2	Foreign - Body Corporates	1,500,660,261	51.12	1,500,660,261	51.12
	Sub-total (A)	1,500,660,261	51.12	1,500,660,261	51.12
B	Non- Promoters Holdings				
1	Institutional Investors	928,187,065	31.62	928,187,065	31.62
2	Non- Institutional Investors				
	Private Corporate Bodies	29,813,852	1.02	29,813,852	1.02
	Directors and Relatives	12,456	0.00	12,456	0.00
	Indian Public	403,370,228	13.74	403,370,228	13.74
	Others (including Non- resident Indians (NRIs))	73,483,414	2.50	73,483,414	2.50
	Sub- total (b)	1,434,867,015	48.88	1,434,867,015	48.88
	Grand Total	2,935,527,276	100.00	2,935,527,276	100.00

Please note that the pre issue and post issue shareholding pattern of the Company will be the same as the Company has proposed to issue secured, redeemable, non-convertible debentures.

3. MODE OF PAYMENT FOR SUBSCRIPTION

- Cheque
- Demand Draft
- Other Banking channels

4. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION, ETC.

i. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons. - There is no financial or other material interest of any of the directors, promoter/promoter group or key managerial personnel in the offer.

ii. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the issue of private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed. NIL

iii. Remuneration of directors* (during the current year and last three financial years):

		Rs.in Lakhs		
S. No	Name	2018-19	2017-18	2016-17
Sitting Fees and Commission paid to the Independent Directors				
1	Prof. Dr. Andreas H Biagosch	65.42	74.20	56.88
2	Dr. Andrew C Palmer	64.81	60.20	56.62
3	Mr. D J Balaji Rao ⁽³⁾	71.07	60.00	55.22
4	Mr. Jean Brunol	67.19	65.00	56.58
5	Mr. Jose Maria Alapont	74.61	45.60	18.56
6	Ms. Manisha Girotra	35.50	27.60	27.86
7	Mr. Sanjay K Asher	70.61	61.11	51.54
8	Mr. Shradul S Shroff ⁽²⁾	-	-	15.04
9	Mr. Sudhindar K Khanna ⁽⁵⁾	70.68	80.00	75.78
	Total	519.89	473.71	414.08
Sitting Fees and Commission paid to the Non – Executive Directors*				
1	Mr. Dheeraj G Hinduja, Chairman	1,011.90	811.00	711.70
2	Mr. A K Das ⁽²⁾	-	16.20	38.16
3	Mr. R Seshasayee ⁽¹⁾	-	-	10.26
	Total	1,011.90	827.20	760.12
Remuneration paid to the Managing Director and Chief Executive Officer				
	Mr. Vinod K Dasari ⁽³⁾⁽⁴⁾	131.21.	1,880.94	1,289.57

* excluding reimbursement of travel and other expenses incurred for the Company's business/meetings.

⁽¹⁾ Resigned with effect from July 28, 2016.

⁽²⁾ Resigned with effect from July 21, 2017.

⁽³⁾ Resigned with effect from March 31, 2019.

⁽⁴⁾ The above remuneration excludes gratuity and leave encashment amounting to Rs.5.81 Crores.

⁽⁵⁾ Resigned with effect from Apr 5, 2019

		Rs. in Lakhs	
S. No	Name	2020-21 (upto April 30, 2020)	2019-20
Sitting Fees paid to the Independent Directors*			
1	Prof. Dr. Andreas H Biagosch	--	12.20
2	Dr. Andrew C Palmer	--	2.60
4	Mr. Jean Brunol	--	17.60
5	Mr. Jose Maria Alapont	--	23.80
6	Ms. Manisha Girotra	--	11.60
7	Mr. Sanjay K Asher	--	18.70
8	Mr. Saugata Gupta ⁽⁷⁾	--	5.00
	Total	--	91.50
Sitting Fees paid to the Non – Executive Directors*			
1.	Mr. Dheeraj G Hinduja, Chairman	--	16.50
	Total	--	16.50
Remuneration paid to the Managing Director and Chief Executive Officer			
1.	Mr. Vipin Sondhi ⁽⁷⁾	--	222.08
Remuneration paid to the Whole time Director and Chief Financial Officer			
1.	Mr. Gopal Mahadevan ⁽⁶⁾	--	843.43

⁽⁶⁾ Appointed with effect from May 24, 2019

⁽⁷⁾ Appointed with effect from November 8, 2019

The commission payable to the directors for FY 2019-20 will be paid after the approval of the Nomination and Remuneration Committee and the Board of Directors.

iv. Related party transactions entered during the last three financial years immediately preceding the year of issue of private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided:

Standalone

The following table summarizes related-party transactions for the period ended September 30, 2019:

	Subsidiaries & Associates	Fellow Subsidiaries	Joint Ventures	Holding Company	Entities where control exist	Key Management Personnel	Total (Rs. Crs)
Purchase of raw materials, components and traded goods (net of GST/ CENVAT / VAT)	40.87	44.84	19.50	-	-	-	105.21
Sales and services (net of excise duties/GST)	451.14	11.48	1.29	-	0.27	-	464.18
Other expenditure incurred / (recovered) (net)	26.59	3.22	22.84	1.06	111.35	-	165.06
Interest and other income	1.64	5.23	-	-	-	-	6.87
Acquisition of Investment	56.75	-	1.24	-	-	-	57.99
Dividend payments	-	-	-	463.00	-	-	463.00
Loans / advance given	-	100.00	-	-	-	-	100.00

The following table summarizes related-party transactions for the year ended March 31, 2019:

	Subsidiaries & Associates	Fellow Subsidiaries	Joint Ventures	Holding Company	Entities where control exist	Key Management Personnel	Total (Rs. Crs)
Purchase of raw materials, components and traded goods (net of GST/ CENVAT / VAT)	91.89	147.61	74.25	-	-	-	313.75
Sales and services (net of excise duties/GST)	1,224.03	20.42	1.09	-	0.27	-	1,245.81
Other operating Income	-	-	1.60	-	-	-	1.60
Other expenditure incurred / (recovered) (net)	58.40	0.54	47.46	3.60	(0.51)	-	109.49
Advance / current accounts - net increase / (decrease)	-	-	-	-	-	-	-
Interest and other income	3.22	3.43	-	-	#	-	6.65
Purchase of assets	-	-	-	-	-	-	-

	Subsidiaries & Associates	Fellow Subsidiaries	Joint Ventures	Holding Company	Entities where control exist	Key Management Personnel	Total (Rs. Crs)
Sale of asset	1.69	-	-	-	-	-	1.69
Dividend payments	-	-	-	362.93	-	-	362.93
Dividend Income	1.54	-	-	-	-	-	1.54
Remuneration to key management personnel	-	-	-	-	-	26.78	26.78
Commission and sitting fees to key management personnel	-	-	-	-	-	10.12	10.12
Financial guarantees utilised	17.78	-	-	-	-	-	17.78
Financial guarantees released	-	-	-	-	-	-	-
Investments in shares of	200.48	-	1.00	-	-	-	201.48
Loans/ Advance converted to investment in equity instruments	-	-	-	-	-	-	-
Loans / advance given	-	145.00	-	-	-	-	145.00
Loans / advance repaid	-	145.00	-	-	-	-	145.00
Receipt of money after capital reduction from Joint Venture	-	-	3.40	-	-	-	3.40
Contribution to employee related trusts made during the year	-	-	-	-	288.62	-	288.62
Trade receivables	92.58	5.74	0.28	-	0.28	-	98.88
Loans	3.88	-	-	-	-	-	3.88
Other financial and non-financial assets	5.07	-	3.48	-	-	-	8.55
Trade and other payables	27.66	33.40	8.18	2.44	10.27	27.65	109.60
Share application money	-	-	-	-	-	-	-
Financial guarantees	122.94	-	26.63	-	-	-	149.57

amount is below rounding off norms adopted by the company

The following table summarizes related-party transactions for the year ended March 31, 2018:

	Subsidiaries & Associates	Fellow Subsidiaries	Joint Ventures	Holding Company	Entities where control exist	Key Management Personnel	Total (Rs. Crs)
Purchase of raw materials, components and traded goods (net of GST/ CENVAT / VAT)	116.92	127.66	60.26	-	-	-	304.84
Sales and services (net of excise duties/GST)	1,684.93	14.84	1.13	-	-	-	1,700.90
Other operating Income		1.78	1.61	-	-	-	3.39
Other expenditure incurred / (recovered) (net)	65.99	0.15	35.12	3.07	(0.47)	-	103.86
Advance / current accounts - net increase / (decrease)	0.17	-	-	-	-	-	0.17
Interest and other income	17.18	7.86	-	-	0.01	-	25.05
Purchase of assets	-	-	0.78	-	-	-	0.78
Sale of asset	-	-	-	-	-	-	-
Dividend payments	-	-	-	232.99	-	-	232.99
Dividend Income	1.29	-	-	-	-	-	1.29
Remuneration to key management personnel	-	-	-	-	-	67.69	67.69
Commission and sitting fees to key management personnel	-	-	-	-	-	8.11	8.11
Financial guarantees utilised	313.86	-	-	-	-	-	313.86
Financial guarantees released	412.60	-	-	-	-	-	412.60
Investments in shares of	745.04	-	1.20	-	-	-	746.24
Loans/ Advance converted to investment in equity instruments	265.08	-	-	-	-	-	265.08
Loans / advance given	20.81	273.00	0.02	-	-	-	293.83
Loans / advance repaid	263.56	273.00	0.02	-	0.02	-	536.60
Contribution to employee related trusts made during the year	-	-	-	-	184.67	-	184.67

	Subsidiaries & Associates	Fellow Subsidiaries	Joint Ventures	Holding Company	Entities where control exist	Key Management Personnel	Total (Rs. Crs)
Trade receivables	49.76	4.74	0.08	-	0.23	-	54.81
Loans	4.04	-	-	-	-	-	4.04
Other financial and non-financial assets	3.13	-	-	-	-	-	3.13
Trade and other payables	48.76	26.02	4.70	2.54	9.49	17.55	109.06
Share application money	-	-	-	-	-	-	-
Financial guarantees	109.17	-	27.71	-	-	-	136.88

The following table summarizes related-party transactions for the year ended March 31, 2017:

	Subsidiaries & Associates	Fellow Subsidiaries	Joint Ventures	Holding Company	Entities where control exist	Key Management Personnel	Total (Rs. Crs)
Purchase of raw materials, components and traded goods (net of GST/ CENVAT / VAT)	360.01	228.05	766.69	-	-	-	1,354.75
Sales and services (net of excise duties/GST)	1,186.50	13.89	38.46	-	0.27	-	1,239.12
Other operating Income	27.97	5.66	81.01	-	-	-	114.64
Other expenditure incurred / (recovered) (net)	51.45	(0.04)	38.22	2.16	(0.47)	-	91.32
Advance / current accounts - net increase / (decrease)	5.64		16.91				22.55
Interest and other income	23.31	9.58			0.02		32.91
Purchase of assets			0.13				0.13
Sale of asset	-	0.09				0.00	0.09
Dividend payments				136.22			136.22
Dividend Income	1.15	-					1.15
Remuneration to key management personnel						31.77	31.77
Commission and sitting fees to key management personnel						7.12	7.12
Financial guarantees utilised	344.10						344.10

	Subsidiaries & Associates	Fellow Subsidiaries	Joint Ventures	Holding Company	Entities where control exist	Key Management Personnel	Total (Rs. Crs)
Financial guarantees released	143.21						143.21
Investments in shares of	195.41	-	25.00				220.41
Loans/ Advance converted to investment in equity instruments	3.37	-	-	-	-	-	3.37
Loans / advance given	165.86	365.00	0.04	-	-	-	530.90
Loans / advance repaid	57.78	365.00	0.04	-	0.02	-	422.84
Trade receivables	153.30	1.14	0.08	-	0.44	-	154.96
Loans	3.46	-	-	-	-	-	3.46
Other financial and non-financial assets	30.63	3.07	0.30	-	-	-	34.00
Trade and other payables	88.41	15.15	7.91	1.34	-	13.99	126.80
Share application money	-	-	-	-	-	-	0.00
Financial guarantees	294.25	-	23.76	-	-	-	318.01

Consolidated

The following table summarizes related-party transactions for the period ended September 30, 2019:

	Fellow Subsidiaries	Associates	Joint Ventures	Entities where control exist	Holding Company	Key Management Personnel	Total (Rs. Crs)
Purchase of raw materials, components and traded goods (net of GST/ CENVAT / VAT)	47.25	0.52	19.50	-	-	-	67.27
Sales and services (net of excise duties/GST)	11.48	89.86	1.29	0.27	-	-	102.90
Other expenditure incurred / (recovered) (net)	3.22	(0.40)	22.90	(0.28)	1.06	-	26.50
Interest and other income	7.60	0.39	-	-	-	-	7.99
Dividend payments	-	-	-	463.00	-	-	463.00
Investments in shares of	-	-	1.24	-	-	-	1.24
Loans / advance given	100.00	-	-	-	-	-	100.00
Contribution to employee related	-	-	-	111.63	-	-	111.63

	Fellow Subsidiaries	Associates	Joint Ventures	Entities where control exist	Holding Company	Key Management Personnel	Total (Rs. Crs)
trusts made during the year							

The following table summarizes related-party transactions included in the consolidated financial statements for the year ended March 31, 2019:

	Fellow Subsidiaries	Associates	Joint Ventures	Entities where control exist	Holding Company	Key Management Personnel	Total (Rs. Crs)
Purchase of raw materials, components and traded goods (net of GST/ CENVAT / VAT)	152.71	1.42	74.25	-	-	-	228.38
Sales and services (net of excise duties/GST)	39.10	231.24	1.09	0.27	-	-	271.70
Other operating Income	-	-	1.60	-	-	-	1.60
Other expenditure incurred / (recovered) (net)	0.54	(1.61)	48.41	(0.51)	3.74	-	50.57
Advance / current accounts - net increase / (decrease)	-	-	-	-	-	-	-
Interest and other income	3.43	2.47	-	#	-	-	5.90
Purchase of assets	-	-	-	-	-	-	-
Sale of asset	-	1.69	-	-	-	-	1.69
Dividend payments	-	-	-	-	362.93	-	362.93
Remuneration to key management personnel	-	-	-	-	-	26.78	26.78
Commission and sitting fees to key management personnel	-	-	-	-	-	10.12	10.12
Investments in shares of	-	-	1.00	-	-	-	1.00
Loans / advance given	190.00	-	-	-	-	-	190.00
Loans / advance repaid	190.00	-	-	#	-	-	190.00
Contribution to employee related trusts made during the year	-	-	-	288.62	-	-	288.62

	Fellow Subsidiaries	Associates	Joint Ventures	Entities where control exist	Holding Company	Key Management Personnel	Total (Rs. Crs)
Receipt of money after capital reduction of Joint Venture	-	-	34.79	-	-	-	34.79
Trade receivables	5.74	22.78	0.28	0.28	-	-	29.08
Other financial and non-financial assets	-	0.71	3.48	-	-	-	4.19
Loans	45.00	-	-	-	-	-	45.00
Trade and other payables	33.54	0.29	8.40	10.27	2.44	27.65	82.59
Financial guarantees	-	-	26.63	-	-	-	26.63

amount is below rounding off norms adopted by the Group

The following table summarizes related-party transactions included in the consolidated financial statements for the year ended March 31, 2018:

	Fellow Subsidiaries	Associates	Joint Ventures	Entities where control exist	Holding Company	Key Management Personnel	Total (Rs. Crs)
Purchase of raw materials, components and traded goods (net of GST/ CENVAT / VAT)	131.63	-	60.26	-	-	-	191.89
Sales and services (net of excise duties/GST)	19.67	513.64	1.13	-	-	-	534.44
Other operating Income	1.78	-	1.61	-	-	-	3.39
Other expenditure incurred / (recovered) (net)	0.15	3.21	36.56	(0.47)	3.62	-	43.07
Advance / current accounts - net increase / (decrease)	-	#	-	-	-	-	#
Interest and other income	7.86	2.96	-	0.01	-	-	10.83
Purchase of assets	-	-	0.78	-	-	-	0.78
Sale of asset	-	-	-	-	-	-	-
Dividend payments	-	-	-	-	232.99	-	232.99
Remuneration to key management personnel	-	-	-	-	-	67.69	67.69
Commission and sitting fees to key management personnel	-	-	-	-	-	8.11	8.11

	Fellow Subsidiaries	Associates	Joint Ventures	Entities where control exist	Holding Company	Key Management Personnel	Total (Rs. Crs)
Investments in shares of	-	3.54	1.20	-	-	-	4.74
Loans / advance given	463.00	-	0.02	-	-	-	463.02
Loans / advance repaid	468.00	-	0.02	0.02	-	-	468.04
Contribution to employee related trusts made during the year	-	-	-	184.67	-	-	184.67
Receipt of money after capital reduction of Joint Venture	-	-	-	-	-	-	-
Trade receivables	4.74	29.37	0.08	0.23	-	-	34.42
Other financial and non-financial assets	-	2.64	-	-	-	-	2.64
Loans	45.00	-	-	-	-	-	45.00
Trade and other payables	26.06	0.41	6.25	9.49	2.54	17.55	62.30
Financial guarantees	-	-	27.71	-	-	-	27.71

amount is below rounding off norms adopted by the Group

The following table summarizes related-party transactions and balances included in the consolidated financial statements for the year ended March 31, 2017:

	Fellow Subsidiaries	Associates	Joint Ventures	Entities where control exist	Holding Company	Key Management Personnel	Total (Rs. Crs)
Purchase of raw materials, components and traded goods (net of GST/ CENVAT / VAT)	232.16	51.66	766.69	-	-	-	1,050.51
Sales and services (net of excise duties/GST)	13.89	338.17	38.46	0.27	-	-	390.79
Other operating Income	5.66	0.97	81.01	-	-	-	87.64
Other expenditure incurred / (recovered) (net)	(0.04)	6.54	38.29	(0.46)	3.37	-	47.70
Advance / current accounts - net increase / (decrease)	-	-	16.91	-	0.32	-	17.23
Interest and other income	15.41	2.42	-	0.02	-	-	17.85
Purchase of assets	-	-	0.13	-	-	-	0.13
Sale of asset	0.09	-	-	-	-	-	0.09

	Fellow Subsidiaries	Associates	Joint Ventures	Entities where control exist	Holding Company	Key Management Personnel	Total (Rs. Crs)
Dividend payments	-	-	-	-	136.22	-	136.22
Remuneration to key management personnel	-	-	-	-	-	31.77	31.77
Commission and sitting fees to key management personnel	-	-	-	-	-	7.12	7.12
Investments in shares of	-	12.97	25.00	-	-	-	37.97
Loans / advance given	615.00	0.01	0.04	-	-	-	615.05
Loans / advance repaid	565.00	0.01	0.04	0.02	-	-	565.07
Trade receivables	1.14	35.60	0.08	0.44	-	-	37.26
Other financial and non-financial assets	3.07	0.94	0.30	-	-	-	4.31
Loans	50.00	-	-	-	-	-	50.00
Trade and other payables	15.15	3.55	7.97	-	1.51	13.99	42.17
Financial guarantees	-	-	23.76	-	-	-	23.76

v. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of private placement offer cum application letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark. – NIL

vi. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of issue of private placement offer cum application letter in the case of company and all of its subsidiaries, and if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the private placement offer cum application letter and if so, section-wise details thereof for the company and all of its subsidiaries - NIL

vii. Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company. – NIL

5. FINANCIAL POSITION OF THE COMPANY

(A) Capital structure of the company:

a) Details of Share Capital - the authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value) :

Share capital	Amount in Rs.
Authorised Capital	
27,85,60,00,000 Equity Shares of Re.1/- each	27,85,60,00,000
365,00,000 Redeemable Non-Cumulative Non-Convertible Preference Shares of Rs.10/- each	36,50,00,000
770,00,000 Non-Convertible Redeemable Preference Shares of Rs.100/- each	770,00,00,000
Total	35,92,10,00,000
Issued Capital	
2,93,55,27,276 Equity shares of Re.1/- each	2,93,55,27,276
Subscribed and Paid-up capital	
2,93,55,27,276 Equity shares of Re.1/- each	2,93,55,27,276

b) Size of the present offer:

The offer comprises 3,000 non-convertible debentures of INR 10,00,000/- each as fully paid up for an aggregate amount of Rs. 300,00,00,000 with green shoe option of Rs.200,00,00,000/-

c) Paid-up Capital:

(i) after the offer – Rs. 2,93,55,27,276. The Issue, being an issue of Non – convertible debentures, will have no bearing on the capital structure after the offer.

(ii) after conversion of convertible instruments (if applicable) – Not Applicable

d) Share premium account (before and after the offer) – Not Applicable

e) the details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration. Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the private placement offer cum application letter separately indicating the allotments made for considerations other than cash and details of the consideration in each case:

Change in the Share Capital	Amount (in Rs.)	Number of Shares allotted	Particulars	Form of consideration
Nil	-	-	-	-

(B) Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter:

Parameters	YTD Sep'19	FY 18-19 (audited)	FY 17-18 (audited)	FY 16-17 (audited)
Net sales / Revenue	9,613.36	29,054.95	26,633.00	21453.14
EBITDA	832.12	3,245.68	3,160.10	2,338.80
EBIT	507.44	2,624.67	2,561.62	1,820.91
Interest	42.67	70.38	147.28	155.38
PAT	269.09	1,983.20	1,717.73	1,223.08
Dividend amounts*	--	910.01	713.23	456.54
Interest Coverage Ratio	12.71	35.40	20.58	12.89

**Interim Dividend of Rs. 146.78 Crs (Rs.0.50 per share) paid to the shareholders in March'2020.*

(C) Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid):

- (i) Interim Dividend for FY 2019-20 : Re.0.50 per share
- (ii) Dividend for FY 2018-19: Rs.3.10 per share
- (iii) Dividend for FY 2017-18 : Rs.2.43 share
- (iv) Dividend for FY 2016-17: Rs.1.56 share

For Dividend amounts and Interest coverage ratio, please refer to the disclosure set out under Paragraph 5(B) above

(D) A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter: Please refer to Page No. 30

(E) Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter: Please refer to Page No.30

(F) Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company. – NIL

SECTION B

(To be filled by the Applicant)

Sr. No.	Particulars	Details
1.	Name	
2.	Father's Name	
3.	Complete Address including flat/house No., street, locality, pin code	
4.	Phone Number, if any	
5.	Email Id, if any	
6.	PAN	
7.	Bank Account Details	

Signature

Authorised Signatory

Initial of the officer of the company designated to keep the record

DECLARATION

The Company confirms that:

- (a) the Company has complied with the provisions of the Companies Act, 2013 (**Act**) and the rules made thereunder and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended and modified;
- (b) the compliance with the Act and the rules made thereunder do not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and
- (c) the monies received under the offer shall be used only for the purposes and objects indicated in the private placement offer cum application letter.

