

**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 2021, 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 2021, 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 42 to the standalone Ind AS financial statements, which describes the uncertainties and the impact of COVID 19 on carrying value of receivables, unbilled revenues, Right to Use assets, Investment in subsidiaries and achievement of business plans, as assessed by the management. 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **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





# **S.R. BATLIBOI & ASSOCIATES LLP**

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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.

- 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.

## **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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 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) In our opinion, the managerial remuneration for the year ended 31 March 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;



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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: 21400419AAAACH2652



Place: Gurugram, Haryana

Date: 02 June 2021

## **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 and audit procedures performed by us, 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 four 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 that are re-payable on demand, to a firm covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been 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) 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.



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(b) According to the information and explanations given to us and audit procedures performed by us, undisputed dues 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 which 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	8,218	Mar'18 – Sep'20	At the end of each quarter	Yet to be paid

(c) According to the records of the Company, dues of income tax, sales-tax, service tax/goods and service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of Status	Nature of dues	Amount yet to paid (Rs. in Lacs)	Amount Paid (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
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	48.64	-	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 and audit procedures performed by us, 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.
- (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 fraud on the company by the officers and employees of the Company has been noticed or reported during the year.





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- (xi) According to the information and explanation given by the management and audit procedures performed by us, the managerial remuneration has been paid/ provided for in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (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 and audit procedures performed by us, 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 and audit procedures performed by us, 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: 21400419AAAACH2652



Place: Gurugram

Date: 02 June 2021

**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 with reference to standalone financial statements of Shriram Automall India Limited ("the Company") as of 31 March 2021 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls 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 Company's internal financial controls with reference to these standalone financial statements.

**Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted



# **S.R. BATLIBOI & ASSOCIATES LLP**

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accounting principles. A company's internal financial controls with reference to 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 With Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to [standalone] financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

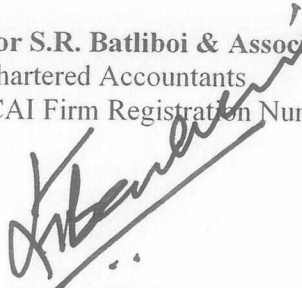
## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per Sanjay Bachchani**

Partner

Membership Number: 400419

UDIN: 21400419AAAACH2652



Place: Gurugram, Haryana

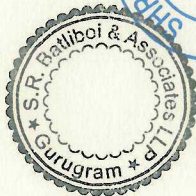
Date: 02 June, 2021

	Notes	(₹ in Lacs)	
		31 March 2021	As at 31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	5,170.48	5,167.24
Right-of-use assets	4	4,317.90	3,192.61
Intangible assets	4	59.11	24.34
Financial assets			
- Investments	5	3,284.91	3,525.28
- Other financial assets	9	2,295.23	217.24
Deferred tax assets (net)	24	548.07	351.54
Non current tax assets (net)		275.78	-
Prepayments and other assets	10	156.01	170.46
<b>Total non-current assets</b>		<b>16,107.49</b>	<b>12,648.71</b>
<b>Current assets</b>			
Financial assets			
- Investments	5	803.24	341.02
- Loans	6	5,425.29	4,320.55
- Trade receivables	7	1,601.53	1,305.78
- Cash and cash equivalents	8	435.83	648.81
- Other financial assets	9	1,273.95	1,408.03
Prepayments and other assets	10	223.40	129.49
<b>Total current assets</b>		<b>9,763.24</b>	<b>8,153.68</b>
<b>Total assets</b>		<b>25,870.73</b>	<b>20,802.39</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	11	3,000.00	3,000.00
Other equity	12		
- Retained earnings		10,576.41	7,894.40
- Other reserves		1,105.79	956.31
<b>Total equity</b>		<b>14,682.20</b>	<b>11,850.71</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Lease liabilities	28	4,364.95	3,386.99
Employee defined benefit liabilities net	15	0.97	14.19
<b>Total non-current liabilities</b>		<b>4,365.92</b>	<b>3,401.18</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Lease liabilities			
- Trade payables	13	604.98	323.80
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,118.04	1,059.50
- Other financial liabilities	14	4,369.20	3,466.78
Provision for taxation		-	82.28
Employee defined benefit liabilities net	15	179.73	189.49
Other liabilities	16	550.66	428.65
<b>Total current liabilities</b>		<b>6,822.61</b>	<b>5,550.50</b>
<b>Total equity and liabilities</b>		<b>25,870.73</b>	<b>20,802.39</b>
<b>Summary of significant accounting policies</b>			
The accompanying notes are an integral part of the financial statements. 2			

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 : 02 June 2021

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

S. Lakshminarayanan  
Chairman  
DIN: 02808698

Satish Kumar Garg  
Chief Financial Officer

Place : Delhi  
Date : 02 June 2021

Sameer Malhotra  
CEO & Whole Time Director  
DIN: 01029645

Nitin Lokhande  
Company Secretary  
Membership no.: A27417



Shriram Automall India Limited  
Statement of Profit and Loss for the year ended 31 March 2021  
CIN: U50100TN2010PLC074572

	Notes	For the year ended	
		31 March 2021	31 March 2020
(₹ in Lacs)			
<b>Income</b>			
Revenue from contracts with customers	17	12,794.41	15,406.11
Other income	18	1,157.29	590.55
<b>Total Income</b>		<b>13,951.70</b>	<b>15,996.66</b>
<b>Expenses</b>			
Employee benefits expense	19	5,146.95	5,267.92
Depreciation and amortisation expense	20	813.03	596.92
Finance costs	21	398.20	305.92
Other expenses	22	4,631.91	6,355.32
<b>Total expenses</b>		<b>10,990.09</b>	<b>12,526.08</b>
<b>Profit before tax</b>		<b>2,961.61</b>	<b>3,470.58</b>
<b>Tax expense:</b>			
Current tax	23	815.24	1,314.64
Income tax adjustment related to earlier years		(293.57)	155.91
Deferred tax (credit) / charge		(196.53)	(248.60)
<b>Total tax expense</b>		<b>325.14</b>	<b>1,221.95</b>
<b>Profit for the year</b>		<b>2,636.47</b>	<b>2,248.63</b>
<b>Other Comprehensive Income</b>	25		
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent years:</b>			
Re-measurement gains/ (losses) on defined benefit plans		60.85	37.47
Income tax effect		(15.31)	(9.43)
<b>Total Comprehensive Income for the year</b>		<b>2,682.01</b>	<b>2,276.67</b>
<b>Earnings per equity share [nominal value of share ₹10 (31 March 2020 ₹ 10)]</b>	26		
Basic earning per share		8.79	7.50
Diluted earning per share		8.42	7.23
<b>Summary of significant accounting policies</b>	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 Baichhani  
Partner  
Membership No.: 400419



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

S. Lakshminarayanan  
Chairman  
DIN: 02808698

Satish Kumar Garg  
Chief Financial Officer

Place : Delhi  
Date : 02 June 2021

Sameer Malhotra  
CEO & Whole Time Director  
DIN: 01029645

Nitin Lokhande  
Company Secretary  
Membership no.: A27417

Place : Gurugram  
Date : 02 June 2021

Shriram Automall India Limited  
Statement of Cash Flow for the year ended 31 March 2021  
CIN: US0100TN2010PLC074572

