S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

INDEPENDENT AUDITOR'S REPORT

To the Members of Shriram Automall India Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Shriram Automall India Limited ("the Company"), which comprise the Balance sheet as at 31 March, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 43 to the financial results, which describes the uncertainties and the impact of COVID 19 on carrying value of receivables, unbilled revenues, Right to Use assets and Investment in subsidiaries as assessed by the management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Board of Director's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

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Responsibility of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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e) Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The standalone Ind AS financial statements of the Company for the year ended 31 March, 2019, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 07, 2019.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) According to the information and explanation given by the management, we report that remuneration of the Whole Time Director for the year ended 31 March, 2020 is in excess of the limits applicable under section 197 of the Act, read with Schedule V thereto, by Rs 26.98 million. We are informed by the management that the Company proposes to obtain approval of the shareholders in a general meeting by way of a special resolution

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(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 38 to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sanjay Bachchani
Partner
Membership Number: 400419
UDIN: 20400419AAAACS1194

S.R. BATLIBOI & ASSOCIATES LLP

Place of Signature: Gurugram, Haryana
Date: 08 June, 2020

Annexure 1 referred to in paragraph 1 of report on other legal and regulatory requirements

Re: Shriram Automall India Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) (a) The Company has granted loans to three companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) The Company has granted loans to a firm covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) The Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases in tax deduction at source.

(b) According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Nature of Status	Nature of dues	Amount Yet to be paid (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Labour Welfare Fund Act	Labour Welfare Fund	10,201	Mar'18 – Sep'19	At the end of each quarter	Yet to be paid

(c) According to the information and explanation given to us, dues of income tax, sales-tax, service tax/goods and service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute are as follows:

Name of Status	Nature of dues	Amount yet to paid (Rs. In Lakh)	Amount Paid (Rs. In Lakh)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax Demands	13.79	-	AY 2016-17	Rectification filed u/s 154
		23.20	-	AY 2017-18	Commissioner of Income Tax (Appeal)
Maharashtra Value Added Tax	Maharashtra Sales Tax	12.24	2.20	FY 2011-12	Deputy Commissioner of Sales Tax (Appeal) Mumbai
		3.82	5.97	FY 2012-13	Maharashtra State Sales Tax Tribunal, Mumbai
		11.01	1.95	FY Apr'13 – Sep'13	Deputy Commissioner of Sales Tax (Appeal) Mumbai
		55.13	88.91	FY Oct'13 – Mar'14	Maharashtra State Sales Tax Tribunal, Mumbai
Finance Act, 1994	Service Tax	48.65	-	AY 2010-11 & AY 2011-12	Service Tax Appellate Tribunal

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

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(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanation given by the management, we report that remuneration of the Whole Time Director for the year ended March 31, 2020 is in excess of the limits applicable under section 197 of the Act, read with Schedule V thereto, by INR 26.98 million. We are informed by the management that the Company proposes to obtain approval of the shareholders in a general meeting by way of a special resolution

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Sanjay Bachchani
Partner
Membership Number: 400419
UDIN: 20400419AAAACS1194

S.R. BATLIBOI & ASSOCIATES LLP

Place: Gurugram
Date: 08 June, 2020

Annexure 2 To the Independent Auditor's Report of even date on the Standalone Financial Statements of Shriram Automall India Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shriram Automall India Limited ("the Company") as of 31 March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial

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reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at 31 March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sanjay Bachchani
Partner
Membership Number: 400419
UDIN: 20400419AAAACS1194

S.R. BATLIBOI & ASSOCIATES LLP

Place of Signature: Gurugram, Haryana
Date: 08 June, 2020

Shriram Automall India Limited
Balance Sheet as at 31 March 2020
CIN: U50100TN2010PLC074572

(₹ in Lacs)

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	3	5,167.24	5,050.66
Right-of-use assets	4	3,192.61	-
Capital work in progress			-
Intangible assets	4	24.34	32.34
Financial assets			
- Investments	5A	3,525.28	1,476.36
- Loans	6	3.89	5.15
- Other financial assets	9	213.35	158.50
Deferred tax assets (net)	24	351.54	102.94
Non current tax assets (net)		-	332.49
Prepayments and other non-current assets	10	170.46	124.34
Total non-current assets		**12,648.71**	**7,282.78**
Current assets			
Financial assets			
- Investments	5B	341.02	3,346.57
- Loans	6	4,331.02	2,927.49
- Trade receivables	7	1,305.78	634.76
- Cash and cash equivalents	8	648.81	638.00
- Other financial assets	9	1,397.56	298.69
Prepayments and other current assets	10	129.49	293.12
Total current assets		**8,153.68**	**8,138.63**
Total assets		**20,802.39**	**15,421.41**
Equity and liabilities			
Equity			
Equity share capital	11	3,000.00	3,000.00
Other equity	12		
- Retained earnings		7,894.40	6,001.20
- Other reserves		956.31	513.88
Total equity		**11,850.71**	**9,515.08**
Non-current liabilities			
Financial liabilities			
- Lease liabilities	28	3,386.99	-
Net employee defined benefit liabilities	15	14.19	18.73
Total non-current liabilities		**3,401.18**	**18.73**
Current liabilities			
Financial liabilities			
- Lease liabilities	28	323.80	-
- Trade payables	13		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,059.50	776.65
- Other financial liabilities	14	979.99	1,671.31
Provision for taxation		82.28	-
Net employee defined benefit liabilities	15	189.49	140.55
Other current liabilities	16	2,915.44	3,299.09
Total current liabilities		**5,550.50**	**5,887.60**
Total equity and liabilities		**20,802.39**	**15,421.41**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants

per Sanjay Bachchani
Partner
Membership No.: 400419

Place : Gurugram
Date : 08 June 2020

For and on behalf of the Board of Directors of
Shriram Automall India Limited

Sameer Malhotra
CEO & Whole Time Director
DIN: 02808698

S. Lakshminarayanan
Chairman
DIN: 01029645

Satish Kumar Garg
Chief Financial Officer

Nitin Lokhande
Company Secretary

Place : Delhi
Date : 08 June 2020

Shriram Automall India Limited
Statement of Profit and Loss for the year ended 31 March 2020
CIN: U50100TN2010PLC074572

(₹ in Lacs)

	Notes	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Income			
Revenue from contracts with customers	17	15,406.11	13,367.24
Other income	18	590.55	398.20
Total Income		**15,996.66**	**13,765.44**
Expenses			
Employee benefits expense	19	5,267.92	5,666.72
Depreciation and amortization expense	21	596.92	105.26
Finance costs	20	372.41	50.32
Other expenses	22	6,288.83	4,419.16
Total expenses		**12,526.08**	**10,241.46**
Profit before tax		**3,470.58**	**3,523.98**
Tax expense:	23		
Current tax		1,314.64	943.18
Income tax adjustment related to earlier years		155.91	-
Deferred tax (credit) / charge		(248.60)	47.07
Total tax expense		**1,221.95**	**990.25**
Profit for the year		**2,248.63**	**2,533.73**
Other Comprehensive Income	25		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		37.47	(26.53)
Income tax effect		(9.43)	7.72
Total Comprehensive Income for the year		**2,276.67**	**2,514.92**
Earnings per equity share [nominal value of share ₹10 (31 March 2019 ₹ 10)			
Basic earning per share		7.50	8.45
Diluted earning per share		7.24	8.29
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants

per Sanjay Bachchani
Partner
Membership No.: 400419

Place : Gurugram
Date : 08 June 2020

For and on behalf of the Board of Directors of
Shriram Automall India Limited

Sameer Malhotra
CEO & Whole Time Director
DIN: 02808698

S. Lakshminarayanan
Chairman
DIN: 01029645

Satish Kumar Garg
Chief Financial Officer

Nitin Lokhande
Company Secretary

Place : Delhi
Date : 08 June 2020

Shriram Automall India Limited
Cash Flow Statement for the year ended 31 March 2020
CIN: U50100TN2010PLC074572