The undersigned is/are authorized by the Board of Directors of the Company *vide* resolution dated March 18, 2020 to sign this form and declare that all the requirements of the Act and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter / promoter group subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

For Ashok Leyland Limited

Date: May 14, 2020

Place: Chennai

Term Sheet

Security Name	AL 8% 2023
Issuer/Company	Ashok Leyland Limited (“Issuer”/” Company”)
Nature of Instrument	Secured
Sole Arranger	ICICI Bank Limited
Rating of the Instrument	“AA” by ICRA with negative outlook
Promoter group	Promoter group shall mean the persons and entities forming part of the Issuer’s promoter group, in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
Mode of Issue	On private placement basis to Eligible Investors
Eligible Investors	Any investor(s) authorised to invest in these Debentures, when specifically approached and subject to the compliance with the relevant regulations/guidelines applicable to them for investing in this Issue, are eligible to apply for this private placement of Debentures.
Issue Size	Rs. 300 Crores.
Green shoe Option	Option to retain oversubscription of upto Rs. 200 crores
Type of Instrument	Secured, listed, Rated, redeemable, nonconvertible, non-cumulative, taxable Non-Convertible Debentures (“NCDs”)
Seniority	Senior
Security	Secured The NCDs being issued under this Document shall be secured through first charge over the specific assets of the Issuer (both present and future) with 1.10x cover at all times during the currency of the Debentures. The Issuer shall create the security within a period of 90 days from the date of allotment. In case of delay in execution/ documentation, the Issuer shall pay penal interest of 2% p.a. over the coupon rate till these conditions are compiled with. The terms and conditions in respect of security cover, revaluation and replacement of security shall be as per the Debenture Trust Deed and the relevant debenture documents.
Tenor	3 years
Redemption	Bullet repayment at the end of 3 years from the date of allotment
Step Up/Step Down Coupon Rate	As described under ‘Credit rating covenant’
Coupon Rate	8.00% p.a.
Call/put option	None
Coupon Payment Frequency	Annual
Coupon Payment Dates	May 19, 2021, May 19, 2022, May 19, 2023
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not applicable
Coupon Type	Fixed
Objects of the Issue	The proceeds of the issue will be used utilized by the company for capital expenditure and general corporate purposes. The proceeds from the NCDs will not be used, either in part or full, for capital market activities, including subscription/purchase of shares & debentures, acquisition or purchase of land or any other speculative business activity. The issue proceeds shall not be used

	for any purpose which may be in contravention of RBI guidelines for bank financing to corporates.
Details of the utilization of Proceeds	Same as described under 'Objects of the Issue'
Day Count Basis	Actual/Actual
Interest on Application Money	not applicable
Default Interest Rate	2% per annum over and above the coupon rate
Record Date	15 (Fifteen) calendar days prior to any Due Date (payment of interest/ redemption)
Listing	<p>The Issue is proposed to be listed on the WDM segment of NSE within 20 (Twenty) days from the Deemed Date of Allotment.</p> <p>Delay in Listing: In case of delay in listing of this Tranche beyond 20 (Twenty) days from the deemed date of allotment, the Company will pay penal interest, of 1% (one percent) p.a. over the interest/coupon rate/implicit yield from the expiry of 30 (thirty) days from the deemed date of allotment till the listing of this Tranche, to the investor</p>
Issuance mode of the instrument	Demat only.
Trading mode of the instrument	Demat only.
Settlement mode of the instrument	Clearing Corporation Mechanism
Face value	Rs. 10,00,000/- (Rs. Ten Lakh only) per NCD
Minimum application and in multiples of ___ Debt securities thereafter	Debenture of Rs 10,00,000 (Rupees Ten Lakhs) each and in Multiple of 1 Debenture of Rs 10,00,000 (Rupees Ten Lakhs) each thereafter
Issue Price	At par i.e. Rs. 10 Lakh per NCD
Redemption Price	At par i.e. Rs. 10 Lakh per NCD
Redemption Premium/Discount	At par i.e. Rs. 10 Lakh per NCD
Discount at which security is issued and the effective yield as a result of such discount.	Not applicable
Put Price	Not applicable
Put Date	Not applicable
Call Price	Not applicable
Call Date	Not applicable
Put Notification Time	Not applicable
Call Notification Time	Not applicable
Issue Timing: 1. Issue Opening Date 2. Issue Closing Date 3. Pay-in Date 4. Date of Allotment	<p>Issue Opening Date: May 18, 2020 10:00 AM</p> <p>Issue Closing Date: May 18, 2020 11:00 AM</p> <p>Pay-in Date: May 19, 2020</p> <p>Date of Allotment: May 19, 2020</p>
Business Day	means any day of the week (excluding non-business Saturdays, Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) (as may be amended/supplemented from time to time) or any other day on which banks are closed for customer business in Mumbai, India) on which money market is functioning in Mumbai and Chennai.
Business Day Convention	Should any of the Due Date(s) fall on a non-Business Day, the next Business Day shall be considered as the effective date for the purpose of coupon/interest payment and the previous Business Day shall be considered as the effective date for the purpose of payment of redemption proceeds. In case any such payment falls on a holiday, the amount of that payment and the amounts and dates of all future payments shall remain as originally stipulated at the time of issuing the Debentures.

	<p>In the event the Record Date falls on a day which is not a Business Day, the immediately preceding Business Day will be considered as the Record Date.</p>
<p>Credit rating covenant</p>	<ul style="list-style-type: none"> • If the NCDs are upgraded by ICRA to AA+ or above, the coupon will be stepped down by 25 bps for every notch upgrade and the revised coupon shall be effective from the date of such rating upgrade. Subsequently, if the NCDs are again downgraded by ICRA, the coupon will be stepped up by 25 bps for every notch downgrade and the revised coupon shall be effective from the date of such rating downgrade. • If the NCDs are downgraded by ICRA to AA- or below, the coupon will be stepped up by 25 bps for every notch downgrade to AA- or below and the enhanced coupon shall be effective from the date of such rating downgrade. Subsequently, if the NCDs are again upgraded by ICRA, the coupon will be stepped down by 25 bps for every notch upgrade and the revised coupon shall be effective from the date of such rating upgrade.
<p>Other covenants</p>	<ul style="list-style-type: none"> • Promoter group shall not dilute its majority shareholding in the Issuer. • In case of any acquisition, merger of subsidiaries, the issuer shall inform the Debenture holders, if it materially affects the ability of the company to comply with its obligations under the transaction documents.
<p>Events of default</p>	<p>The Debenture Trustee at its discretion may, and if so directed by the debenture holders shall, give notice to the Issuer that penal interest in respect to the Debentures shall become payable if any of the events listed below (each, an “Event of Default”) has occurred</p> <p>Customary to such issuance including without limitation, each of the following events shall be an Event of Default:</p> <ol style="list-style-type: none"> 1. Failure on the part of the Issuer to make any payments of any amounts in relation to the Debenture (or any part thereof) on the relevant due dates or otherwise, when due. For the avoidance of doubt, there is no cure period for any payment default. 2. If security is not created and perfected within the stipulated timelines. 3. Breach of terms having Material Adverse Account or covenants as stipulated in the transaction documents and has not been cured by the Issuer within a period of 30 days after the Issuer has knowledge then an Event of Default has been declared. 4. The Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay (in the opinion of the Debenture Trustee) its financial debts, or stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the

	<p>Debenture Trustee) any part of (or of a particular type of) its financial debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or any part of (or all of a particular type of) its financial debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such financial debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the financial debts of the Issuer.</p> <p>5. Repudiation of any term of the transaction documents by the Issuer unless otherwise agreed/consented by the Debenture Trustee.</p> <p>6. The Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganization, liquidation or dissolution.</p> <p>7. It is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Debentures or the Debenture Trust Deed.</p> <p>8. Appointment of an interim resolution professional under the Insolvency and Bankruptcy Code, 2016.</p>
Provisions related to Cross Default Clause	<p>If the issuer is unable or has admitted in writing, its inability to pay any financial indebtedness (other than default under this NCD issue) in excess of Rs 100,00,00,000- (Rupees Hundred Crores) in aggregate, on the date it has become due, and such default has not been remedied to the satisfaction of the lender thereof/waived by the lender/creditor within a period of 30 (thirty) days from the date of occurrence of such default, it shall also constitute an event of default under the present NCD issue.</p>
Penalty in case of default	<p>Additional Interest of 2% p.a. over and above the agreed coupon/interest calculated for the period from the date on which any payment is due by the Issuer until the date the payment is made.</p>
Conditions Precedent to disbursement	<p>The subscription from the debenture holder (s) shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> 1. The Issuer shall have obtained all necessary board/ shareholder resolutions under the provisions of the Companies Act, 2013 as are required in relation to the borrowing powers, issue of the NCDs and the execution of necessary documents in connection therewith. 2. Signed copy of Disclosure Document / Letter complying with applicable SEBI regulations & certified by Issuer 3. PAS-4 document as per Companies Act, 2013