	Notes	(₹ in Lacs)	
		31 March 2021	For the year ended 31 March 2020
<b>A. Cash flow from operating activities</b>			
Profit before tax		2,961.61	3,470.58
<b>Adjustment to reconcile profit before tax to net cash flows</b>			
Depreciation of property, plant and equipment and right-of-use assets		801.48	587.68
Amortisation of intangible assets		11.55	9.24
(Gain) / loss on disposal of property, plant and equipment		(0.24)	(0.05)
Impairment on financial instruments		117.37	119.19
Share-based payment expense		140.04	426.73
Finance income (including fair value change in financial instruments)		(990.42)	(491.58)
Finance costs (including fair value change in financial instruments)		398.20	510.18
<b>Operating profit before working capital changes</b>		<b>3,439.59</b>	<b>4,631.97</b>
<b>Movement in working capital:</b>			
(Increase) / Decrease in trade receivables		(413.12)	(790.21)
(Increase) / Decrease in financial assets		(1,887.62)	(1,135.70)
(Increase) / Decrease in other assets		(70.74)	118.66
Increase / (Decrease) in other financial liabilities		916.61	(650.85)
Increase / (Decrease) in other liabilities		127.62	(328.97)
Increase / (Decrease) in employee benefits		37.87	81.87
Increase / (Decrease) in trade payables		52.93	287.06
<b>Cash generated from operations</b>		<b>2,203.14</b>	<b>2,213.83</b>
Direct taxes paid (net of refunds)		(895.04)	(1,066.17)
<b>Cash generated from operations</b>	(A)	<b>1,308.10</b>	<b>1,147.66</b>
<b>B. Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		0.24	0.05
Purchase of fixed assets including capital advances, capital creditors and capital work-in-progress		(224.04)	(146.63)
Purchase consideration for business combination		-	(150.00)
Purchase of financial instruments		(26,109.39)	(129,820.88)
Proceeds from sale of financial instruments		25,886.33	130,855.52
Interest received (finance income)		928.75	356.68
Loans given to related parties		(1,104.74)	(1,401.96)
<b>Net cash used in investing activities</b>	(B)	<b>(622.85)</b>	<b>(307.22)</b>
<b>C. Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities		(500.03)	(433.96)
Payment of interest expenses		(398.20)	(286.34)
<b>Net cash used in financing activities</b>	(C)	<b>(898.23)</b>	<b>(720.30)</b>
<b>Net increase in cash and cash equivalents during the year</b>	(A+B+C)	<b>(212.98)</b>	<b>120.14</b>
Cash and cash equivalents at the beginning of the year		648.81	528.67
<b>Cash and cash equivalents at the end of the year</b>		<b>435.83</b>	<b>648.81</b>
<b>Components of cash and cash equivalents</b>			
Cash on hand		97.47	193.46
Balances with banks:			
- on current accounts		338.36	451.84
- deposits with original maturity of less than three months		-	3.51
<b>Total cash and cash equivalents (refer note 8)</b>		<b>435.83</b>	<b>648.81</b>
<b>Non-Cash Investing and financing transaction</b>			
Acquisition of property, plant and equipment by means of a finance lease			



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Non-Cash Investing and financing transaction  
 Acquisition of property, plant and equipment by means of a finance lease

Notes:

**Reconciliation of liabilities arising from financing activities**

	Lease Liability	Short term borrowings	Long term borrowings (including current maturity)
As at 01 April 2019	2,519.25	-	-
Cash flows	(666.46)	-	-
Non cash changes	1,858.00	-	-
As at 31 March 2020	3,710.79	-	-
As at 01 April 2020	3,710.79	-	-
Cash flows	(898.23)	-	-
Non cash changes	2,157.37	-	-
As at 31 March 2021	4,969.93	-	-

**Summary of significant accounting policies**

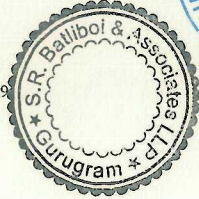
2

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. 107049W / E300004  
 Chartered Accountants

Sanjay Bachchani  
 Partner  
 Membership No.: 400419



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

S. Lakshminarayanan  
 Chairman  
 DIN: 02808698

Satish Kumar Garg  
 Chief Financial Officer

Place : Delhi  
 Date : 02 June 2021

Sameer Malhotra  
 CEO & Whole Time Director  
 DIN: 01029645

Nitin Lokhande  
 Company Secretary  
 Membership no. A27417

Place : Gurugram  
 Date : 02 June 2021

A. Share capital:

Equity shares of ₹ 10 each issued, subscribed and fully paid	Equity share capital	
	No. of Shares	(₹ in Lacs)
As at 01 April 2019	30,000,000	3,000
Issued during the year	-	-
As at 31 March 2020	30,000,000	3,000
As at 01 April 2020	30,000,000	3,000
Issued during the year	-	-
As at 31 March 2021	30,000,000	3,000

B. Other equity

	Reserve & surplus	Other reserves	Total
	Retained earnings	Share based payment reserves	
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
<b>Total Comprehensive Income for the year</b>	<b>2,276.67</b>	<b>-</b>	<b>2,276.67</b>
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
Profit for the year	2,636.47	-	2,636.47
Other comprehensive income for the year	45.54	-	45.54
<b>Total Comprehensive Income for the year</b>	<b>2,682.01</b>	<b>-</b>	<b>2,682.01</b>
Share based payments	-	149.48	149.48
As at 31 March 2021	10,576.41	1,105.79	11,682.20

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 Sarjay Bachchan  
Partner  
Membership No.: 400419



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

S. Lakshminarayanan  
Chairman  
DIN: 02808698

Satish Kumar Garg  
Chief Financial Officer

Place : Delhi  
Date : 02 June 2021

Sameer Malhotra  
CEO & Whole Time Director  
DIN: 01029645

Nitin Lokhande  
Company Secretary  
Membership no.: A27417

Place : Gurugram  
Date : 02 June 2021



**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 Sri Towers, Plot No: 14A, South Phase, Industrial Estate, Guindy, Chennai, Tamil Nadu-600032.

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 is current when it is:

- 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.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction.

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.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.





## **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
- 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.

The Company determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value.

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. The Company management decides with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

The Company management present the valuation results to the Board of Directors and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes

- g) Disclosures for valuation methods, significant estimates and assumptions (Note 2.21)
- h) Quantitative disclosures of fair value measurement hierarchy (Note 33)
- i) Investment in unquoted equity shares (Note 5A and 5B)
- j) Financial instruments (including those carried at amortised cost) (Note 31)
- k) Equity Settled employee share based payment plan (Note 30)

## 2.6 Revenue recognition

Revenue from contracts with customers is recognised when services are delivered to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically when services are being delivered to the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration, if any) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration, if any, on account of various discounts and schemes offered by the Company as part of the contract. Payment is generally received on successful completion of services

### *Rendering of services*

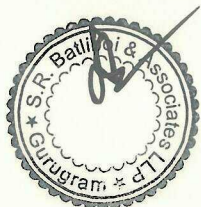
**Facilitation fee:** The Company collects facilitation fees from buyers & sellers, both at pre-determined rates as per agreements for providing auction services. It includes ramping charges from sellers for display of their vehicles in auction process with some other incidental charges. The revenue is recognised upon rendering of service (point in time).

**Parking and registration income:** The Company collects parking charges and non-refundable event participation charges from customers. The revenue is recognised upon rendering of service (over time).

**Inspection and valuation income:** The Company collects service income for inspection and valuation of automobiles. The revenue is recognised upon rendering of service (point in time).

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.

Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

*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.

*Dividends*

Dividend Income is recognised when the Company's right to receive the payment is established, and no significant uncertainty as to collectability exists.