(₹ in Lacs)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flow from operating activities			
Profit before tax		**3,470.58**	**3,523.98**
Adjustment to reconcile profit before tax to net cash flows			
Depreciation and impairment of property, plant and equipment and right-of-use assets		587.68	97.18
Amortisation and impairment of intangible assets		9.24	8.08
(Gain)/ loss on disposal of property, plant and equipment		(0.05)	0.01
Impairment loss recognized/ (reversed) under expected credit loss model		119.19	-
Share-based payment expense		426.73	513.87
Finance income (including fair value change in financial instruments)		(491.58)	(363.53)
Finance costs (including fair value change in financial instruments)		510.18	-
Operating profit before working capital changes		**4,631.97**	**3,779.59**
Movement in working capital:			
(Increase) in trade receivables		(790.21)	(38.57)
(Increase) in employee loans		(0.31)	(87.16)
(Increase) in financial assets		(1,135.39)	(56.35)
Decrease/(increase) in other assets		118.66	(130.61)
(Decrease)/ increase in other financial liabilities		(596.17)	1,463.90
(Decrease) in other liabilities		(383.65)	(54.06)
Increase in employee benefits		81.87	14.12
(Decrease) in trade payables		287.06	(834.40)
Cash generated from operations		**2,213.83**	**4,056.46**
Direct taxes paid (net of refunds)		(1,066.17)	(1,383.39)
Cash generated from operations	**(A)**	**1,147.66**	**2,673.07**
B. Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		0.05	-
Purchase of fixed assets including capital advances, capital creditors and capital work-in-progress		(146.63)	(178.65)
Purchase consideration for business combination		(150.00)	-
Purchase of financial instruments		(129,820.88)	(3,080.45)
Proceeds from sale of financial instruments		130,855.52	209.42
Interest received (finance income)		356.68	337.30
Loan given to related parties		(1,401.96)	-
Net cash used in investing activities	**(B)**	**(307.22)**	**(2,712.38)**

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S.R. BATLIBOI & ASSOCIATES LLP

SHRIRAM AUTOMALL INDIA LIMITED

Shriram Automall India Limited
Cash Flow Statement for the year ended 31 March 2020
CIN: U50100TN2010PLC074572

(₹ in Lacs)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
C. Cash flows from financing activities			
Payment of principal portion of lease liabilities		(433.96)	-
Payment of interest expenses		(286.34)	-
Net cash used in financing activities	**(C)**	**(720.30)**	**-**
Net increase in cash and cash equivalents during the year	(A+B+C)	**120.14**	**(39.31)**
Cash and cash equivalents at the beginning of the year		528.67	567.98
Cash and cash equivalents at the end of the year		**648.81**	**528.67**
Components of cash and cash equivalents			
Cash on hand		193.46	118.05
Balances with banks:			
- on current accounts		451.84	407.87
- deposits with original maturity of less than three months		3.51	2.75
Total cash and cash equivalents (note 8)		**648.81**	**528.67**

Notes:

1. Reconciliation of liabilities arising from financing activities

	Long term borrowings (including current maturity)	Short term borrowings
As at 31 March 2019	-	-
Cash flows	-	-
Non cash changes	-	-
As at 31 March 2020	-	-

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants

per **Sanjay Bachchani**
Partner
Membership No.: 400419

Place : Gurugram
Date : 08 June 2020

For and on behalf of the Board of Directors of
Shriram Automall India Limited

Sameer Malhotra
CEO & Whole Time Director
DIN: 02808698

S. Lakshminarayanan
Chairman
DIN: 01029645

Satish Kumar Garg
Chief Financial Officer

Nitin Lokhande
Company Secretary

Place : Delhi
Date : 08 June 2020

SHRIRAM AUTOMALL INDIA LIMITED

S.R. BATLIBOI & ASSOCIATES LLP

Shriram Automall India Limited
Statement of Changes in Equity as at 31 March 2020
CIN: U50100TN2010PLC074572

A. **Share capital:**

	Equity share capital	
	No. of Shares	**(₹ in Lacs)**
Equity shares of ₹ 10 each issued, subscribed and fully paid		
As at 01 April 2018	30,000,000	3,000
Issued during the year	-	-
As at 31 March 2019	**30,000,000**	**3,000**
As at 01 April 2019	**30,000,000**	**3,000**
Issued during the year	-	-
As at 31 March 2020	**30,000,000**	**3,000**

B. **Other equity**

(₹ in Lacs)

	Reserve & surplus	Other reserves	Total
	Retained earnings	ESOP outstandings	
As at 01 April 2018	**3,486.28**	-	**3,486.28**
Profit for the year	2,533.73	-	2,533.73
Other comprehensive income for the year	(18.81)	-	(18.81)
Total Comprehensive Income for the year	**2,514.92**	-	**2,514.92**
Share based payments	-	513.88	513.88
As at 01 April 2019	**6,001.20**	**513.88**	**6,515.08**
Profit for the year	2,248.63	-	2,248.63
Other comprehensive income for the year	28.04	-	28.04
Total Comprehensive Income for the year	**2,276.67**	-	**2,276.67**
Share based payments	-	442.43	442.43
Ind AS 116 adjustment- transfer of rent equalisation reserve	74.92	-	74.92
Ind AS 116 adjustment- difference of ROU and lease liability	(458.39)	-	(458.39)
As at 31 March 2020	**7,894.40**	**956.31**	**8,850.71**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants

per Sanjay Bachchani
Partner
Membership No.: 400419

Place : Gurugram
Date : 08 June 2020

For and on behalf of the Board of Directors of
Shriram Automall India Limited

Sameer Malhotra
CEO & Whole Time Director
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DIN: 01029645

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Chief Financial Officer

Nitin Lokhande
Company Secretary

Place : Delhi
Date : 08 June 2020

SHRIRAM AUTOMALL INDIA LIMITED

S.R. BATLIBOI & ASSOCIATES LLP

1. Corporate information

Shriram Automall India Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the company is located at Mookambika Complex, 3rd Floor, No.4, Lady Desika Road, Mylapore, Chennai - 600 004.

The Company, an ISO 9001:2015 certified company which pioneers in serving the most organised bidding platforms to facilitate the buying & selling of pre-owned vehicles and equipment's. SAMIL has its vast horizons with exhaustive range of pre-owned commercial vehicles, construction equipment's, farm equipment's, 3 wheelers and 2 wheelers to create a unique experience for its customers, across India.

2. Significant accounting policies

2.1 Basis of Preparation

The financial statements of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

This financial statement is presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, except when otherwise indicated.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

Items	Measurement basis
Certain financial assets and liabilities	Fair value or amortized cost
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Equity settled employee share-based payment plan	Fair Value

2.2 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

a) Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

b) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

c) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

d) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

e) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

f) When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset as current when it is:

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a) Expected to be realised or intended to sold or consumed in normal operating cycle
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in normal operating cycle
b) It is held primarily for the purpose of trading
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.4 Foreign currencies

Functional and presentational currency

The Company's financial statements are presented in INR, which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of profit or loss.

2.5 Fair value measurement

The Company measures certain financial instruments and equity settled employee share based payment plan at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

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b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
b. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
c. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, unquoted financial assets, and significant liabilities, such as valuation of unquoted investments and equity settled employee share based payment plan. Involvement of external valuers is decided upon annually by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the Company's management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company's management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company's management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.6 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The specific recognition criteria described below must also be met before revenue is recognised.

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Rendering of services

Revenue from services are recognized over the contract period based on the output method i.e. pro rata over the period of the contract as and when the Company satisfies performance obligation by transferring the promised services to its customers.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

The provision for anticipated returns is made primarily on the basis of historical return rates. The provision for turnover discount, cash discount & additional discount is made on estimated basis based on historical trends.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some of the contracts with customer provide a right to customer of cash rebate/discount if payment is cleared within specified due dates.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable for all financial instruments measured at amortised cost and other interest-bearing financial assets, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

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Dividends

Dividend Income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.7 Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

b. In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

c. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

d. In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.8 Property, plant and equipment

Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013.

Individual assets costing less than Rs. 5,000 each are depreciated in the year of purchase considering the type and usage pattern of these assets. Followings are the estimated useful lives of various category of assets used.

Category of assets	Useful life
Building	60 years
Building fences	5 years
Carpeted road	10 years
Plant and equipment	15 years
Computer – Server & Network	6 years
Computer – Laptops & Desktops	3 years
Furniture & fixture	10 years
Vehicle	10 years
Office Equipment	5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.9 Intangible assets

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the statement of profit or loss when it is incurred.