	<ol style="list-style-type: none"> 4. Rating letter from ICRA not being more than one month old from the issue opening date and rating rationale not older than 6 months from the issue opening date 5. Consent letter from the Debenture Trustee 6. In-principle listing approval from stock exchanges
Conditions Subsequent to disbursement	<p>The Issuer shall ensure that the following documents are executed/activities are completed as per agreed time frame:</p> <ol style="list-style-type: none"> 1. Credit of demat account(s) of the investor(s) by NCDs allotted within 2 working days from the Date of Allotment; 2. Execution of Debenture Trust Deed 3. Listing within 20 days from Date of Allotment 4. End use certificate form the Issuer within 120 days from the Date of Allotment <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure document.</p>
Transaction Documents	<p>The Issue will be governed by documentation as agreed for the transaction including Information Memorandum, Debenture Trust Deed, Trusteeship Agreement, Application form, Rating letter from ICRA not being more than one month old from the issue opening date and rating rationale not older than 6 months from the issue opening date, listing application, in principle listing approval, debenture trustee consent letter, private placement offer letter in form PAS-4 and corporate Authorizations.</p>
Delay in execution of the Debenture Trust Deed/ Security Documents	<p>In the event of delay in execution of the Debenture Trust Deed and/or the Deed of Hypothecation beyond a period of 3 month from the Deemed Date of Allotment, the Company will pay penal interest of 2% over the coupon rate/ yield from the date being the 90th date from the Deemed Date of Allotment till the execution of Debenture Trust Deed and Deed of Hypothecation are complied with at the option of the investor</p>
Governing Law and Jurisdiction	Indian laws and courts / tribunals of Chennai and Mumbai
Debenture Trustee	Any entity registered with SEBI as debenture trustee
Role and responsibilities of Debenture Trustee	As per SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulation, 2008, the Companies Act, 2013, the simplified listing agreement(s), each as amended from time to time and in accordance with the Debenture Trust Deed.
Depository	NSDL/ CDSL
Other Expenses	Any expenses that may be incurred towards executing of this transaction including NCD issuance, payment of stamp duty, Trustee fees, R&T Agent fees, fees for legal, accounting, due diligence and others shall be borne by the Issuer.
Interest Tax, Service Tax, levies and duties	<p>All rates of interest and other charges to be made by the Company as mentioned herein are exclusive of GST and/or any such levies/duties Such GST, other levels/duties, if any applicable (excluding Income tax), shall be payable by the Issuer to the investor over and above the rates mentioned hereinabove.</p> <p>Income Tax or such other tax as may be required to be deducted at source under the Income Tax Act or any other applicable Act/Rules shall be deducted from the Interest payable by the company.</p>
Clear Market Clause	The Issuer undertake that it will not announce, raise or enter into discussions to raise or attempt to raise any finance from the market, by the way of Debentures from the date of acceptance of

	this offer till 15 days from the deemed date of allotment, except with the explicit consent of the Sole Arranger
Material Adverse Effect	“Material Adverse Effect” means an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could cause a material adverse effect on or a material adverse change in (a) the financial condition, business or operation of the Issuer, environmental, social or otherwise or prospects of the Issuer; (b) the ability of the Company to enter into and to perform its obligations under Transaction Documents or any other related document to which Company is or will be a party; or (c) the validity or enforceability of the Transaction Documents or any other related document or the rights or remedies of the Debenture Holder(s) thereunder;
Majority debenture holders	Debenture holders holding not less than 66 1/6 % in value of the total debentures
Force Majeure	Arranger’s commitment under this term sheet and subsequent documents hereunder would stand cancelled without any further liability to Arranger, if in the reasonable view of Arranger an event of force majeure including a substantial change in national or international financial political or economic conditions or currency exchange controls or an act of God or natural calamity has occurred which is likely to have material adverse effect. It is clarified that any effect caused due to the pandemic COVID-19 or the lockdown imposed by the Government of India on account of the COVID-19 pandemic, as may be extended from time to time, shall not constitute an event of force majeure.
Validity of the offer	Valid till 5:00 PM on May 21,2020

LIST OF OTHER DIRECTORSHIPS OF ALL DIRECTORS AS ON MARCH 31, 2020

Name of the Director	Name of the Company
Mr. DHEERAJ G HINDUJA Chairman	CHAIRMAN
	Hinduja Leyland Finance Limited
	Hinduja Tech Limited
	Co-CHAIRMAN
Prof. Dr. ANDREAS H BIAGOSCH	Hinduja Automotive Limited (Regd. in U.K)
	Hinduja National Power Corporation Ltd
	MANAGING DIRECTOR
	IMPACTING GmbH & Co. KG
Dr. ANDREW C PALMER	DIRECTOR
	Hinduja Leyland Finance Limited
	Aixtron SE
	Lurssen MB
	Wacker Chemie AG
	ATHOS Services GmbH
	PRESIDENT & Group CEO
Aston Martin Lagonda Global Holdings plc	
Mr. JEAN BRUNOL	DIRECTOR
	SHILOH Industries Inc. USA
	DIRECTOR
	Hinduja Automotive Limited, U.K.
	Hinduja Investment and Project Services Limited
	Navistar Inc.
	Ferroglobe PLC (Senior Lead Director of the Board)
Ms. MANISHA GIROTRA	DIRECTOR
	Jio Payments Bank Limited
	Naspers Limited
	Prosus N.V.
Mr. SANJAY K ASHER	MANAGING DIRECTOR
	Moelis & Company India Pvt Limited
	Arch Protection Chemicals Private Ltd.
	Deepak Nitrate Limited
	Kineco Kaman Composites-India Pvt. Ltd.
	Lonza India Private Limited
	NV Advisory Services Private Ltd.
	Orbit Electricals Private Ltd.
	Repro India Limited
	Siporex India Private Limited
	Sudarshan Chemical Industries Limited

Name of the Director	Name of the Company
	Tribhovandas Bhimji Zaveri Limited Sonata Software Limited IndusInd Bank Limited
Mr. VIPIN SONDHI Managing Director and Chief Executive Officer	Member of Board of Trustees Ananta Centre, New Delhi
	Bharatiya Yuva Shakti Trust Trustee Raizada Hansraj Memorial Trust
Mr. SAUGATA GUPTA Independent Director	Managing Director & CEO Marico Limited Marico Consumer Care Limited Halite Personal Care India Private Limited (<i>under voluntary liquidation</i>) Marico Bangladesh Limited Marico South East Asia Corporation Marico South Africa Consumer Car (Pty) Limited Marico Middle East FZE Marico Innovation Foundation Parachute Kalpavriksha Foundation JSW Paints Private Limited
Mr. GOPAL MAHADEVAN Whole-time Director and Chief Financial Officer	CHAIRMAN Ashok Leyland Defence Systems Limited Global TVS Bus Body Builders Limited DIRECTOR Hinduja Leyland Finance Limited Hinduja Housing Finance Limited Hinduja Tech Limited Overseas Companies Ashok Leyland (UAE) LLC Lanka Ashok Leyland Limited Optare plc, U.K.



ICRA Limited

CONFIDENTIAL

Ref. No.Reval/Chen/010/20-21

April 30, 2020

Mr. C. Neelakantan
General Manager, Finance
Ashok Leyland Limited
No. 1, Sardar Patel Road,
Chennai – 600 032

Dear Sir,

Re: ICRA rating for Rs. 600 crore non-convertible debenture of Ashok Leyland Limited

Please refer to your request dated **April 29, 2020** for revalidating the rating letter issued for the captioned programme.