## 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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

### *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.





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

Property, plant and equipment other than Freehold land are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of purchase price/cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the assets to its working condition for its intended

use. Freehold land is stated at cost.. 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*

Depreciation is charged on a pro-rata basis for Property, Plant and Equipment purchased and sold during the year. 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.

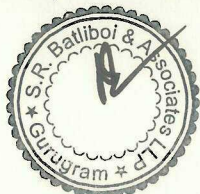
Followings are the estimated useful lives of various category of assets used.

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

The Company, based on management estimate supported by internal technical expert, depreciates office equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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.

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of Profit and Loss at the time of incurrence.

## 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 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:

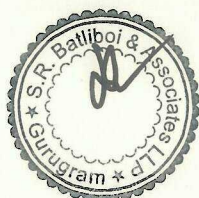
Intangible assets	Useful lives	Internally generated or acquired
Computer software	3 years	Acquired
Trademarks	10 years	Acquired
Leased Assets	Lease period	Internally generated as per requirement of IND AS 116

## 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

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*

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 in substance 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 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 Companies 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.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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 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 (debt instruments)
- b) Debt instruments at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses
- c) Equity instruments at fair value through other comprehensive income (FVTOCI) with no recycling of cumulative gains and losses upon derecognition
- 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.

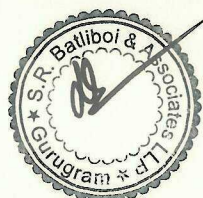
The Company's financial assets at amortised cost includes trade receivables, balances with banks, and other financial assets.

*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 derecognition 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.

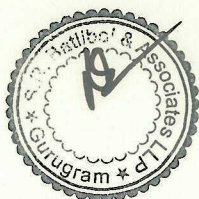
### *De-recognition*

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 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.

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 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.

#### *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**

#### *Short term employee benefits*

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives payable within twelve months.

#### *Post-employment 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 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*

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after 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.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.





No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the counter party renders the service.

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.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes.

Contingent assets are not recognised in the financial statements. A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the Restated Ind AS Consolidated Summary Statement.

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.

Provisions and contingent liabilities are reviewed at each balance sheet date.

## **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.





## **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.

## **2.20 Security Deposit**

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. Security deposits are forfeited and treated as other income, on the earlier of expiry of three years; or uncertainty over repayment.

## **2.21 Significant accounting judgement, estimates and assumptions**

In application of Company's accounting policies, which are described in Note 2, the directors of the company are required to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and 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 retain 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 that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

### *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 accompanied 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 and Intangible Assets***

Refer note 2.8-2.9 and note 3-4 for estimated useful life and carrying value of property, plant and equipment respectively. The charge in respect of periodic depreciation/amortization is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management at the time the asset is

acquired/capitalized periodically, including at each financial period/year end, determines the useful lives and residual values of Company's assets. The lives are based on historical experience with similar assets as well as anticipation of future events, which may affect their life, such as changes in technology. The estimated useful life is reviewed at least annually.

***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.

***Impairment of financial assets***

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgements in making these assumptions and selecting the inputs to the impairment calculations based on Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

***Leases - Estimating the incremental borrowing rate***

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment

***Share-based payments***

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a most appropriate method (i.e., discounted cash flow approach, comparable companies method, etc.) for Employee Share option Plan. The assumptions and models used for estimating fair value for share-based payment transactions are dependent on the terms of the scheme. Such assumptions include weighted average share price, exercise price, volatility, expected life option, risk free interest rate, etc.





## 2.22 New and amended standards

### *Amendments to Ind AS 116: Covid-19-Related Rent Concessions*

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019.

### *Amendments to Ind AS 103 Business Combinations*

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the April 01, 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the financial statements of the Company but may impact future periods should the Company enter into any business combinations.

### *Amendments to Ind AS 1 and Ind AS 8: Definition of Material*

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the April 01, 2020. The amendments to the definition of material are not expected to have a significant impact on the Company’s financial statements.





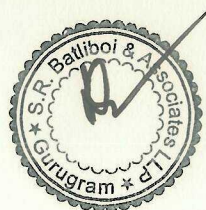
3 Property, plant and equipment

	Plant & equipment	Office equipment	Furniture & fixtures	Vehicles	Leasehold improvement	Land	Building	Total
<b>Gross block</b>								
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)
<b>As at 31 March 2020</b>	<b>638.81</b>	<b>231.73</b>	<b>169.33</b>	<b>3.64</b>	<b>368.63</b>	<b>4,344.47</b>	<b>373.04</b>	<b>6,129.65</b>
As at 01 April 2020	638.81	231.73	169.33	3.64	368.63	4,344.47	373.04	6,129.65
Additions	143.67	28.80	5.25	-	-	-	-	177.72
Disposals	(30.71)	(3.37)	(11.95)	-	(17.82)	-	-	(63.85)
<b>As at 31 March 2021</b>	<b>751.77</b>	<b>257.16</b>	<b>162.63</b>	<b>3.64</b>	<b>350.81</b>	<b>4,344.47</b>	<b>373.04</b>	<b>6,243.52</b>
<b>Accumulated depreciation</b>								
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)
<b>As at 31 March 2020</b>	<b>423.99</b>	<b>90.24</b>	<b>108.69</b>	<b>3.45</b>	<b>294.02</b>	<b>-</b>	<b>42.02</b>	<b>962.41</b>
As at 01 April 2020	423.99	90.24	108.69	3.45	294.02	-	42.02	962.41
Charge for the year	100.03	35.26	12.63	-	14.73	-	6.27	168.92
Disposals	(28.56)	(2.97)	(9.10)	-	(17.66)	-	-	(58.29)
<b>As at 31 March 2021</b>	<b>495.46</b>	<b>122.53</b>	<b>112.22</b>	<b>3.45</b>	<b>291.09</b>	<b>-</b>	<b>48.29</b>	<b>1,073.04</b>
<b>Net book value</b>								
As at 31 March 2020	214.82	141.49	60.64	0.19	74.61	4,344.47	331.02	5,167.24
As at 31 March 2021	256.31	134.63	50.41	0.19	59.72	4,344.47	324.75	5,170.48

4 Intangible assets & Right-of-Use assets

	Trade mark	Computer software	Total	Right to Use Assets*
<b>Gross Block</b>				
As at 01 April 2019	10.54	210.05	220.59	-
Additions	-	1.24	1.24	3,841.69
Disposals	-	-	-	(335.06)
<b>As at 31 March 2020</b>	<b>10.54</b>	<b>211.29</b>	<b>221.83</b>	<b>3,506.63</b>
As at 01 April 2020	10.54	211.29	221.83	3,506.63
Additions	1.12	45.20	46.32	1,784.41
Disposals	-	-	-	(45.26)
<b>As at 31 March 2021</b>	<b>11.66</b>	<b>256.49</b>	<b>268.15</b>	<b>5,245.78</b>
<b>Accumulated amortization / depreciation</b>				
As at 01 April 2019	4.00	184.25	188.25	-
Amortisation / depreciation for the year	1.01	8.23	9.24	443.45
Disposals	-	-	-	(129.43)
<b>As at 31 March 2020</b>	<b>5.01</b>	<b>192.48</b>	<b>197.49</b>	<b>314.02</b>
As at 01 April 2020	5.01	192.48	197.49	314.02
Amortisation / depreciation for the year	0.63	10.92	11.55	632.56
Disposals	-	-	-	(18.70)
<b>As at 31 March 2021</b>	<b>5.64</b>	<b>203.40</b>	<b>209.04</b>	<b>927.88</b>
<b>Net book value</b>				
As at 31 March 2020	5.53	18.81	24.34	3,192.61
As at 31 March 2021	6.02	53.09	59.11	4,317.90

\*Right to use assets includes office premises and yards.