Amortisation and useful lives

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

An Intangible assets is derecognised on disposal or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible assets is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of profit or loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is as follows:

Intangible assets	Useful lives	Internally generated or acquired
Computer software	3 years	Acquired
Trademarks	10 years	Acquired
Leased Assets	Lease period	Internally generated as per requirement of IND AS 116

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.11 Leases

Till March 31, 2019

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Statement of Profit and Loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

With effect from April 1, 2019

The Group has adopted Ind AS 116 "Leases" from April 01, 2019, which resulted in changes in accounting policies in the financial statements.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not

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depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.12 Impairment of non–financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companys of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed

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its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
a) Financial assets at amortised cost
b) Debt instruments at fair value through other comprehensive income (FVTOCI)
c) Equity instruments at fair value through other comprehensive income (FVTOCI)
d) Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost

A 'Financial instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A debt instruments is classified as at the FVTOCI if both of the following criteria are met:

a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity instruments at FVTOCI

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or
b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the

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Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b. Financial assets that are debt instruments and are measured as at FVTOCI
c. Lease receivables under Ind-AS 17.
d. Contract assets and trade receivables under Ind-AS 18.
e. Loan commitments which are not measured as at FVTPL.
f. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

a. Trade receivables, and
b. All lease receivables resulting from transactions within the scope of Ind AS 17.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

a. All contractual terms of the financial instrument (including prepayment extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
b. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

The balance sheet presentation for various financial instruments is described below:

a. For financial assets measured as at amortised cost and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
b. Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
c. Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not

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subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss

Re-classification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.14 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the

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provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

a. The date of the plan amendment or curtailment, and
b. The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
b. Net interest expense or income.

Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

2.15 Share based payments

Equity settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant

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date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.16 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

2.17 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.18 Earnings Per Share (EPS)

Basic Earnings Per Share is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

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2.19 Cash dividend and non-cash distribution to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

2.20 Significant accounting judgement, estimates and assumptions

The preparation of the Company's financial statements in conformity with the Indian Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures (including contingent liabilities). The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Company as a lessee

The Company has entered into lease agreements with lessor and has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it does not retains the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Taxes

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets

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that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds with term that correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 27.

Provision for trade receivable

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience adjusted for forward-looking estimates. Individual trade receivables are written off when management deems them not to be collectible. For details of allowance for doubtful debts please refer Note 7.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are acompanyed together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Company's of assets ('CGU').

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Property, plant and equipment

Refer note 2.8-2.9 and note 3-4 for estimated useful life and carrying value of property, plant and equipment respectively.

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Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted price in active markets, their fair value is measured using valuation techniques including the present valuation technique. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could effect the reported fair value of financial instruments.

2.21 Standards issued but not yet effective

The Company applied Ind AS 116 *Leases* for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in notes.

Several other amendments apply for the first time for the year ending 31 March 2020.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

a. Whether an entity considers uncertain tax treatments separately
b. The assumptions an entity makes about the examination of tax treatments by taxation authorities
c. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
d. How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Appendix had an impact on its consolidated financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions The Appendix did not have an impact on the financial statements of the Company.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the financial statements of the Company.

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Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

Annual Improvements to Ind AS 2018

Ind AS 103 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019.

These amendments had no impact on the financial statements of the Company as there is no transaction where joint control is obtained.

Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019.

Since the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company.

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(₹ in Lacs)

3 Property, plant and equipment

	Plant & equipment	Office equipment	Furniture & fixtures	Vehicles	Leasehold improvement	Land	Building	Total
Gross block								
As at 01 April 2018	440.45	70.20	136.36	3.64	364.30	4,458.68	258.83	5,732.46
Additions	87.49	51.07	13.28	-	0.71	-	-	152.55
Disposals	13.51	1.24	0.53	-	0.49	-	-	15.77
As at 31 March 2019	514.43	120.03	149.11	3.64	364.52	4,458.68	258.83	5,869.24
As at 01 April 2019	514.43	120.03	149.11	3.64	364.52	4,458.68	258.83	5,869.24
Additions	124.78	111.70	20.22	-	4.11	-	114.21	375.02
Disposals	0.40	-	-	-	-	114.21	-	114.61
As at 31 March 2020	638.81	231.73	169.33	3.64	368.63	4,344.47	373.04	6,129.65
Accumulated depreciation								
As at 01 April 2018	315.26	45.97	85.04	3.45	265.32	-	20.90	735.94
Charge for the year	46.79	19.84	11.31	-	14.23	-	5.01	97.18
Disposals	12.41	1.17	0.47	-	0.49	-	-	14.54
As at 31 March 2019	349.64	64.64	95.88	3.45	279.06	-	25.91	818.58
As at 01 April 2019	349.64	64.64	95.88	3.45	279.06	-	25.91	818.58
Charge for the year	74.75	25.60	12.81	-	14.96	-	16.11	144.23
Disposals	0.40	-	-	-	-	-	-	0.40
As at 31 March 2020	423.99	90.24	108.69	3.45	294.02	-	42.02	962.41
Net book value								
As at 31 March 2019	164.79	55.39	53.23	0.19	85.46	4,458.68	232.92	5,050.66
As at 31 March 2020	214.82	141.49	60.64	0.19	74.61	4,344.47	331.02	5,167.24

The Company has elected to continue with the carrying value for all of its Property, Plant & Equipment as recognised in its previous GAAP financial statements as deemed cost on the transition date i.e. 01 April 2018

4 Intangible assets & Right-of-Use assets

(₹ in Lacs)

	Trade mark	Computer software	Total	ROU
Gross Block				
As at 01 April 2018	4.64	189.85	194.49	-
Additions	5.90	20.20	26.10	-
Disposals	-	-	-	-
As at 31 March 2019	10.54	210.05	220.59	-
As at 01 April 2019	10.54	210.05	220.59	-
Additions	-	1.24	1.24	3,988.16
Disposals	-	-	-	402.41
As at 31 March 2020	10.54	211.29	221.83	3,585.75
Accumulated depreciation				
As at 01 April 2018	3.50	176.67	180.17	-
Amortization for the year	0.50	7.58	8.08	-
Disposals	-	-	-	-
As at 31 March 2019	4.00	184.25	188.25	-
As at 01 April 2019	4.00	184.25	188.25	-
Amortization for the year	1.01	8.23	9.24	443.45
Disposals	-	-	-	50.31
As at 31 March 2020	5.01	192.48	197.49	393.14
Net book value				
As at 31 March 2019	6.54	25.80	32.34	-
As at 31 March 2020	5.53	18.81	24.34	3,192.61

The Company has elected to continue with the carrying value for all of its intangible assets as recognised in its previous GAAP financial statements as deemed cost on the transition date i.e. 01 April 2018

SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

5 Investments

A Non-current investments

	As at 31 March 2020	As at 31 March 2019
Investment in unquoted equity shares, valued at cost		
Investment in subsidiaries		
2,17,020 (31 March 2019: 2,17,020) Equity shares of ₹ 599.02 each fully paid up of Adroit Inspection Services Private Limited	1,307.72	1,300.00
45,000 (31 March 2019: 45,000) Equity shares of ₹ 10 each fully paid up of CarTradeExchange Solutions Private Limited	11.17	4.50
6,07,300 (31 March 2019: NIL) Equity shares of ₹ 24.70 each fully paid up of Augeo Asset Management Private Limited	151.31	-
	1,470.20	**1,304.50**
Investment in Sub-ordinate debt at fair value through profit or loss		
Investment in Associate		
Sub ordinated debts in Shriram Transport Finance Corporation Limited	-	124.13
Investment in other		
Sub ordinated debts in Shriram City Union Finance Company Limited	-	47.73
	-	**171.86**
Investment in debentures at fair value through profit or loss		
Investment in Associate		
Non-convertible debentures in Shriram Transport Finance Corporation Limited*	2,055.08	-
	2,055.08	-
Total	**3,525.28**	**1,476.36**
Aggregate book value of quoted investments	2,055.08	-
Aggregate market value of quoted investments	2,055.08	-
Aggregate value of unquoted investments	1,470.20	1,476.36
Aggregate value of impairment in value of investments	-	-

Note: Investment in Subsidiaries include deemed investments of ₹ 15.70 Lakhs (31 March 2019 Rs Nil) due to ESOP granted to employees of subsidiary companies

* The Company has 2,17,607 units of non convertible debentures of Shriram Transport Finance Corporation Limited having face value of ₹ 21,76,07,000 and interest rate in between 8.74% to 9.70% p.a.