We confirm that the [ICRA]AA (pronounced as ICRA double A) rating with a negative outlook assigned to your captioned programme and last communicated to you vide our letter dated March 23, 2020 stands. Instruments with [ICRA]AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The other terms and conditions for the rating of the aforementioned instrument shall remain the same as communicated vide our letter Ref RTG/Chen/149/19-20 dated March 23, 2020.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold long term debt/non-convertible debenture to be issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

**SRINIVASAN
RANGASWAMY**

Digitally signed by SRINIVASAN RANGASWAMY
DN: cn=SRINIVASAN RANGASWAMY, o=ICRA Limited, ou=ICRA Limited, email=SRINIVASAN.RANGASWAMY@icra.com, c=IN
Date: 2020.04.30 11:05:11 +05'30'

Karumuttu Centre, 5th Floor
634, Anna Salai, Nandanam
Chennai 600035

Tel : +91-44-45664000
GIN : L74896DL1991PL0042749

Website : www.icra.in
Email : info@icraIndia.com

Registered Office : 1105, Kalash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel : +91-11-23357940-45



March 23, 2020

Ashok Leyland Limited: Long-term rating downgraded to [ICRA]AA (negative); short-term rating reaffirmed at [ICRA]A1+

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term: Fund-based working capital limits	900.00	2,000.00	[ICRA]AA (negative); downgraded from [ICRA]AA+; outlook revised from stable
Long-term: Term loans	-	500.00	[ICRA]AA (negative); assigned
Short-term: Non-fund based limits	750.00	1,200.00	[ICRA]A1+; Reaffirmed
Short-term: Unallocated	255.00	-	-
Long-term: Non-convertible debenture	-	600.0	[ICRA]AA (negative); assigned
Short-term: Commercial paper	2,000.00	2,000.00	[ICRA]A1+; Reaffirmed
Total	3,905.00	6,300.00	

*Instrument details are provided in Annexure-I

Rationale

The rating action considers the expected deterioration in Ashok Leyland Limited's (ALL) financial risk profile over the medium term with the longer than expected slowdown in domestic commercial vehicle (CV) industry and ALL's increasing investment outlay in group entities. Demand sentiments remain weak amidst factors like slowing economic growth, surplus capacity, likely impact of COVID-19 on end user industries etc. This coupled with the higher than expected increase in debt-funded investments in group entities (including ₹Rs. 390 crore in NBFC-arm, Hinduja Leyland Finance Limited (HLFL)) is likely to impact ALL's debt coverage indicators over the next three to four quarters.

ALL's dependence on the medium and heavy commercial vehicle (M&HCV) industry continues to be high despite some successful attempts at de-risking into light commercial vehicles (LCV). ALL's sales volumes declined by 39% in the M&HCV segment and 6% in the LCV segment during 11m FY2020. To minimize the impact, the company has taken various cost control and stock correction measures, which supported by healthy financial flexibility with lenders is likely to mitigate the impact to an extent. The ratings remain tempered by vulnerability of ALL's earnings to the inherent cyclicality in the CV industry, stiff competition in the industry, and subdued performance of few subsidiaries and group entities, necessitating continuous funding requirement. The ratings also consider ALL's position as second largest player in the domestic M&HCV segment, its long operational track record, experienced management team, strong brand recall, product and technological capability and well-diversified network. The ratings also favourably consider ALL's comfortable capital structure and strong liquidity position supported by healthy growth in revenues and earnings over the last three years (ending FY2019).

Key rating drivers and their description

Credit strengths

Strong operational profile - ALL, by virtue of its long-standing presence, diversified product portfolio, strong brand recall, well-diversified network presence, product and technological capability and its products finding application across key end-user industries, is a dominant player in the domestic M&HCV industry with a market share of 34% in FY2019. ALL's market share declined to 32% in 11M FY2020 amidst intense competition. Over the last one decade, ALL has transformed from a South-centric to a pan-India player and holds a strong market share in most of the geographies that it operates in. Aggressive network expansion in non-south markets, strong brand outreach, new product launches, increased acceptance



of its engines and technology, and strong servicing capabilities aided its market share gains. With the current transition to new emission norms (BS-VI) with effect from April 1, 2020 and its focus on new modular platform wherein it would work on a made-to-order production system, ALL expects to improve the market share with launch of more variants (in M&HCV, LCV and export segments), although vehicle pricing will be a key monitorable.

Comfortable credit metrics - ALL's performance in the last three years (ending FY2019) was strong, supported by healthy demand from core industries, pickup in construction activities as well as pent-up demand post transition to Goods and Service Tax (GST). This coupled with turnaround in its key investee companies (especially the LCV-related subsidiaries¹) supported the improvement in ALL's credit profile. ALL's financial profile is characterized by comfortable capital structure and strong liquidity position supported by healthy growth in revenues and earnings in the last three years (ending FY2019). The standalone and consolidated gearing is estimated at 0.4x (standalone) and 0.6x (consolidated excluding NBFC related business) as of March 2020. The company's liquidity position is supported by Rs. 1,700 crore of cash balances (as of January 2020) and sanctioned fund-based lines of Rs. 2,000 crore, on which the utilization has been minimal.

Credit challenges

Vulnerability of earnings to the cyclical nature and competition in CV industry - With over 85% of standalone revenues being derived from CV sales (in FY2019), ALL's dependence on the inherently cyclical CV industry is high with close linkages of demand to economic development, industrial growth, investments in infrastructure and regulatory changes (emission norms, scrappage policy etc). CV demand has been sluggish in the last 18 months affected by slowing economic growth, revision in axle load norms, tightened lending environment and rise in operating costs impacting small fleet owners. ICRA expects the CV demand to remain subdued in FY2021. Also, the industry is characterized by intense competition with elevated pricing pressure from major players. ALL's ability to maintain its market share and earnings profile and debt protection metrics will be key credit monitorable.

Around 88% and 91% of consolidated revenues and net profits respectively was derived from its standalone operations in FY2019. Due to the slowdown, ALL's standalone revenues de-grew by ~32% while operating and net profits had declined by 34% and 78% respectively during the period Apr-Dec 2019. While the company has undertaken several cost control and stock corrective measures, the effect of lower revenues and higher dividend pay-out affected the cash accruals during 9M FY2020. During FY2020, the company paid out dividend of Rs. 1,093 crore and has declared an interim dividend of Rs. 0.5 per share in March 2020 (subject to approval of shareholders) taking the total pay-out to ~Rs. 1,270 crore. ALL has scaled down its standalone capital expenditure (capex) from Rs. 1,800 crore to ~Rs. 1,300 crore for FY2020; while the investment spend in its group entities is estimated at ~Rs. 600 crore (including ~Rs. 390 crore in NBFC-arm, HLFL). For FY2021, the cumulative spend on capex and investments is expected to be less than Rs. 700 crore.

Increased investment in group companies and subdued performance of key investee entities - Over the years, ALL has written off/closed several loss-making ventures and remains open to further pruning of investments, if required. While the funding support to the investee company have gradually reduced in recent years, the performance of few key investee entities remains subdued (especially Optare PLC and Ashok Leyland (UAE) LLC).

Breaking away from past trends, the company is increasing its stake in its NBFC arm during March 2020. Given the current market conditions, this investment is entirely debt funded. This coupled with subdued performance of key investee entities like (Optare PLC, Albonair GmbH, Ashok Leyland (UAE) LLC) will result in moderation of consolidated earnings and debt coverage indicators over the next few quarters. Nevertheless, some of these investments are aimed at strengthening technological capabilities and achieving business and geographical diversification. The ability of these investee entities to achieve self-sustenance and support the consolidated cash flows will remain critical credit monitorables.

¹ Ashok Leyland Vehicles Limited, Ashley Powertrain Limited and Ashok Leyland Technologies Limited were merged with ALL in FY2019



Liquidity position: Strong

ALL's liquidity is strong with cash and liquid investments of over Rs. 1,700 crore as of January 2020, and sanctioned fund-based lines of Rs. 2,000 crore, on which the utilisation has been minimal. The company primarily uses the low-cost commercial paper (Rs. 2,000 crore) for funding its working capital requirements. While the ongoing slowdown shall restrict the operational cashflows in near-term, the same is likely to improve over the medium term.