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5 Investments

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
<b>Quoted Investments</b>				
<b>A. Investment in non-convertible debentures at fair value through profit or loss</b>				
<b>Investment in enterprise having substantial interest*</b>				
Shriram Transport Finance Company Limited 2,17,607 units (31 March 2020: 2,17,607 units) having face value of ₹1,000 each	552.57	1,805.27	-	2,055.08
<b>B. Investment in mutual funds at fair value through profit and loss</b>				
<b>Investment in Other</b>				
Axis Overnight Fund Direct Growth 23,010 units (31 March 2020: Nil units)	250.67	-	-	-
<b>Unquoted Investments</b>				
<b>A. Investment in equity shares, valued at amortised cost</b>				
<b>Investment in subsidiaries</b>				
Adroit Inspection Services Private Limited 2,17,020 (31 March 2020: 2,17,020) Equity shares of ₹ 599.02 each fully paid up	-	1,312.41	-	1,307.72
CarTradeExchange Solutions Private Limited 45,000 (31 March 2020: 45,000) Equity shares of ₹ 10 each fully paid up	-	15.05	-	11.17
Augeo Asset Management Private Limited 6,07,300 (31 March 2020: 6,07,300) Equity shares of ₹ 24.70 each fully paid up	-	152.18	-	151.31
<b>B. Investment in sub-ordinated debts valued at amortised cost</b>				
<b>Investment in enterprise having substantial interest</b>				
Shriram Transport Finance Company Limited Nil units (31 March 2020: 21,033 units) having face value of ₹1,000 each	-	-	250.50	-
<b>Investment in Other</b>				
Shriram City Union Finance Company Limited Nil units (31 March 2020: 8,035 units) having face value of ₹1,000 each	-	-	90.52	-
<b>Investments carried at FVTPL (A)</b>	<b>803.24</b>	<b>1,805.27</b>	<b>-</b>	<b>2,055.08</b>
<b>Investments carried at amortised cost (B)</b>	<b>-</b>	<b>1,479.64</b>	<b>341.02</b>	<b>1,470.20</b>
<b>Total Quoted/ Unquoted Investments (A+B)</b>	<b>803.24</b>	<b>3,284.91</b>	<b>341.02</b>	<b>3,525.28</b>
Aggregate book value of quoted investments	803.24	1,805.27	-	2,055.08
Aggregate market value of quoted investments	803.24	1,805.27	-	2,055.08
Aggregate value of unquoted investments	-	1,479.64	341.02	1,470.20
Aggregate value of impairment in value of investments	-	-	-	-

\* The Company has 2,17,607 units of non convertible debentures of Shriram Transport Finance Company Limited having face value of ₹ 2,176.07 lacs and interest rate varies from 8.74% to 9.70% p.a.

Note: Investment in Subsidiaries include deemed investments of ₹ 9.44 Lakhs (31 March 2020 ₹ 15.70 lakhs ) due to ESOP granted to employees of subsidiary companies.

**Category-wise Investments**

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
<b>Financial assets carried at amortised cost</b>				
Unquoted subordinated debts (The Company has deemed that carrying amount approximates fair value)	-	1,479.64	341.02	1,470.20
<b>Financial assets carried at FVTPL</b>				
Mutual funds	250.67	-	-	-
Non-convertible Debentures	552.57	1,805.27	-	2,055.08
<b>Total</b>	<b>803.24</b>	<b>3,284.91</b>	<b>341.02</b>	<b>3,525.28</b>



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6 Loans

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Loans to related parties	5,425.29	-	4,320.55	-
<b>Total</b>	<b>5,425.29</b>	<b>-</b>	<b>4,320.55</b>	<b>-</b>
<b>Break-up:</b>				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	5,425.29	-	4,320.55	-
Recoverable which have significant increase in credit risk	-	-	-	-
Receivables - credit impaired	-	-	-	-
	<b>5,425.29</b>	<b>-</b>	<b>4,320.55</b>	<b>-</b>
<b>Impairment Allowance</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Receivable which have significant increase in credit risk	-	-	-	-
Receivable credit impaired	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>5,425.29</b>	<b>-</b>	<b>4,320.55</b>	<b>-</b>
<b>Secured</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unsecured</b>	<b>5,425.29</b>	<b>-</b>	<b>4,320.55</b>	<b>-</b>

No loans are due from directors or other officers of the Company either severally or jointly with any other person. Nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member. Loan to related party is repayable on demand.

7 Trade receivables

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Trade receivables	1,847.21	-	1,401.11	-
Receivables from related parties (refer note 29)	14.26	-	47.24	-
<b>Total</b>	<b>1,861.47</b>	<b>-</b>	<b>1,448.35</b>	<b>-</b>
<b>Break-up:</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	1,601.53	-	1,305.78	-
Trade receivable which have significant increase in credit risk	259.94	-	142.57	-
Trade receivable credit impaired	-	-	-	-
	<b>1,861.47</b>	<b>-</b>	<b>1,448.35</b>	<b>-</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Trade receivable which have significant increase in credit risk	(259.94)	-	(142.57)	-
Trade receivable credit impaired	-	-	-	-
	<b>(259.94)</b>	<b>-</b>	<b>(142.57)</b>	<b>-</b>
<b>Total</b>	<b>1,601.53</b>	<b>-</b>	<b>1,305.78</b>	<b>-</b>

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.

The movement in impairment of trade receivables as follow:

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Opening balance	142.57	-	23.38	-
Additions	117.37	-	119.19	-
Write-off (net of recovery)	-	-	-	-
<b>Closing balance</b>	<b>259.94</b>	<b>-</b>	<b>142.57</b>	<b>-</b>



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(₹ in Lacs)

8 Cash and cash equivalents

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Balances with banks:				
On current accounts	338.36	-	451.84	-
Deposits with original maturity of less than three months	-	-	3.51	-
Cash on hand	97.47	-	193.46	-
<b>Total</b>	<b>435.83</b>	<b>-</b>	<b>648.81</b>	<b>-</b>

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

Balances with banks:				
On current accounts	338.36	-	451.84	-
Deposits with original maturity of less than three months	-	-	3.51	-
Cash on hand	97.47	-	193.46	-
<b>Total</b>	<b>435.83</b>	<b>-</b>	<b>648.81</b>	<b>-</b>

9 Other financial assets

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
<b>Security deposits</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	25.10	230.27	3.60	213.35
Recoverable which have significant increase in credit risk	-	-	-	-
Receivables - credit impaired	-	-	-	-
	<b>25.10</b>	<b>230.27</b>	<b>3.60</b>	<b>213.35</b>
Less: Impairment Allowance (allowance for bad and doubtful security deposits)	-	-	-	-
<b>Total (A)</b>	<b>25.10</b>	<b>230.27</b>	<b>3.60</b>	<b>213.35</b>
<b>Contract assets</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	1,170.39	-	1,138.70	-
Recoverable which have significant increase in credit risk	-	-	-	-
Receivables - credit impaired	-	-	-	-
	<b>1,170.39</b>	<b>-</b>	<b>1,138.70</b>	<b>-</b>
Less: Impairment Allowance (allowance for bad and doubtful contract assets)	-	-	-	-
<b>Total (B)</b>	<b>1,170.39</b>	<b>-</b>	<b>1,138.70</b>	<b>-</b>
<b>Loan to employees</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	6.83	0.88	16.71	3.89
Recoverable which have significant increase in credit risk	-	-	-	-
Receivables - credit impaired	-	-	-	-
	<b>6.83</b>	<b>0.88</b>	<b>16.71</b>	<b>3.89</b>
Less: Impairment Allowance (allowance for bad and doubtful loan to employees)	(6.24)	-	(6.24)	-
<b>Total (C)</b>	<b>0.59</b>	<b>0.88</b>	<b>10.47</b>	<b>3.89</b>
Interest receivable from related party	49.16	-	207.09	-
Interest receivable on non convertible debentures	26.15	34.10	20.25	-
Interest accrued on subordinated debts	-	-	27.88	-
Interest accrued on bank deposits	-	24.89	-	-
Deposits with original maturity of more than twelve months	-	2,005.09	-	-
Fixed deposits with original maturity of more than three months	2.56	-	-	-
Interest accrued but not due on fixed deposits	-	-	0.04	-
<b>Total (D)</b>	<b>77.87</b>	<b>2,064.08</b>	<b>255.26</b>	<b>-</b>
<b>Total (A+B+C+D)</b>	<b>1,273.95</b>	<b>2,295.23</b>	<b>1,408.03</b>	<b>217.24</b>