B Current investments

	As at 31 March 2020	As at 31 March 2019
Investment in sub-debts at fair value through profit and loss		
Investment in Associate		
Sub ordinated debts in Shriram Transport Finance Corporation Limited	250.50	133.24
Investment in Other		
Sub ordinated debts in Shriram City Union Finance Company Limited	90.52	64.56
	341.02	**197.80**
Investment in mutual funds at fair value through profit and loss		
Nil (31 March 2019: 151,856) units of Axis Liquid Fund (Direct Growth)	-	3,148.77
	-	**3,148.77**
Total	**341.02**	**3,346.57**
Aggregate book value of quoted investments	-	3,148.77
Aggregate market value of quoted investments	-	3,148.77
Aggregate value of unquoted investments	341.02	197.80
Aggregate value of impairment in value of investments	-	-

SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

6 Loans

	As at 31 March 2020	As at 31 March 2019
Loan to employees	20.60	20.29
Loans to related parties (refer note 29)	4,320.55	2,918.59
Total	**4,341.15**	**2,938.88**
Break-up for above:		
Loans		
Secured, Considered good	-	-
Unsecured, Considered good	4,334.91	2,932.64
Recoverable which have significant increase in credit risk	6.24	6.24
Receivables - credit impaired	-	-
	4,341.15	**2,938.88**
Impairment Allowance		
Secured, considered good	-	-
Unsecured, considered good	-	-
Receivable which have significant increase in credit risk	6.24	6.24
Receivable credit impaired	-	-
	6.24	**6.24**
Total	**4,334.91**	**2,932.64**
Secured	**4,320.55**	**2,918.59**
Unsecured	**14.36**	**14.05**
Current	**4,331.02**	**2,927.49**
Non current	**3.89**	**5.15**

7 Trade receivables

	As at 31 March 2020	As at 31 March 2019
Trade receivables	1,401.11	658.14
Receivables from related parties (refer note 29)	47.24	-
Total	**1,448.35**	**658.14**
Break-up for above:		
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1,305.78	634.76
Trade receivable which have significant increase in credit risk	142.57	23.38
Trade receivable credit impaired	-	-
	1,448.35	**658.14**
Impairment Allowance (allowance for bad and doubtful debts)		
Secured, considered good	-	-
Unsecured, considered good	-	-
Trade receivable which have significant increase in credit risk	142.57	23.38
Trade receivable credit impaired	-	-
	142.57	**23.38**
Total	**1,305.78**	**634.76**
Current	**1,305.78**	**634.76**
Non current	-	-

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

SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

The movement in impairment of trade receivables as follow:

	As at 31 March 2020	As at 31 March 2019
Opening balance	23.38	74.05
Additions	119.19	4.40
Write-off (net of recovery)	-	55.07
Closing balance	**142.57**	**23.38**

8 Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Balances with banks:		
On current accounts	451.84	517.20
Deposits with original maturity of less than three months	3.51	2.75
Cash on hand	193.46	118.05
Total	**648.81**	**638.00**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Balances with banks:		
On current accounts	451.84	407.87
Deposits with original maturity of less than three months	3.51	2.75
Cash on hand	193.46	118.05
Total	**648.81**	**528.67**

In year ended 31 March 2020, there is book overdraft of Rs. 109.33 lacs (Refer Note 14) which is adjusted from cash & cash equivalent for cash flow purposes.

9 Other financial assets

	As at 31 March 2020	As at 31 March 2019
Unbilled Revenue	1,138.70	221.21
Security deposits (long term)	213.35	138.37
Security deposits (short term)	3.60	1.50
Interest receivable from related party	207.09	70.89
Interest receivable on non convertible debentures	20.25	-
Interest accrued on sub ordinated debts (on long term deposits)	-	25.12
Interest accrued on sub ordinated debts (on short term deposits)	27.88	-
Interest accrued but not due on fixed deposits (on short term deposits)	0.04	0.10
Total	**1,610.91**	**457.19**
Current	**1,397.56**	**298.69**
Non current	**213.35**	**158.50**

10 Prepayments and other assets

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good.		
Capital advances	10.42	9.27
Vendor advances	74.45	47.20
Employee advances	22.59	37.60
Prepaid expenses	158.21	103.95
Balance with statutory authorities	34.28	219.44
Total	**299.95**	**417.46**
Current	**129.49**	**293.12**
Non current	**170.46**	**124.34**

SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

11 Share capital

	As at 31 March 2020	As at 31 March 2019
Authorised		
100,000,000 (31 March 2019: 100,000,000) equity shares of ₹ 10/- each	10,000.00	10,000.00
Issued, subscribed and fully paid equity capital		
30,000,000 (31 March 2019: 30,000,000) equity shares of ₹ 10/- each	3,000.00	3,000.00
	3,000.00	**3,000.00**

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	No. of shares	Amount
As at 31 March 2019	**30,000,000**	**3,000.00**
Issued during the year	-	-
As at 31 March 2020	**30,000,000**	**3,000.00**

b. Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock options (ESOPs) plan of the Company, please refer note 30.

d. Shares held by holding company and their subsidiaries/ associates

Out of equity shares issued by the Company, shares held by its holding company and their subsidiaries are as follow:

	As at 31 March 2020	As at 31 March 2019
MXC Solutions India Private Limited, Holding company	55.44%	55.44%

e. Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% holding	No. of shares	% holding
MXC Solutions India Private Limited (Holding Company)	16,630,435	55.44%	16,630,435	55.44%
Shriram Transport Finance Company Limited and its nominees	13,369,565	44.56%	13,369,565	44.56%

As per records of the Company, including its register of shareholder/ member and other declarations received from shareholder regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

12 Other equity

	As at 31 March 2020	As at 31 March 2019
Surplus in the Statement of Profit and Loss (refer (ii) below)		
Balance as the beginning of reporting year	6,001.20	3,486.28
Add/Less: Profit/(Loss) for the year	2,248.63	2,533.73
Add/Less: IND AS 116 adjustments	(383.47)	-
Add/Less: Remeasurement gains/(losses) on defined benefit plans	28.04	(18.81)
	7,894.40	**6,001.20**
Employee stock options outstanding		
Balance as the beginning of reporting year	513.88	-
Add: Addition during the year	442.43	513.88
Balance as the end of reporting year	**956.31**	**513.88**

(i) Refer Statement of Changes in Equity for analysis of other comprehensive income, net of tax.
(ii) Accumulated balances of profits over the years after appropriations for general reserves and adjustments of dividend.
(iii) Amount appropriated out of Surplus of Statement of profit and loss for future contingencies.

SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

13 Trade payables

	As at 31 March 2020	As at 31 March 2019
Trade payables of micro enterprises and small enterprises (refer note 37)	-	-
Trade payables of related entities (refer note 29)	93.50	68.43
Trade payables other than micro enterprises and small enterprises	966.00	708.22
Total	**1,059.50**	**776.65**
Current	**1,059.50**	**776.65**
Non current	-	-

Terms and conditions of the trade payables:
Trade payables are non-interest bearing and are normally settled on 30-days terms

14 Other financial liabilities

	As at 31 March 2020	As at 31 March 2019
Other financial liabilities at amortised cost		
Employee related liabilities	965.80	1,561.98
Interest payable	14.19	-
Book overdraft	-	109.33
Total	**979.99**	**1,671.31**
Current	**979.99**	**1,671.31**
Non current	-	-

15 Net employee defined benefit liabilities

	As at 31 March 2020	As at 31 March 2019
Provision for gratuity (refer note 27)	14.19	18.73
Provision for compensated absences	189.49	140.55
Total	**203.68**	**159.28**
Current	**189.49**	**140.55**
Non current	**14.19**	**18.73**

16 Other liabilities

	As at 31 March 2020	As at 31 March 2019
Statutory dues payable	319.58	347.23
Others-Buyer security deposits	2,486.79	2,939.40
Deferred revenue	98.94	-
Others	1.89	-
Capital creditors	8.24	12.46
Total	**2,915.44**	**3,299.09**
Current	**2,915.44**	**3,299.09**
Non current	-	-

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SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

17 Revenue from contract with customers

	For the year ended 31 March 2020	For the year ended 31 March 2019
Operating revenue		
Facilitation fee	11,262.77	10,833.19
Parking charges	3,451.68	1,764.50
Registration charges	396.31	348.25
Valuation income	199.72	250.94
Other Business Income	95.63	170.36
Total	**15,406.11**	**13,367.24**
India	15,406.11	13,367.24
Outside India	-	-
Total	**15,406.11**	**13,367.24**
Timing of revenue recognition		
Goods transferred at a point in time	-	-
Services transferred over time	15,406.11	13,367.24
Total	**15,406.11**	**13,367.24**

The Company collects Goods and Service Tax (GST) on behalf of the Government and hence, GST is not included in Revenue from operations.

Contract balances

	March 31, 2020	March 31, 2019
Trade receivables	1,305.78	634.76
Contract assets	1,138.70	221.21
Contract liabilities	2,585.73	2,939.40

Trade receivables are non-interest bearing and are generally on terms of 60-90 days. In March 2020, ₹ 142.57 lacs (March 2019: 23.38) was recognised as provision for expected credit losses on trade receivables.