Rating sensitivities

Positive triggers: Negative outlook on the long-term rating currently restricts an upgrade in the rating. Sustained improvement in earnings, cashflows and debt coverage metrics supported by a faster than expected revival in demand shall support a favourable rating action.

Negative triggers: Downward pressure on the rating could arise with sharp deterioration in ALL's financial profile affected by longer than expected recovery in demand scenario, high debt funded capital expenditure/investment in group companies or dividend payouts.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Commercial Vehicle Industry
Parent/Group Support	Not Applicable
Consolidation / Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of ALL, excluding the NBFC-subsiary - Hinduja Leyland Finance Limited (HLFL). However, the analysis considers the ongoing and future funding support likely to be extended by ALL to HLFL.

About the company

ALL is the second-largest manufacturer in the M&HCV segment in India. ALL is the flagship entity of the Hinduja Group. ALL's key products include buses, trucks, engines, defence and special vehicles. It has manufacturing plants located in Ennore (Tamil Nadu), Hosur (Tamil Nadu), Alwar (Rajasthan), Bhandara (Maharashtra), and Pantnagar (Uttarakhand). In FY2019, ALL merged its wholly-owned LCV-related subsidiaries namely Ashok Leyland Vehicles Limited, Ashley Powertrain Limited and Ashok Leyland Technologies Limited with itself to have operational synergies and greater flexibility in decision making.

Key financial indicators (audited)

	Standalone		Consolidated#	
	FY2018	FY2019	FY2018	FY2019
Operating Income (Rs. crore)	26,356.4	29,055.0	29,635.6	33,196.8
PAT (Rs. crore)	1,717.7	1,983.2	1,813.8	2,194.6
OPBDIT/OI (%)	11.2%	10.8%	14.3%	14.8%
RoCE (%)	30.8%	30.9%	17.4%	16.8%
Total Outside Liabilities/Tangible Net Worth (times)	1.4	1.2	3.0	3.0
Total Debt/OPBDIT (times)	0.4	0.2	3.7	3.9
Interest Coverage (times)	20.1	44.6	3.5	3.3
DSCR	2.6	4.2	1.0	0.9

Source: ALL, ICRA research; OPBDITA: Operating Profit before Depreciation, Interest and Taxes; PAT: Profit after Tax; RoCE: Return on Capital Employed
#Consolidated includes NBFC; however, the NBFC numbers has been excluded for analysis purpose



Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Current Rating (FY2020)			Chronology of Rating History for the past 3 years		
				FY2020			FY2018		FY2017
				March 2020	July 2019	April 2019	March 2018	Sep 2017	Jan 2017
1 Commercial paper	Short term	2,000	NA	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2 Non-convertible Debenture	Long term	195.0	195.0	[ICRA]AA (negative)	-	Withdrawn	[ICRA]AA (positive)	[ICRA]AA (stable)	[ICRA]AA (stable)
3 Fund based limits	Long term	2,000	NA	[ICRA]AA (negative)	[ICRA]AA+ (stable)	[ICRA]AA+ (stable)	[ICRA]AA (positive)	[ICRA]AA (stable)	[ICRA]AA (stable)
4 Term loans	Long term	500.0	500.0	[ICRA]AA (negative)	-	-	[ICRA]AA (positive)	[ICRA]AA (stable)	[ICRA]AA (stable)
5 Non-fundbased limits	Short term	1,200	NA	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
6 Fund based limits	Short term	0.0	NA	-	-	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
7 Unallocated	Short term	0.0	NA	-	[ICRA]A1+	[ICRA]A1+	-	-	-

Amount in Rs. crore

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [click here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit/WCDL	-	-	-	2,000.00	[ICRA]AA (negative)
NA	Non-fund based	-	-	-	1,200.00	[ICRA]A1+
NA	Commercial paper	-	~6%	7-365 days	2,000.00	[ICRA]A1+
NA	Term loans	Sep 2020	~8%	FY2026	500.0	[ICRA]AA (negative)
NA	NCD	NA	NA	NA	600.00	[ICRA]AA (negative)

Source: ALL

Annexure-2: List of entities considered for consolidation (as of 31.03.2019)

Company name	Ownership	Consolidation Approach
Subsidiaries		
Global TVS Bus Body Builders Limited	66.67%	Full consolidation
Gulf Ashley Motor Limited	92.98%	Full consolidation
Optare Plc and its subsidiaries	99.11%	Full consolidation
Ashok Leyland (Nigeria) Limited	100.00%	Full consolidation
Ashok Leyland (Chile) SA	100.00%	Full consolidation
HLF Services Limited	82.38%	Full consolidation
Albonsair (India) Private Limited	100.00%	Full consolidation
Albonsair GmbH and its subsidiary	100.00%	Full consolidation
Ashok Leyland (UAE) LLC and its subsidiaries	100.00%	Full consolidation
Ashley Aviation Limited	100.00%	Full consolidation
Joint ventures		
Ashley Alteams India Limited	50.00%	Equity method
Hinduja Tech Limited	62.00%	Equity method
Associates		
Ashok Leyland Defence Systems Limited	48.49%	Equity method
Mangalam Retail Services Limited	37.48%	Equity method
Lanka Ashok Leyland Plc	27.85%	Equity method

Note - Ashok Leyland Vehicles Limited, Ashley Powertrain Limited and Ashok Leyland Technologies Limited (erstwhile subsidiaries) were merged with ALL in FY2019

Illustrative cash flow for a Debenture is as below:


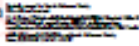
Company	Ashok Leyland Limited
Face Value (per security)	Rs.10,00,000/-
Issue Date / Date of Allotment	May 18, 2020 / May 19,2020
Redemption	3 years from the date of allotment May 19, 2023
Coupon Rate	8.00% per annum
Frequency of the interest payment with specified dates	Annually: May 19, 2021, May 19, 2022 and May 19, 2023
Day Count Convention	Interest payable on the Debentures will be calculated on the basis of actual number of days elapsed in a year of 365 or 366 days as the case may be i.e. Actual/ Actual

Cashflows*	Date	No. of days in Coupon Period	Amount (in Rupees)
1 st Coupon	May 19, 2021	365	80,000
2 nd Coupon	May 19, 2022	365	80,000
3 rd Coupon	May 19, 2023	365	80,000
Principal	May 19, 2023		(10,00,000)

*Cashflow per debenture

If the maturity date falls on a Non-Business Day, the next business day shall be considered as the effective day for the purpose of coupon/interest payment and the previous business day shall be considered as the effective day for the purpose of payment of redemption proceeds.

Consent Letter from Debenture Trustee

Corporate Office : Apeejay House, 8th Floor, 3, Dinshaw Wacha Road, Churchgate, Mumbai - 400 020 Phone : 022-4302 6565 Fax : 022-2204 0485 Email : helpdesk@sbicaptrustee.com		SBICAP Trustee Company Ltd.
Ref.no. /SBICTCL/DT/2020-21	Date: 08 th May 2020	
Ashok Leyland Limited No. 1 Sardar Patel Road, Gandhy Chattrai - 600032		
<u>Issue of Secured, Redeemable Non-Convertible Taxable Debentures issue of upto maximum Rs. 500 crore on Private placement basis by Ashok Leyland Limited ("Company")</u>		
We, the undersigned, do hereby consent to act as a Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the 'Offer document /Private placement offer letter' to be filed by the Company with the Indian stock exchanges where the Bonds are proposed to be listed (the "Stock Exchanges") and any other document intended to be filed with Stock Exchanges, SEBI and other regulatory or statutory authority in respect of the Issue. The following details with respect to us may be disclosed:		
Name	: SBICAP Trustee Company Limited	
Address	: Apeejay House, 3, Dinshaw Wacha Road, Churchgate, Mumbai 400 020	
Tel	: 022 43025555	
Fax	: 022 22040465	
E-mail	: corporate@sbicaptrustee.com	
Investor Grievance e-mail:	investor.cell@sbicaptrustee.com	
Website	: www.sbicaptrustee.com	
Contact Person	: Ms. Aayushi Sanghavi, Compliance Officer Tel No. 022 43025546	
SEBI Registration Number:	IND000000536	
We confirm that we are registered with SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate. We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues. We further confirm that no enquiry/investigation is being conducted by SEBI on us.		
We further confirm that we have not received any communication from SEBI prohibiting us from acting as the intermediary:		
We confirm that we will immediately inform the Company of any change, additions or deletions in respect of the matters covered in this certificate till the date when the Bonds offered, issued and allotted pursuant to the Issue, are admitted for trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of Bonds on the Stock Exchanges.		
We hereby authorise you to deliver this letter of consent to the Stock Exchanges and any other regulatory or statutory authority as required.		
Sincerely, For SBICAP Trustee Company Limited		
Harish Aithappa Shetty 		
Name: Harish Shetty Designation: Senior Manager		
Registered Office : 202, Maker Tower E, Cuffe Parade, Mumbai 400 005 Website : www.sbicaptrustee.com Corporate Identity Number : U68891MH2005PLC168388 A wholly owned Subsidiary of SBI Capital Markets Ltd.		