\* Deposits with original maturity of more than three months and less than 12 months includes deposits of ₹ 0.71 lacs (31 March 2020: ₹ 0.71 lacs) pledged with VAT authorities.

10 Prepayments and other assets

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Capital advances	-	19.14	-	10.42
Vendor advances	93.16	-	74.45	-
Employee advances	19.14	-	22.59	-
Prepaid expenses	111.10	102.59	32.45	125.76
Balance with statutory authorities	-	34.28	-	34.28
<b>Total</b>	<b>223.40</b>	<b>156.01</b>	<b>129.49</b>	<b>170.46</b>

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11 Share capital

	As at	
	31 March 2021	31 March 2020
<b>Authorised</b>		
100,000,000 (31 March 2020: 100,000,000) equity shares of ₹ 10/- each	10,000.00	10,000.00
<b>Issued, subscribed and fully paid equity capital</b>		
30,000,000 (31 March 2020: 30,000,000) equity shares of ₹ 10/- each	3,000.00	3,000.00
	<u>3,000.00</u>	<u>3,000.00</u>

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

<b>Authorised share capital</b>	No. of shares	Amount
As at 01 April 2019	100,000,000	10,000.00
Increase/(decrease) during the year	-	-
As at 31 March 2020	<u>100,000,000</u>	<u>10,000.00</u>
Increase/(decrease) during the year	-	-
As at 31 March 2021	<u>100,000,000</u>	<u>10,000.00</u>
<b>Issued equity capital</b>	No. of shares	Amount
Equity share of ₹ 10/- each issued, subscribed and fully paid		
As at 01 April 2019	30,000,000	3,000.00
Changes during the year	-	-
As at 31 March 2020	<u>30,000,000</u>	<u>3,000.00</u>
Changes during the year	-	-
As at 31 March 2021	<u>30,000,000</u>	<u>3,000.00</u>

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 2021	31 March 2020
CarTrade Tech Limited (Formerly known as MXC Solutions India Private Limited)	55.44%	55.44%

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

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% holding	No. of shares	% holding
CarTrade Tech Limited (Formerly known as MXC Solutions India Private Limited)	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.



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12 Other equity

	As at	
	31 March 2021	31 March 2020
<b>Retained earnings</b>		
Balance as the beginning of reporting year	7,894.40	6,001.20
Add/Less: Profit for the year	2,636.47	2,248.63
Add/Less: IND AS 116 adjustments	-	(383.47)
Add/Less: Remeasurement gains/(losses) on defined benefit plans	45.54	28.04
<b>Balance as the end of reporting year</b>	<b>10,576.41</b>	<b>7,894.40</b>
<b>Shared based payment reserves</b>		
Balance as the beginning of reporting year	956.31	513.88
Add: Addition during the year	149.48	442.43
Less: Transferred to securities premium on exercise of stock options	-	-
<b>Balance as the end of reporting year</b>	<b>1,105.79</b>	<b>956.31</b>

Nature & purpose of reserves

Retained earnings

Retained earnings represents group's accumulated undistributed earnings.

Share based payment reserve

The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

13 Trade payables

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Trade payables of micro enterprises and small enterprises	-	-	-	-
Trade payables other than micro enterprises and small enterprises	1,118.04	-	1,059.50	-
<b>Total</b>	<b>1,118.04</b>	<b>-</b>	<b>1,059.50</b>	<b>-</b>
Trade payables	1,036.05	-	966.00	-
Trade payables to related parties (refer note 29)	81.99	-	93.50	-
<b>Total</b>	<b>1,118.04</b>	<b>-</b>	<b>1,059.50</b>	<b>-</b>

Terms and conditions of the trade payables:

Trade payables are non-interest bearing and are normally settled on 30-days terms

The amount due to Micro, Small and Medium Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED") has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to the MSMED is disclosed under note 37.

14 Other financial liabilities

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
<b>Other financial liabilities at amortised cost</b>				
Employee related liabilities	1,079.44	-	965.80	-
Other-Buyer security deposits	3,289.76	-	2,486.79	-
Interest payable	-	-	14.19	-
<b>Total</b>	<b>4,369.20</b>	<b>-</b>	<b>3,466.78</b>	<b>-</b>

15 Net employee defined benefit liabilities

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Provision for gratuity	-	0.97	-	14.19
Provision for compensated absences	179.73	-	189.49	-
<b>Total</b>	<b>179.73</b>	<b>0.97</b>	<b>189.49</b>	<b>14.19</b>

16 Other liabilities

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Statutory dues payable	339.21	-	319.58	-
Deferred revenue	207.05	-	98.94	-
Capital creditors	2.63	-	8.24	-
Others	1.77	-	1.89	-
<b>Total</b>	<b>550.66</b>	<b>-</b>	<b>428.65</b>	<b>-</b>

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17 Revenue from contract with customers

	For the year ended	
	31 March 2021	31 March 2020
<b>Operating revenue</b>		
Facilitation fee	8,582.56	11,262.77
Parking charges	3,500.07	3,451.68
Registration charges	554.73	396.31
Valuation income	118.08	199.72
Other Business Income	38.97	95.63
	<b>12,794.41</b>	<b>15,406.11</b>
India	12,794.41	15,406.11
Outside India	-	-
	<b>12,794.41</b>	<b>15,406.11</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	-	-
Services transferred over time	12,794.41	15,406.11
	<b>12,794.41</b>	<b>15,406.11</b>

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**

	31 March 2021	As at	
		31 March 2020	01 April 2019
Trade receivables	1,601.53	1,305.78	634.76
Contract assets	1,170.39	1,138.70	221.21
Contract liabilities	3,496.81	2,585.73	2,939.40

Trade receivables are non-interest bearing and are generally on terms of 60-90 days. In 31 March 2021, ₹ 259.94 lacs (31 March 2020: ₹ 142.57 lacs) was recognised as provision for expected credit losses on trade receivables.