	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue recognised that was included in the contract liability balance at the beginning of the year	224.00	-
Increases due to cash received, excluding amounts recognised as revenue during the year	98.94	-
Transfers from contract assests recognised at the beginning of the year to receivables	221.21	88.87

Performance obligation

Information about the Company's performance obligation are summarised below:

Service Income

Revenue from services are recognized over the contract period based on the output method i.e. pro rata over the period of the contract as and when the Company satisfies performance obligation by transferring the promised services to its customers.

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SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

18 Other incomes

	For the year ended 31 March 2020	For the year ended 31 March 2019
Finance income		
Interest income on:		
Loan to related party	267.11	227.03
Mutual funds	116.58	74.10
Sub ordinated debts and Non-convertible debentures	89.37	59.97
Loans to employees	2.71	2.25
Deposits with bank	0.24	0.18
Total (A)	**476.01**	**363.53**
Other income		
Cross charge	45.18	-
Service Business Income	35.98	-
Profit on sale of fixed assets (net)	0.05	-
Fair value gain on financial instruments at fair value through profit or loss	-	5.13
Others	33.33	29.54
Total (B)	**114.54**	**34.67**
Grand Total (A+B)	**590.55**	**398.20**

19 Employee benefits expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, bonus and allowances	4,453.43	4,828.35
Contribution to provident and other funds	238.39	195.87
Gratuity expense (refer note 27)	40.08	27.43
Employee stock option expenses (refer note 30)	426.73	513.87
Staff welfare expenses	109.29	101.20
Total	**5,267.92**	**5,666.72**

20 Finance cost

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense		
On loan from subsidiary	19.59	-
On lease liability	286.33	-
Bank charges	66.49	50.32
Total	**372.41**	**50.32**

21 Depreciation and amortization expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on property, plant and equipment (refer note 3)	144.23	97.18
Amortisation on intangible fixed assets (refer note 4)	9.24	8.08
Depreciation on right to use	443.45	-
Total	**596.92**	**105.26**

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SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

22 Other expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
Auction expense	585.31	732.92
Business promotion	149.44	198.07
Communication	203.89	179.59
Corporate social responsibility expenses (refer note 34)	53.62	5.00
Electricity	121.30	107.56
Expected credit loss	119.19	(50.67)
Insurance	40.08	19.32
Legal and professional	899.59	736.65
Fair value loss on financial instruments at fair value through profit or loss	204.26	-
Payment to auditors (refer details below)	23.95	22.27
Rates and taxes	172.30	16.95
Rent	463.37	794.23
Repairs and maintenance		
Plant and machinery	27.00	39.83
Others	96.60	116.34
Royalty	159.97	137.65
Security charges	1,883.67	442.24
Travelling and conveyance	822.10	740.48
Inspection and valuation charges	52.71	43.92
Miscellaneous expenses	210.48	136.81
Total	**6,288.83**	**4,419.16**

Payment to auditors:

	For the year ended 31 March 2020	For the year ended 31 March 2019
As auditor:		
Audit fee	8.50	15.00
Tax audit fee	4.00	4.00
Limited review	10.50	-
In other capacity		
Certifications	-	3.00
Reimbursement of expenses	0.95	0.27
	23.95	**22.27**

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SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

23 Income tax

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

Profit or loss section

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current income tax:		
Current income tax charge	1,314.64	943.18
Adjustments in respect of current income tax of previous year	155.91	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(248.60)	47.07
Income tax expense reported in the statement of profit or loss	**1,221.95**	**990.25**

Amount recognised in other comprehensive income

	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of net defined benefit plans	37.47	(26.53)
Income tax charged to other comprehensive income	(9.43)	7.72
	28.04	**(18.81)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	For the year ended 31 March 2020	For the year ended 31 March 2019
Accounting profit before tax	3,470.58	3,523.98
At India's statutory income tax rate of 25.168% (31 March 2019: 29.12%)	873.48	1,026.18
Non deductible expenses/(Income)	183.74	(35.93)
Tax expense relating to earlier years	155.91	-
Income tax rate difference	4.07	-
Others	4.75	-
	1,221.95	**990.25**

24 Deferred taxes

	As at 31 March 2020	As at 31 March 2019
Items leading to creation of deferred tax assets		
Provision for doubtful debts and advances	35.88	6.81
Fair valuation of financial instruments	51.41	-
Disallowances on provision for expenses	99.49	-
Employee benefits	51.26	18.76
Property, plant and equipment	34.77	40.74
Disallowances u/s 43B	209.15	36.63
Total deferred tax assets	**481.96**	**102.94**
Items leading to creation of deferred tax liabilities		
Lease liability as per Ind AS 116	130.42	-
Total deferred tax liabilities	**130.42**	**-**
Net deferred tax assets	**351.54**	**102.94**

SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

25 Components of Other Comprehensive Income (OCI)

The disaggregation of changes in other comprehensive income by each type of equity is shown below:

Retained earnings

	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial gains / (losses) on change in actuarial assumptions	24.65	(21.08)
Return on plan assets	12.82	(5.45)
Remeasurement gains/ (losses) to defined benefit plans	37.47	(26.53)
Income tax impact	(9.43)	7.72
	28.04	**(18.81)**

26 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit attributable to equity holders of the Company	2,248.63	2,533.73
Weighted average number of equity shares used for computing Earning per Share (Basic)	300.00	300.00
Weighted average number of equity shares used for computing Earning per Share (Diluted)	310.54	305.54
Basic EPS	**7.50**	**8.45**
Diluted DPS	**7.24**	**8.29**

Reconciliation of shares considered for basic EPS and diluted EPS:

Weighted average number of Equity Shares for Basic EPS	**300.00**	**300.00**
Effect of Dilution:		
Share options	10.54	5.54
Weighted average number of equity shares adjusted for the effect of dilution	**310.54**	**305.54**

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SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

27 Employee Benefits

(a) Defined contribution plan

The Company makes contributions to Defined Contribution Plans for qualifying employees. Provident Fund, Leave Encashment and labour welfare fund Benefits are unfunded in nature. Under the Provident Fund, Leave Encashment Schemes and labour welfare fund, employees are entitled to receive lump sum benefits. The Company also contributes to Employees' State insurance.

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Company has recognised the following amounts as expense in the financial statements for the year:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Contribution to Provident Fund	210.28	166.99
Contribution to Employees State Insurance	27.74	28.60
Labour welfare fund	0.37	0.28

(b) Defined benefits plan

The Group has a defined benefit gratuity plan in India (non-funded). The Group's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Net employee benefit expense recognised in employee cost:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	38.63	28.81
Past service cost	-	-
Interest cost on defined obligation	23.94	20.33
Expected return on plan assets	(22.49)	(21.71)
	40.08	**27.43**

Amount recognised in Other Comprehensive Income:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial gains/ (losses) on change in assumptions	24.65	(21.08)
Return on plan assets	12.82	(5.45)
	37.47	(26.53)

Balance sheet

Changes in the present value of the defined benefit obligation are as follows:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening defined benefit obligation	**310.63**	**258.04**
Current service cost	38.63	28.81
Past service cost	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	23.94	20.33
Benefits paid from plan assets	(18.54)	(19.10)
Benefits paid directly by employer	(0.19)	-
Actuarial (gains) / losses on change in demographic assumptions	(24.65)	21.09
Liability Transferred in / acquisitions	0.08	1.46
Liability Transferred out / divestments	(7.04)	-
Closing defined benefit obligation	**322.86**	**310.63**
Current Portion	**15.98**	**18.73**
Non - Current Portion	**306.88**	**291.90**

SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

Changes in the fair value of plan assets are as follows:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening fair value of plan assets	291.90	275.63
Expected return	22.49	21.71
Contributions by employer	-	19.10
Benefits paid	(18.54)	(19.09)
Actuarial gain/(loss)	12.82	(5.45)
Closing fair value of plane assets	308.67	291.90

The Expected contribution to the defined benefit plan in future years ₹ 73.85 lacs

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Investments with insurer	100%	100%

The economic and demographic assumptions used in determining gratuity obligations for the Company's plans are shown below:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	6.65%	7.69%
Expected rate of return on assets	6.65%	7.69%
Expected rate of salary increase	0% for first year and 7.5% thereafter	5.00%
Retirement Age (In years)	58	58
Employee turnover :-		
- For Service upto 5 years	10.00%	10.00%
- For Service more than 5 years	5.00%	5.00%
Mortality Rate	100% of IALM 2012-14	100% of IALM 2006-08

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The impact of sensitivity analysis due to changes in the significant actuarial assumptions on the defined benefit obligations is given in below table:

	Change in assumptions	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	+1% change	(34.15)	(25.20)
	-1% change	40.40	29.14
Expected rate of salary increase	+1% change	39.20	29.18
	-1% change	(33.74)	(26.03)
Expected rate of employee turnover	+1% change	(8.81)	6.13
	-1% change	11.41	(6.92)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

28 Leases

The Company has adopted Ind AS 116 "Leases" from 01 April 2019, which resulted in changes in accounting policies in the financial statements.