List of Transaction documents in relation to the issue and subscription of the Debentures

S No.	Transaction documents
1.	Information memorandum
2.	Debenture Trustee Deed
3.	Debenture Trustee Agreement
4.	Indenture of Mortgage
5.	Deed of Hypothecation
6.	Application Form
7.	Rating letter from ICRA Limited
8.	Listing application
9.	In principle listing approval
10.	Debenture Trustee consent letter
11.	Private offer letter in form PAS 4
12.	Corporate Authorizations
13.	any other document that may be designated in writing as a transaction document by the Debenture Trustee and the Issuer.



Registered Office: No.1 Sardar Patel road, Guindy, CHENNAI – 600 032.

APPLICATION FORM for Secured Non-Convertible Debentures (NCD) Series AL 8% 2023

Chennai

Sr. No.

Dear Sirs,

We have read and understood the contents of the Disclosure Document dated, for the Private Placement of Non-convertible Debentures and apply for allotment of Debentures to us. The amount payable on application as shown below is remitted herewith. On allotment, please place our name on the Register of Debentureholders. We bind ourselves to the terms and conditions as contained in the Disclosure Document. We note that the Company is entitled in its absolute discretion, to accept or reject this application in whole, or in part, without assigning any reason whatsoever.

(PLEASE READ THE INSTRUCTIONS ON THE REVERSE CAREFULLY BEFORE FILLING THIS FORM)

The application shall be for a minimum of 1(One) Debenture and in Multiples of 1(One) thereafter		
	Series AL	Series AL
No. of Debentures applied for (in words)		
No. of Debentures applied for (in figures)		
Amount (Rs.) (in words)		
Amount (Rs.) (in figures)		
Date of Cheque	Cheque/Demand Draft drawn on (Name of Bank & Branch)	Cheque/Demand Draft No.
UTR no in case of RTGS		Account Transfer

We are applying as (Tick) whichever is applicable) *

<input type="checkbox"/> 1	Commercial Bank	<input type="checkbox"/> 2	Financial Institution	<input type="checkbox"/> 3	Insurance Company	<input type="checkbox"/> 4	Others	<input type="checkbox"/> 5	Mutual Fund
----------------------------	-----------------	----------------------------	-----------------------	----------------------------	-------------------	----------------------------	--------	----------------------------	-------------

Applicant Details

NAME & ADDRESS of the Applicant (Post Box No. alone is not sufficient)			
TAX DETAILS	PAN or GIR No.	IT Circle/Ward/District	Not Allotted

DETAILS OF BANK ACCOUNT (for incorporation in Interest warrants)

Bank Name & Branch _____
Account No. _____ Nature of Account _____
IFSC Code: _____

REQUEST FOR NON CONVERTIBLE SECURED DEBENTURES (NCDs) IN ELECTRONIC FORM

I/We, the undersigned, want delivery of Non Convertible Debentures of Ashok Leyland Limited , in Electronic Form. Details of my/our Beneficiary (Electronic) account are given below:

Depository Name								
Depository Participant Name								
DP – ID	I	N						
Beneficiary Account Number								
Name of Applicant								

I/We understand that: (1) in case of allotment of NCDs to me/us, my/our Beneficiary Account as mentioned above would get credited to the extent of allotted NCDs; (2) In case of allotment of NCDs to me/us, if NCDs can not be credited to my/our Beneficiary Account, for any reason whatsoever, I/We will be given Physical Certificate(s); (3) if the names of applicants in this application are not identical and also in the same order with the Beneficiary Account details with the above mentioned DP, only physical certificates will be issued; (4) Applicants must ensure that the sequence of names as mentioned in the application form matches that of the Account held with the DP.

	Names of the Authorised Signatories	Designation	Signature
1.			
2.			
3.			
4.			

Tax Deduction Status	<input type="checkbox"/> Fully Exempt	Tax to be deducted at Source	<input type="checkbox"/> Yes	<input type="checkbox"/> No
----------------------	---------------------------------------	------------------------------	------------------------------	-----------------------------

ACKNOWLEDGEMENT SLIP
(To be filled in by Applicant)

Serial No.

<p>ASHOK LEYLAND LIMITED Registered office : No.1 Sardar Patel Road, Guindy, Chennai –600032,</p>	
Received from _____	
Address _____	an application for
_____ Debentures alongwith cheque/Demand Draft No. _____	Dated _____ Drawn
on _____ For Rs. _____	(Rupees
only)	
(Note : Cheques and Drafts are subject to realisation)	

INSTRUCTIONS

1. Application Forms must be completed in BLOCK LETTERS IN ENGLISH. A blank space must be left between two or more parts of the name.
2. Signatures should be made in English or in any of the Indian languages. Signatures in a language other than English and thumb impressions must be attested by an authorized official of a bank or by a Magistrate /Notary Public under his/ her official seal.
3. **Minimum application shall be for 1 Debenture (application amount Rs.10,00,000/-); there after the application shall be in the multiples of 1 Debenture. The full face value of the Debenture has to be paid along with the application form.**
4. Applications should be submitted during banking hours at the Corporate Office of the Company. The investor can also submit the application through any of the offices of the Sole Arranger to the Issue (if any), mentioned in the Disclosure Document.
5. The payment to be made by the investor shall be by Fund Transfer with prior intimation to Ashok Leyland Limited as per the following details:

Through Fund Transfer / Real Time Gross Settlement (RTGS).

Bank Name : HDFC Bank Limited
Beneficiary : NSE Clearing Limited
IFSC Code : HDFC0000060
6. Cash, Stock Invest, Money orders or Postal orders will not be accepted.
7. The PAN/GIR No. and IT Circle/Ward/District of the Sole/First Applicant and Joint Applicant(s) should be mentioned in the Application Form. In case neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided.
8. Income-tax as applicable will be deducted at source including at the time of payment of interest on application money. Those desirous of claiming exemption from deduction of tax at source from interest on application money are required to submit relevant tax exemption certificate as prescribed in the Income-tax Rules, 1962 along-with the Application Form.
9. In order to be complete, the application form needs to be accompanied by the Memorandum and Articles of Association, Board Resolution/ Power of attorney for investment, authority for investment, delegation of powers and authority to authorized signatories in case of Limited Companies or corporate bodies. Attestation of signatures by the authorized signatories is also required. If applicable, a specific approval from income tax authorities for tax exemption is required (refer to Tax Deduction at Source in offer document). All documents submitted need to be in original or certified to be true by a Notary Public or Company Secretary.
10. Investors are advised to mention their Phone and/or Fax Number in the application form.
11. The applications would be scrutinized and accepted as per the Terms and Conditions of the Private Placement. The Company is entitled, at its sole and absolute discretion, to accept or reject any application, in part or in full, without assigning any reason. An application, which is not complete in any aspect, is liable to be rejected.
12. Investors are requested to contact the offices of the Sole Arranger as mentioned earlier for any clarifications.