	For the year ended	
	31 March 2021	31 March 2020
Revenue recognised that was included in the contract liability balance at the beginning of the year	120.47	224.00
Increases due to cash received, excluding amounts recognised as revenue during the year	207.05	98.94
Transfers from contract assets recognised at the beginning of the year to receivables	1,138.70	221.21

**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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18 Other income

	For the year ended	
	31 March 2021	31 March 2020
<b>Interest income on</b>		
Deposits with bank/NBFC	27.04	0.24
Financial assets (ICD) carried at amortised cost	406.92	267.11
Income tax refund	13.66	-
Financial assets (Investment) carried at amortised cost	6.45	50.64
Financial assets (Investment) carried at fair value through profit & loss	206.79	38.73
Loans to employees	1.82	2.71
<b>Total (A)</b>	<b>662.68</b>	<b>359.43</b>
<b>Net gain on investments carried at fair value through profit &amp; loss</b>		
Gain on fair value of investment in non-convertible debentures	302.75	-
Gain on fair value of investment in mutual funds	0.33	-
Gain on sale of investment in mutual funds	5.38	116.58
<b>Total (B)</b>	<b>308.46</b>	<b>116.58</b>
<b>Other non-operating income</b>		
Cross charge	31.97	45.18
Service Business Income	38.25	35.98
Profit on sale of Fixed Assets	0.24	0.05
Others	115.69	33.33
<b>Total (C)</b>	<b>186.15</b>	<b>114.54</b>
<b>Total (A+B+C)</b>	<b>1,157.29</b>	<b>590.55</b>

19 Employee benefits expense

	For the year ended	
	31 March 2021	31 March 2020
Salaries, bonus and allowances	4,655.22	4,453.43
Contribution to provident and other funds (refer note 27)	227.67	238.39
Gratuity expense (refer note 27)	47.63	40.08
Employee stock option expenses (refer note 30)	140.04	426.73
Staff welfare expenses	76.39	109.29
<b>Total</b>	<b>5,146.95</b>	<b>5,267.92</b>

20 Depreciation and amortisation expense

	For the year ended	
	31 March 2021	31 March 2020
Depreciation on property, plant and equipment (refer note 3)	168.92	144.23
Amortisation on intangible assets (refer note 4)	11.55	9.24
Depreciation on right to use (refer note 4)	632.56	443.45
<b>Total</b>	<b>813.03</b>	<b>596.92</b>

21 Finance cost

	For the year ended	
	31 March 2021	31 March 2020
<b>Interest expense</b>		
On loan from related party	-	19.59
On lease liability	398.20	286.33
<b>Total</b>	<b>398.20</b>	<b>305.92</b>



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22 Other expenses

	For the year ended	
	31 March 2021	31 March 2020
Auction expense	326.42	585.31
Bank charges	29.34	66.49
Business promotion	173.50	149.44
Communication	152.88	203.89
Corporate social responsibility expenses (refer note 34)	67.52	53.62
Director's sitting fees	4.45	3.30
Electricity	110.62	121.30
Allowances for doubtful debts	117.37	119.19
Insurance	52.08	40.08
Legal and professional	866.87	899.59
Fair value loss on financial instruments at fair value through profit or loss	-	204.26
Payment to auditors (refer details below)	52.20	23.95
Rates and taxes	36.09	172.30
Rent	512.50	463.37
Repairs and maintenance		
Plant and machinery	38.71	27.00
Others	107.78	96.60
Royalty	141.08	159.97
Security charges	1,497.70	1,883.67
Travelling and conveyance	207.91	822.10
Inspection and valuation charges	31.86	52.71
Miscellaneous expenses	105.03	207.18
<b>Total</b>	<b>4,631.91</b>	<b>6,355.32</b>

Payment to auditors:

	For the year ended	
	31 March 2021	31 March 2020
<b>As auditor:</b>		
Audit fee	36.00	8.50
Tax audit fee	4.00	4.00
Limited review	10.50	10.50
<b>In other capacity</b>		
Certifications	-	-
Reimbursement of expenses	1.70	0.95
	<b>52.20</b>	<b>23.95</b>



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23 Income tax

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

**Profit or loss section**

	For the year ended	
	31 March 2021	31 March 2020
<b>Current income tax:</b>		
Current tax	815.24	1,314.64
Income tax adjustment related to earlier years	(293.57)	155.91
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(196.53)	(248.60)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>325.14</b>	<b>1,221.95</b>

**Amount recognised in other comprehensive income**

	For the year ended	
	31 March 2021	31 March 2020
Remeasurement of net defined benefit plans	60.85	37.47
Income tax charged to other comprehensive income	(15.31)	(9.43)
	<b>45.54</b>	<b>28.04</b>

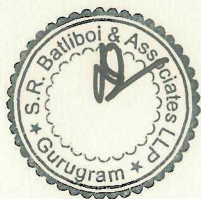
**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate**

	For the year ended	
	31 March 2021	31 March 2020
Accounting profit before tax	2,961.61	3,470.58
At India's statutory income tax rate of 25.168% (31 March 2020: 25.168%)	745.38	873.48
Non deductible expenses/(Income)	(126.67)	183.74
Tax expense relating to earlier years	(293.57)	155.91
Income tax rate difference	-	4.07
Others	-	4.75
	<b>325.14</b>	<b>1,221.95</b>

24 Deferred taxes

	As at	
	31 March 2021	31 March 2020
<b>Items leading to creation of deferred tax assets</b>		
Provision for doubtful debts and advances	65.42	35.88
Fair valuation of financial instruments	-	51.41
Disallowances on 30% of provisions	102.68	99.49
Employee benefits	45.48	51.26
Property, plant and equipment	16.67	34.77
Lease assets as per Ind AS 116	164.21	-
Disallowances u/s 43B	178.48	209.15
<b>Total deferred tax assets</b>	<b>572.94</b>	<b>481.96</b>
<b>Items leading to creation of deferred tax liabilities</b>		
Lease liability as per Ind AS 116	-	130.42
Fair valuation of financial instruments	24.87	-
<b>Total deferred tax liabilities</b>	<b>24.87</b>	<b>130.42</b>
<b>Net deferred tax assets</b>	<b>548.07</b>	<b>351.54</b>

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- (i) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. In addition, the Company has an intention to settle on a net basis, to realise the deferred tax assets and settle the deferred tax liabilities simultaneously.
- (ii) In assessing the realizability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.

## 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 2021	31 March 2020
Actuarial gains / (losses) on change in actuarial assumptions	69.08	24.65
Return on plan assets	(8.23)	12.82
Remeasurement of net defined benefit plans	60.85	37.47
Income tax charged to other comprehensive income	(15.31)	(9.43)
	<u>45.54</u>	<u>28.04</u>

## 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 2021	31 March 2020
Profit attributable to equity holders of the Company	2,636.47	2,248.63
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)	313.04	310.96
<b>Basic EPS</b>	<b>8.79</b>	<b>7.50</b>
<b>Diluted DPS</b>	<b>8.42</b>	<b>7.23</b>
<b>Reconciliation of shares considered for basic EPS and diluted EPS:</b>		
Weighted average number of Equity Shares for Basic EPS	300.00	300.00
Effect of Dilution:		
Share options	13.04	10.96
<b>Weighted average number of equity shares adjusted for the effect of dilution</b>	<b>313.04</b>	<b>310.96</b>



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27 Gratuity and other post-employment benefits plan

(a) Defined contribution plan

The Company makes contributions to Defined Contribution Plans for qualifying employees. Provident Fund & labour welfare fund benefits are funded and Leave Encashment is 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 2021	31 March 2020
Contribution to Provident Fund	207.67	210.28
Contribution to Employees State Insurance	19.62	27.74
Labour welfare fund	0.38	0.37
<b>Total</b>	<b>227.67</b>	<b>238.39</b>

(b) Defined benefits plan

The Company has a defined benefit gratuity plan in India (funded). The Company'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 2021	31 March 2020
Current service cost	46.69	38.63
Past service cost	-	-
Interest cost on defined obligation	21.47	23.94
Expected return on plan assets	(20.53)	(22.49)
	<b>47.63</b>	<b>40.08</b>