Transition

Effective 01 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 01 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right to use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted.

The following is the summary of practical expedients elected on initial application:

a) Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities as at 01 April 2019 is 9.40%.with maturity between 2021-2026. Following are the changes in the carrying value of right of use assets for the year ended 31 March 2020:

	(₹ in Lacs)
As at 01 April 2019	1,749.02
Additions (Note 4)	1,937.35
Depreciation expense (Note 21)	(493.76)
As at 31 March 2020	**3,192.61**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	(₹ in Lacs)
As at 01 April 2019	2,207.41
Additions	1,937.35
Accretion of interest	286.33
Payments	(720.30)
As at 31 March 2020	**3,710.79**
Current	**323.80**
Non-current	**3,386.99**

The following are the amounts recognised in Profit or Loss:	(₹ in Lacs)
	31-Mar-20
Depreciation expense of right-of-use assets	493.76
Interest expense on lease liabilities	286.33
Expense relating to Long-term leases (included in other expenses)	(720.30)
Total amount recognised in Profit or Loss	**59.79**

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SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

The Comapny has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Comapny business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

(₹ in Lacs)

	Within five years	More than five years	Total
Extension options expected not to be exercised	3,719.40	1,440.38	5,159.78
Termination options expected to be exercised	-	-	-

The comapany does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. Rental expense recorded for short-term leases was ₹ Nil for the year ended 31 March 2020. The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Standalone Statement of Profit and Loss.

(₹ in Lacs)

The effect of adoption of Ind AS 116 is as follows:

Balance Sheet	**As at 31 March 2020**	**As at 31 March 2019**
Assets		
Right-of-use assets	3,192.61	-
Total assets	**3,192.61**	-
Equity		
Retained earnings	(518.18)	-
Total equity	**(518.18)**	-
Liabilities		
Lease liabilities	3,710.79	-
Total equity and liabilities	**3,192.61**	-

Income Statement	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Depreciation and amortisation	493.76	-
Other expenses	(720.30)	-
Finance cost	286.33	-
Loss for the year	**59.79**	-

Statement of cash flows:	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Impact on profit and loss	(59.79)	-
Depreciation on right-of-use assets	493.76	-
Interest Cost	286.33	-
Cash generated from operations (A)	**720.30**	-
Proceeds from Lease liabilities	(433.96)	-
Interest on on lease liabilities	(286.34)	-
Net cash flows from financing activities (B)	**(720.30)**	-
Net increase in cash and cash equivalents during the year (A+B)	-	-

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

29 Related party disclosure

a. Names of related parties and related party relationship

Related parties where control exists

Holding commpany	:	MXC Solutions Private India Limited
Subsidiary Company	:	Adroit Inspection Services Private Limited
	:	CarTradeExchange Solutions Private Limited
	:	Augeo Asset Management Private Limited (w.e.f. 08 January 2020)
Associate	:	Shriram Transport Finance Company Limited
Key Management Personnel (KMP)	:	Mr. Sameer Malhotra, Whole Time Director
	:	Mr. Satish Kumar Garg, Chief Financial Officer
	:	Mr. Nitin Lokhande, Company Secretary

b. Related parties with whom transactions have taken place during the year

Holding commpany	:	MXC Solutions India Private Limited
Subsidiary Company	:	Adroit Inspection Services Private Limited
	:	CarTradeExchange Solutions Private Limited
	:	Augeo Asset Management Private Limited (w.e.f. 08 January 2020)
Associate	:	Shriram Transport Finance Company Limited
Key Management Personnel (KMP)	:	Mr. Sameer Malhotra, Whole Time Director
	:	Mr. Satish Kumar Garg, Chief Financial Officer
	:	Mr. Nitin Lokhande, Company Secretary

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SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

b Related party Transactions

	MXC Solutions India Private Limited		Shriram Transport Finance Company Limited		Adroit Inspection Services Private Limited		CarTradeExchange Solutions Private Limited		Augeo Asset Management Private Limited		KMP	
	31 March		31 March		31 March		31 March		31 March		31 March	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Income												
Revenue from contracts with customers	-	183.11	1,773.86	673.29	35.98	-	-	-	-	-	-	-
Other income	-	-	45.18	-	-	-	-	-	-	-	-	-
Interest on loan	-	-	233.84	199.33	32.97	20.50	0.30	7.20	-	-	-	-
Interest on sub ordinated debt & Non convertible debentres	-	-	71.45	36.84	-	-	-	-	-	-	-	-
Expenses												
Managerial Remuneration	-	-	-	-	-	-	-	-	-	-	637.63	573.39
Other expenses	35.85	100.96	536.28	801.21	327.79	299.74	-	-	-	-	-	-
Finance cost	-	-	-		-	-	19.59	-				
Other Transactions												
Loan given												
Unsecured loan / ICD	-	-	2,500.00	5,265.00	1,928.99	912.56	56.12	953.54	-	-	-	-

c Balance as at year end

	MXC Solutions India Private Limited		Shriram Transport Finance Company Limited		Adroit Inspection Services Private Limited		CarTradeExchange Solutions Private Limited		Augeo Asset Management Private Limited		KMP	
	As At 31 March		As At 31 March		As At 31 March		As At 31 March		As At 31 March		As At 31 March	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Receivable												
Loan from related party	-	-	3,785.00	2,595.00	532.55	242.01	3.00	81.58	-	-	-	-
Investment in sub ordinated debt & Non convertible debentres	-	-	2,305.58	226.89	-	-	-	-	-	-	-	-
Interest Receivable	-	-	197.39	96.24	50.17	20.50	0.02	7.20	-	-	-	-
Trade receivable	-	-	5.93	-	41.31	-	-	-	-	-	-	-
Payable												
Trade payables	22.05	-	-	57.70	65.32	10.73	-	-	6.13	-	-	-
Interest on unsecured loan / ICD	-	-	-	-	-	-	14.19	-	-	-	-	-

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(₹ in Lacs)

30 Employee stock option plans

The Company provides share-based payment schemes to its employees. During the year ended 31 March 2020 an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 27 April 2018, the extra general meeting of shareholders & NRC (Nomination and Remuneration committee) granted option aggregating to 6,75,000 options at an exercise price of ₹ 50 per share to the employees of the Company (other than CEO and Whole-time Director) and the employee of the subsidiary companies under SAMIL ESOP Plan-I. Also, On 16 August 2020, the board of directors approved 782,609 options & 521740 options at exercise price of ₹ 10 per share under SAMIL ESOP Plan-II & SAMIL ESOP Plan-III respectively. The options are subject to satisfaction of the prescribed vesting conditions, viz., continuing employment with the Company. The above plan is covered under SAMIL ESOP Plan-I. The other relevant terms of the grant are as below:

	ESOP PLAN-I	ESOP PLAN-II	ESOP PLAN-III
Date of Grant	27-Apr-18	16-Aug-18	16-Aug-18
Date of Board/Committee Approval	20-Apr-18	14-Aug-18	14-Aug-18
Date of Shareholder's approval	27-Apr-18	16-Aug-18	16-Aug-18
No of Options under the Scheme	978,261	782,609	847,826
Number of option granted	675,000	782,609	521,740*
Method of settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period	26-April-20 - 25% 26-April-21- 25% 26-April-22-25% 26-April-23-25%	16-Aug-19	16-August-19 - 25% 31-March-20- 25% 31-March-21-25% 31-March-22-25%
Exercise Price per share	50	10	10
Fair value on grant date as per valuation report	26-April-20 - ₹ 37.79 26-April-21- ₹ 40.54 26-April-22- ₹ 43.21 26-April-23- ₹ 45.66	63.95	16-August-19 - ₹ 63.95 31-March-20- ₹ 64.34 31-March-21- ₹ 64.89 31-March-22- ₹ 65.43
Option given to	Employees of the Company (Other than CEO and Whole-time Director) of the Company	CEO and Whole time Director of the Company	CEO and Whole time Director of the Company

* Under SAMIL ESOP Plan-III, the Company granted 326,087 performance based stock options to its CEO under its stock options Plan. As per the terms of the agreement, these options shall vest based on achievement of EBITDA target including all its present and future subsidiaries in a Financial Year on or before 31st March 2024. Vesting would be on the date on which the target is achieved. During year-ended 31 March 2019, the Company determined fair value and assessed it to be not probable and accordingly, did not account for compensation expense. During year-ended 31 March 2020, as part of its annual re-assessment, the Company assessed the target to be achievable and accordingly, has recognized compensation expense on a straight-line basis over the remaining vesting period ending on 31 March 2024.