Amount recognised in Other Comprehensive Income:

	For the year ended	
	31 March 2021	31 March 2020
Actuarial gains/ (losses) on change in demographic assumptions	-	(0.05)
Actuarial gains/ (losses) on change in financial assumptions	51.99	(83.66)
Actuarial gains/ (losses) on experience variance	17.09	108.36
<b>Actuarial gains/ (losses) on change in assumptions</b>	<b>69.08</b>	<b>24.65</b>
Return on plan assets	(8.23)	12.82
	<b>60.85</b>	<b>37.47</b>

Balance sheet

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

	For the year ended	
	31 March 2021	31 March 2020
Opening defined benefit obligation	322.86	310.63
Current service cost	46.69	38.63
Interest Cost / (Income) on the Defined Benefit Liability / (Asset)	21.47	23.94
Benefits paid from plan assets	(7.16)	(18.54)
Benefits paid directly by employer	-	(0.20)
Actuarial (gains) / losses on change in assumptions	(69.08)	(24.65)
Liability Transferred in / acquisitions	-	0.08
Liability Transferred out / divestments	-	(7.04)
<b>Closing defined benefit obligation (A)</b>	<b>314.78</b>	<b>322.86</b>

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(₹ in Lacs)

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

	For the year ended	
	31 March 2021	31 March 2020
Opening fair value of plan assets	308.67	291.90
Expected return	20.53	22.49
Contributions by employer	-	-
Benefits paid	(7.16)	(18.54)
Actuarial gain/(loss)	(8.23)	12.82
Closing fair value of plan assets (B)	313.81	308.67
Net Defined benefit obligation (A-B)	0.97	14.19
Current Portion	-	-
Non - Current Portion	0.97	14.19

The Expected contribution to the defined benefit plan in future years ₹ 423.66 lacs (31 March 2020 ₹ 803.36 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 2021	31 March 2020
Investments with insurer	100%	100%

The following payments are expected contributions to the defined benefit plan in future years:

	As at	
	31 March 2021	31 March 2020
Within the next 12 months (next annual reporting period)	16.98	15.98
Between 2 and 5 years	122.45	73.01
Between 5 and 10 years	96.90	127.38
Beyond 10 years	187.33	586.99
	423.66	803.36

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

	For the year ended	
	31 March 2021	31 March 2020
Discount rate	6.17%	6.65%
Expected rate of return on assets	6.17%	6.65%
Expected rate of salary increase	5.00%	0% for first year and 7.5% thereafter
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 during employment	100% of IALM 2012-14	100% of IALM 2012-14

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 2021	31 March 2020
Discount rate	+1% change	(28.58)	(34.15)
	-1% change	30.76	40.40
Expected rate of salary increase	+1% change	30.30	39.20
	-1% change	(28.37)	(33.74)
Expected rate of employee turnover	+1% change	(1.06)	(8.81)
	-1% change	1.00	11.41

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.





(₹ 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.

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 2021:

	As at	
	31 March 2021	31 March 2020
Opening balance	3,192.61	1,913.94
Additions (refer note 4)	1,757.85	1,722.12
Depreciation expense (refer note 20)	(632.56)	(443.45)
<b>Closing balance</b>	<b>4,317.90</b>	<b>3,192.61</b>

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

	As at	
	31 March 2021	31 March 2020
Opening balance	3,710.79	2,519.25
Additions	1,759.17	1,571.67
Accretion of interest (refer note 21)	398.20	286.33
Payments	(898.23)	(666.46)
<b>Closing balance</b>	<b>4,969.93</b>	<b>3,710.79</b>
<b>Current</b>	<b>604.98</b>	<b>323.80</b>
<b>Non-current</b>	<b>4,364.95</b>	<b>3,386.99</b>

The following are the amounts recognised in Profit or Loss:

	For the year ended	
	31 March 2021	31 March 2020
Depreciation expense of right-of-use assets (refer note 20)	632.56	443.45
Interest expense on lease liabilities (refer note 21)	398.20	286.33
Expense relating to Long-term leases (included in other expenses)	(898.23)	(666.46)
<b>Total amount recognised in Profit or Loss</b>	<b>132.53</b>	<b>63.32</b>

The Company 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 Company 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:

	As at	
	31 March 2021	31 March 2020
<b>Within five years</b>		
Extension options expected not to be exercised	5,122.41	3,719.40
Termination options expected to be exercised	-	-
<b>More than five years</b>		
Extension options expected not to be exercised	1,834.45	1,440.38
Termination options expected to be exercised	-	-
<b>Total</b>	<b>6,956.86</b>	<b>5,159.78</b>

The company 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 and low value leases was ₹ Nil for the year ended 31 March 2021 (31 March 2020: ₹ Nil). The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Standalone Statement of Profit and Loss.

The Company has applied practical expedient in Indian Accounting Standard (Ind AS 116) notified vide Companies (Indian Accounting Standards) Amendment Rules, 2020 by Ministry on July 24, 2020 to all rent concessions received as a direct consequence of COVID-19 pandemic. Accordingly, the Company has recognized an amount of ₹ 65.17 lacs for the year ended 31 March 2021 in other income. The Company has further received rent waivers for other premises and it has resulted in cost saving of ₹ 22.00 lacs for the year ended 31 March 2021.

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**Statement of cash flows:**

	For the year ended	
	31 March 2021	31 March 2020
Impact on profit and loss	(132.53)	(63.32)
Depreciation on right-of-use assets	632.56	443.45
Interest Cost	398.20	286.33
<b>Cash generated from operations (A)</b>	<b>898.23</b>	<b>666.46</b>
Payment of principal portion of lease liabilities	(500.03)	(380.13)
Payment of Interest on lease liabilities	(398.20)	(286.33)
<b>Net cash flows from financing activities (B)</b>	<b>(898.23)</b>	<b>(666.46)</b>
<b>Net increase in cash and cash equivalents during the year (A+B)</b>	<b>-</b>	<b>-</b>

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

**29 Related party disclosure**

**A. Names of related parties and related party relationship**

**Related parties where control exists**

Holding company	:	CarTrade Tech Limited (Formerly known as 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)
Enterprise having substantial interest	:	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 company	:	CarTrade Tech Limited (Formerly known as 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)
Enterprise having substantial interest	:	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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C. Related party Transactions during the year

	CarTrade Tech Limited (Formerly known as 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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Income</b>												
Revenue from contracts with customers	-	-	1,733.70	1,773.86	-	-	-	-	-	-	-	-
<b>Other income</b>												
Service business income	-	-	31.97	45.18	38.25	35.98	-	-	-	-	-	-
Interest on loan	-	-	362.83	233.84	40.04	32.97	1.34	0.30	2.71	-	-	-
Interest on subordinated debt & Non convertible debentures	-	-	211.02	71.45	-	-	-	-	-	-	-	-
Interest on fixed deposit	-	-	26.72	-	-	-	-	-	-	-	-	-
<b>Expenses</b>												
Managerial Remuneration*	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	37.11	35.85	513.17	536.28	240.61	327.79	-	19.59	75.51	-	268.42	637.63
Finance cost	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other Transactions</b>												
Unsecured loan / ICD given	-	-	2,085.00	2,500.00	822.46	1,928.99	259.38	56.12	110.00	-	-	-
Unsecured loan / ICD repaid	-	-	940.00	1,310.00	969.72	1,638.45	262.38	134.69	-	-	-	-
Investment in Fixed deposits	-	-	2,000.00	-	-	-	-	-	-	-	-	-

\*Note 1: Total employee stock compensation expense for the year ended 31 March 2021 and 31 March 2020, includes a charge of ₹ 100.94 lacs and ₹ 374.28 lacs respectively, towards key managerial personnel.