The details of activities of SAMIL ESOP Plan-I

	31 March 2020		31 March 2019	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	675,000	50.00	-	-
Granted during the year	-	-	675,000	50.00
Forfeited during the year	61,000	50.00	-	-
Exercised during the year	-	-	-	-
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	614,000	50.00	675,000	50.00
Vested but not exercised	-	-	-	-

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(₹ in Lacs)

The details of activities of SAMIL ESOP Plan-II

	31 March 2020		31 March 2019	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	782,609	10.00	-	-
Granted during the year	-	-	782,609	10.00
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	782,609	10.00	782,609	10.00
Vested but not exercised	782,609	10.00	-	-

The details of activities of SAMIL ESOP Plan-III

	31 March 2020		31 March 2019	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	521,740	10.00	-	-
Granted during the year	-	-	521,740	10.00
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	521,740	10.00	521,740	10.00
Vested but not exercised	260,870	10.00	-	-

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

SAMIL Plan -I				
	Vesting I 26 April 2020	Vesting II 26 April 2021	Vesting III 26 April 2022	Vesting IV 26 April 2023
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%
Expected volatility	27.20%	26.80%	27.70%	28.70%
Risk-free interest rate	7.76%	7.836%	7.861%	7.855%
Weighted average fair market price (Rs.)	71.56	71.56	71.56	71.56
Exercise price (Rs.)	50	50	50	50
Expected life of options granted in years	4.50	5.50	6.50	7.50
Weighted average fair value of option at the time of grant (Rs.)	37.79	40.54	43.21	45.66

SAMIL Plan-II	
	Vesting I 16 August 2019
Dividend yield (%)	0.00%
Expected volatility	29.00%
Risk-free interest rate	7.803%
Weighted average fair market price (Rs.)	71.56
Exercise price (Rs.)	10
Expected life of options granted in years	3.50
Weighted average fair value of option at the time of grant (Rs.)	63.95

SAMIL Plan-III				
	Vesting I 16 August 2019	Vesting II 31 March 2020	Vesting III 31 March 2021	Vesting IV 31 March 2022
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%
Expected volatility	28.10%	27.20%	26.50%	26.60%
Risk-free interest rate	7.803%	7.896%	7.924%	8.007%
Weighted average fair market price (Rs.)	71.56	71.56	71.56	71.56
Exercise price (Rs.)	10	10	10	10
Expected life of options granted in years	3.50	4.12	5.12	6.12
Weighted average fair value of option at the time of grant (Rs.)	63.95	64.34	64.89	65.43

SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

31 Financial Instruments:- Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables . The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments in equity shares and government securities, advances to related party, trade and other receivables, security deposits, cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The board provides assurance to the shareholders that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk:-

a) Interest rate risk,

b) currency risk and other price risk, such as equity price risk and

c) commodity risk.

Financial instruments affected by market risk include loans and borrowings, investments, deposits, advances and derivative financial

The sensitivity analyses in the following sections relate to the position as at 31 March 2020 and 31 March 2019.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2020.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market

B. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to any significant credit risk from its operating activities (primarily trade receivables), including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Ageing analysis of trade receivables (net) before adjustment of ECL provision of ₹ 142.57 lacs (31 March 2019 ₹ 23.38 lacs) as of the reporting date is as follows:

	As at 31 March 2020	As at 31 March 2019
0-30 Days	503.10	435.33
31-90 Days	550.76	68.09
91-180 Days	154.69	50.37
181-365 Days	142.05	54.51
Above 365 days	97.75	49.84
	1,448.35	**658.14**

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SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

C. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and bank loans. The Company's approach to managing liquidity to ensure , as far as possible, that it will have sufficient liquidity to meet its liability when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company closely monitors its liquidity position and deploys a robust cash management system. The Company manages liquidity risk by maintaining adequate reserves, borrowing liabilities, by continuously monitoring forecast and actual cash flows, profile of financial assets and liabilities. It maintain adequate sources of financing including loans from banks at an optimised cost. The table below provides the details regarding contractual maturities of financial liabilities.

	As at 31 March 2020	As at 31 March 2019
On Demand		
- Borrowings	-	-
	-	-
Less than 1 year		
- Borrowings	-	-
- Trade payables	1,059.50	776.65
- Other financial liabilities	979.99	1,671.31
	2,039.49	**2,447.96**
More than 1 year		
- Borrowings	-	-
	-	-

32 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company measures underlying net debt as total liabilities, comprising interest bearing loans and borrowings, excluding any dues to subsidiaries or group companies less cash and cash equivalents. For the purpose of capital management, total capital includes issued equity equity capital, share premium and all other reserves attributable to the equity holders of the Company, as applicable.

Company's adjusted net debt to equity ratio as at 31 March 2020 is as follow:

Gearing Ratio	As at 31 March 2020	As at 31 March 2019
Borrowings (Including current maturities)	-	-
Less: cash and cash equivalents (Note 8)	648.81	638.00
Adjusted Net debt (A)	**(648.81)**	**(638.00)**
Equity	11,850.71	9,515.08
Total equity (B)	**11,850.71**	**9,515.08**
Total equity and net debt [C = (A+B)]	**11,201.90**	**8,877.08**
Gearing Ratio (A/C)	-	-

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

33 Fair Values

The Carrying values of financial instruments by categories is as under:

	31 March 2020		
	Amortized Cost	**FVTPL**	**FVTOCI**
Assets			
Non current financial assets			
- Investments	1,470.20	2,055.08	-
- Loans	3.89	-	-
- Other financial assets	213.35	-	-
Current Financial assets			
- Trade receivables	1,305.78	-	-
- Loans	4,331.02	-	-
- Investments	341.02		-
- Other financial assets	1,397.56		
- Cash and cash equivalents	648.81	-	-
Non Current Financial liabilities			
- Borrowings	-	-	-
- Other financial liabilities	-	-	-
Current Financial liabilities			
- Borrowings	-	-	-
- Trade payables	1,059.50	-	-
- Other financial liabilities	979.99	-	-

	31 March 2019		
	Amortized Cost	**FVTPL**	**FVTOCI**
Assets			
Non current financial assets			
- Investments	1,476.36	-	-
- Loans	5.15	-	-
- Other financial assets	158.50	-	-
Current Financial assets			
- Trade receivables	634.76	-	-
- Loans	2,927.49	-	
- Investments	197.80	3,148.77	-
- Other financial assets	298.69		
- Cash and cash equivalents	638.00	-	-
Non Current Financial liabilities			
- Borrowings	-	-	-
- Other financial liabilities	-	-	-
Current Financial liabilities			
- Borrowings	-	-	-
- Trade payables	776.65	-	-
- Other financial liabilities	1,671.31	-	-

The following assumptions/ methods were used to estimate the fair values:

i) The fair values of trade receivables, cash and cash equivalents, other current financial assets, trade payable and other current financial liabilities are considered to be same as their carrying values due to their short term nature.

ii) Fair value of quoted financial instruments is based on quoted market price at the reporting date.

iii) The carrying amount of other items carried at amortized cost are reasonable approximation of their fair value.

iv) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of the quoted notes and bonds are based on price quotations at the reporting date.

SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2. valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.
Level 3: valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The follownng table provides the fair value measurement hierarchy of the Companyls assets and llabilities

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020:

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:			
Non convertible debentures	2,055.08	-	-
Liability measured at fair value			
Other financial liabilities	-	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:			
Mutual Funds	3,148.77	-	-
Liability measured at fair value			
Other financial liabilities	-	-	-

34 Corporate Social Responsibility

	As at 31 March 2020	As at 31 March 2019
a) Gross amount required to be spent by the Company during the year	53.62	35.37
b) Amount spent during the year	5.00	5.00

**Unspent Amount of ₹ 48.62 Lacs will be deposited in the fund as Sepecfifed in the schedule VII of companies act 2013, within a provided of six months*

35 Segment reporting

Ind AS 108 establishes standards for the way that companies report information about operating segments and related disclosures about products and services and major customers. The Company's operations pre-dominantly relate to facilitating the buyer/sellers to sell their trucks and commercial vehicles. The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators pertaining to business as a single segment. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

36 Disclosure required under Sec 186(4) of the Companies Act 2013

Included in loans and advance are certain loans the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013:

Name of the loanee	Rate of Interest/ Due Date	Nature	As at 31 March 2020	As at 31 March 2019
Shriram Transport Finance Corporation	7%	Repayable on	3,785.00	2,595.00
Adroit Inspection Services Private Limit	9%	demand, Unsecured	532.55	242.01
CarTradeExchange Solutions Private Lin	9%		3.00	81.58

**amount outstanding as on 31st Mar 2020 and 31st Mar 2019 does not include interest portion.*

SHRIRAM AUTOMALL INDIA LIMITED

(₹ in Lacs)

37 Dues to Micro, small and medium enterprises as defined under the MSMED Act, 2006

	As at 31 March 2020	As at 31 March 2019
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	-	-
- Interest due on above	-	-
	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with amounts of payment made to supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

38 Contingent liabilities

	As at 31 March 2020	As at 31 March 2019
Income Tax (refer note (i) below)	36.99	20.67
Services Tax (refer note (ii) below)	48.64	48.64
Maharastra Value Added Tax (refer note (iii) below)	75.28	191.78

(i) The Company received demand notice u/s 143(1) of Income Tax Act'1961, from the Income Tax Authorities requiring the Company to pay additional tax of ₹ 13.79 lacs (31 March 2019 ₹ 13.79 lacs) for assessment year 2016-17. The management has filed rectification u/s 154 of Income Tax Act'1961.

The Company received demand notice from the Income Tax Authorities requiring the Company to pay additional tax of ₹ 23.20 lacs (31 March 2019: ₹ 4.39 lacs) for assessment year 2017-18. The demand pertains to disallowance of disallowances u/s 43(B) and royalty expenses, treating it as capital expenditure. The Company has filed an appeal with Commissioner of Income Tax (Appeal) contesting the demand made by assessing officer. The management is confident of favourable outcome in Appeal.

(ii) The Company has received show cause notice during 2015-16, wherein it was alleged that the Company has incorrectly availed Cenvat Credit of ₹ 24.56 lacs (31 March 2019: ₹ 24.56 lacs) on ineligible services not related to the Output and certain capital goods. It was also alleged that the Company availed Cenvat Credit of ₹ 17.44 lacs (31 March 2019: ₹ 17.43 lacs) on input services commonly used in respect of taxable and exempt services. Additionally, adjudicating authority imposed the interest & penalty of ₹ 42 lacs (31 March 2019: ₹ 42 lacs), which was confirmed by Commission of Service Tax (Appeal). The Company has adjusted / paid service tax amounting to ₹ 36 lacs (31 March 2019: ₹ 36 lacs) and filed the appeal in Service Tax Appellate Tribunal. The management is confident of favourable outcome in Appeal.

The Company has received show cause notice during 2015-16 for prior years, wherein it was alleged that the Company has incorrectly availed Cenvat Credit of ₹ 25.80 lacs (31 March 2019 ₹ 25.80 lacs) and has also not discharged service tax liability of ₹ 44.12 lacs (31 March 2019 ₹ 44.12 lacs) on its output services. The Company has provided for & paid the demand of ₹ 44.12 lacs (31 March 2019 ₹ 44.12 lacs) and opted for Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019. The company has filed the application on October 10, 2019.

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(₹ in Lacs)

(iii) Maharashtra VAT authorities have alleged that SAMIL is regularly conducting auction sale of motor vehicles repossessed by financing companies, which are taxable under MVAT Act. However, the Company has neither obtained registration under MVAT Act nor discharged VAT on the sale of repossessed motor vehicles. As per the authorities, SAMIL would qualify as a 'deemed dealer' under the MVAT Act as Section 2(8) of MVAT Act provides that an auctioneer would also be regarded as a 'deemed dealer' and activity of selling/auctioning of repossessed vehicles qualifies as 'sale' under MVAT Act. Accordingly, authorities have imposed VAT (along with interest and penalty) of ₹ 181.28 lacs (31 March 2019: ₹ 181.28 lacs) on the value of motor vehicles auctioned by SAMIL. SAMIL had filed an appeal before Commissioner (Appeals) against the above Order. The Commissioner (Appeals) has given deduction for the services fees recovered by SAMIL from vendors for providing auction services and for the Instances wherein SAMIL has produced documents to prove that VAT has been duly paid by the vendor and, passed an OIA against the Company. SAMIL has filed an appeal before the Hon'ble Maharashtra Sales Tax Tribunal and the matter is still pending. The Company has paid ₹ 99.03 lacs (31 March 2019: ₹ 99.03 lacs) under protest. The Company has made provision of ₹ 43.95 lacs (net off of payment by vendors of ₹ 65 lacs) towards demand and remaining amount of ₹ 75.28 lacs has been disclosed. The management is confident of favourable outcome in Appeal.

(iv) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

39 Capital and other commitments

	As at 31 March 2020	As at 31 March 2019
Capital commitment (net of advance)	82.35	52.33

For commitment relating to lease arrangement, please refer note 28

40 Acquisition of Augeo Asset Management Private Limited

On 8th January 2020, the Company acquired 54.85% of the voting shares of Augeo Asset Management Private Limited, a non-listed Company based in India and specialising in providing wide range of stressed asset management services, e-auction, e-sourcing, in exchange for the Company's shares. The Company acquired Augeo Asset Management Private Limited because it significantly provides knowledge services across diverse industry verticals that empower businesses with greater process and efficiencies.

The Company has elected to measure the controlling interests in the acquiree at fair value.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Augeo Asset Management Private Limited as at the date of acquisition were:

	Fair value recognised on acquisition (₹ in Lacs)
Assets	
Property, Plant and Equipment	3.38
Other Intangible Assets	2.45
Capital Work in Progress	8.12
Investments	1.00
Cash and Cash Equivalents	2.81
Other Financial Assets	1.74
Other Current Assets	5.84
	25.34
Liabilities	
Deferred Tax Liabilities	(0.08)
Borrowings	(1.65)
Trade payables	(18.10)
Other Current Liabilities	(0.44)
Provisions	(6.25)
	(26.52)
Total net assets acquired	(1.18)
Goodwill arising on acquisition	28.59
Purchase consideration transferred	**150.00**

The Company measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms

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(₹ in Lacs)

41 Acquisition of Assets from Four Wheels Group Private Limited

On 1 October 2019, the Company acquired fixed assets from Four Wheels Group Private Limited, for a consideration of INR 13.62 lacs. The Company has entered into an agreement to acquire certain intangibles which are under negotiation and control is yet to be transferred by erstwhile owners as at 31 March 2020.

42 The Company, at the time of buyer registration, collects refundable security deposits ("RSD") from prospective bidder, which entitles bidder to bid during auction. The RSD is towards ensuring performance of the contract. As per contractual terms, the RSD is refunded upon demand after adjustments of facilitation fee. The Company generally accounts for unclaimed RSD upon completion of limitation period of 3 years.

43 In view of the outbreak of Coronavirus (COVID-19) pandemic, causing a slowdown of economic activities, the Company has used various internal and external information, as available and based on current estimates expects the carrying amount of these assets will be recovered.

The Company has assessed the counterparty credit risk in case of financial assets (comprising cash and cash equivalents, bank deposits and investments in mutual funds, sub-ordinated debts, NCDs) and considered subsequent recoveries, past trends, credit risks profile of customers in case of trade receivables and unbilled revenues. The Company while assessing Right to Use Asset and Investment in Subsidiaries, has considered past trend, future business projections and does not foresee either significant down-sizing of its operations or any changes in lease terms.

As at the balance sheet date, the Company has evaluated the impact of COVID 19 on its financial results and made appropriate adjustments to actuarial assumptions amounting to ₹36.94 lacs. The impact of COVID 19 may differ from that estimated as at the date of approval of these financial statements. Further there have been no material changes in the controls / processes followed in the financial statement closing process. The management continues to monitor any future changes on the business and financial statements.

44 Previous year figures have been audited by a firm other than S.R. Batliboi & Associates LLP and have been regrouped and rearranged wherever necessary.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants

per Sanjay Bachchani
Partner
Membership No.: 400419

Place : Gurugram
Date : 08 June 2020

For and on behalf of the Board of Directors of
Shriram Automall India Limited

Sameer Malhotra
CEO & Whole Time Director
DIN: 02808698

S. Lakshminarayanan
Chairman
DIN: 01029645

Satish Kumar Garg
Chief Financial Officer

Nitin Lokhande
Company Secretary

Place : Delhi
Date : 08 June 2020