\*Note 2: Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

D. Balance as at year end

	CarTrade Tech Limited (Formerly known as 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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Receivable</b>												
Loan from related party	-	-	4,930.00	3,785.00	385.29	532.55	-	3.00	110.00	-	-	-
Investment in subordinated debt & Non convertible debentures	-	-	2,357.84	2,305.58	-	-	-	-	-	-	-	-
Investment in fixed deposit	-	-	2,000.00	-	-	-	0.07	-	-	-	-	-
Interest receivable	-	-	91.79	197.39	15.04	50.17	-	0.02	2.51	-	-	-
Interest receivable on fixed deposit	-	-	24.71	-	7.28	41.31	-	-	-	-	-	-
Trade receivable	-	-	6.98	5.93	6.17	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payable</b>												
Trade payables	11.15	22.05	-	-	19.61	65.32	-	-	51.23	6.13	-	-
Interest on unsecured loan / ICD	-	-	-	-	-	-	-	14.19	-	-	-	-
Other payables	-	-	-	-	-	-	-	-	1.77	1.89	-	-





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
	26-April-20 - 25%		16-August-19 - 25%
Vesting Period	26-April-21- 25%	16-Aug-19	31-March-20- 25%
	26-April-22-25%		31-March-21-25%
	26-April-23-25%		31-March-22-25%
Exercise Price per share	50	10	10
	26-April-20 - ₹ 37.79		16-August-19 - ₹ 63.95
	26-April-21- ₹ 40.54		31-March-20- ₹ 64.34
Fair value on grant date as per valuation report	26-April-22- ₹ 43.21	63.95	31-March-21- ₹ 64.89
	26-April-23- ₹ 45.66		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 2021		31 March 2020	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	614,000	50.00	675,000	50.00
Granted during the year	10,000	-	-	-
Forfeited during the year	35,000	50.00	61,000	50.00
Exercised during the year	-	-	-	-
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	589,000	50.00	614,000	50.00
Exercisable at the end of the year	144,750	50.00	-	-
Weighted average share price at the date of exercise	-	-	-	-
Weighted average remaining contractual life for the options outstanding		2.07 years		3.07 years

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**The details of activities of SAMIL ESOP Plan-II**

	31 March 2021		31 March 2020	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	782,609	10.00	782,609	10.00
Granted during the year	-	-	-	-
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
Exercisable at the end of the year	782,609	10.00	782,609	10.00
Weighted average share price at the date of exercise	-	-	-	-
Weighted average remaining contractual life for the options outstanding	-	-	-	-

**The details of activities of SAMIL ESOP Plan-III**

	31 March 2021		31 March 2020	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	521,740	-	521,740	10.00
Granted during the year	-	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
Exercisable at the end of the year	391,305	-	260,870	10.00
Weighted average share price at the date of exercise	-	-	-	-
Weighted average remaining contractual life for the options outstanding	-	1 year	-	2 years

The Black Scholes valuation model has been used for computing the weighted average fair value for the year ended 31 March 2021 and 31 March 2020 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 share 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 measurement date	37.79	40.54	43.21	45.66

	Vesting I 16 August 2019
	Dividend yield (%)
Expected volatility	29.00%
Risk-free interest rate	7.803%
Weighted average share 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 measurement date	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 share 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 measurement date	63.95	64.34	64.89	65.43





**31 Financial Instruments:- Financial risk management objectives and policies**

The Company's principal financial liabilities, comprise loans and borrowings, trade payables, other payables and lease liabilities. 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:-

- Interest rate risk,
- currency risk and other price risk, such as equity price risk and
- commodity risk.

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

The sensitivity analyses in the following sections relate to the position as at 31 March 2021 and 31 March 2020.

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 2021.

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 risks.

**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 ₹ 259.94 lacs (31 March 2020 ₹ 142.57 lacs) as of the reporting date is as follows:

	(₹ in Lacs)	
	As at	
	31 March 2021	31 March 2020
0-30 Days	712.94	503.10
31-90 Days	413.24	550.76
91-180 Days	161.89	154.69
181-365 Days	177.85	142.05
Above 365 days	395.55	97.75
	<b>1,861.47</b>	<b>1,448.35</b>

**(ii) Allowances for doubtful debts for Trade Receivables**

	(₹ in Lacs)	
	As at	
	31 March 2021	31 March 2020
Gross carrying amount	1,861.47	1,448.35
Allowances for doubtful debts (Loss allowance provision)	(259.94)	(142.57)
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>1,601.53</b>	<b>1,305.78</b>



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**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 2021	31 March 2020
<b>On Demand</b>		
- Borrowings	-	-
<b>Less than 1 year</b>		
- Borrowings	-	-
- Trade payables	1,118.04	1,059.50
- Lease liabilities	604.98	323.80
- Other financial liabilities	4,369.20	3,466.78
	<b>6,092.22</b>	<b>4,850.08</b>
<b>More than 1 year</b>		
- Borrowings	-	-
- Lease liabilities	4,364.95	3,386.99
- Other financial liabilities	-	-
	<b>4,364.95</b>	<b>3,386.99</b>

**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, lease liabilities excluding any dues to subsidiaries or group companies less cash and cash equivalents. For the purpose of capital management, total capital includes issued 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 2021 and 31 March 2020 is as follow:**

	As at	
	31 March 2021	31 March 2020
<b>Gearing Ratio</b>		
Borrowings (Including current maturities)	-	-
Lease liabilities (refer note 28)	4,969.93	3,710.79
Less: cash and cash equivalents (refer note 8)	(435.83)	(648.81)
<b>Adjusted Net debt (A)</b>	<b>4,534.10</b>	<b>3,061.98</b>
Equity	14,682.20	11,850.71
<b>Total equity (B)</b>	<b>14,682.20</b>	<b>11,850.71</b>
<b>Total equity and net debt [C = (A+B)]</b>	<b>19,216.30</b>	<b>14,912.69</b>
<b>Gearing Ratio (A/C)</b>	<b>23.60%</b>	<b>20.53%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.



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33 Fair Values

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

	31 March 2021		
	Amortized Cost	FVTPL	FVTOCI
<b>Assets</b>			
<b>Non-current financial assets</b>			
- Investments	1,479.64	1,805.27	-
- Loans	-	-	-
- Other financial assets	2,295.23	-	-
<b>Current Financial assets</b>			
- Trade receivables	1,601.53	-	-
- Loans	5,425.29	-	-
- Investments	-	803.24	-
- Cash and cash equivalents	435.83	-	-
- Other financial assets	1,273.95	-	-
<b>Non-Current Financial liabilities</b>			
- Borrowings	-	-	-
- Lease liabilities	4,364.95	-	-
- Other financial liabilities	-	-	-
<b>Current Financial liabilities</b>			
- Borrowings	-	-	-
- Trade payables	1,118.04	-	-
- Lease liabilities	604.98	-	-
- Other financial liabilities	4,369.20	-	-
<b>31 March 2020</b>			
	Amortized Cost	FVTPL	FVTOCI
<b>Assets</b>			
<b>Non-current financial assets</b>			
- Investments	1,470.20	2,055.08	-
- Loans	-	-	-
- Other financial assets	217.24	-	-
<b>Current Financial assets</b>			
- Trade receivables	1,305.78	-	-
- Loans	4,320.55	-	-
- Investments	341.02	-	-
- Cash and cash equivalents	648.81	-	-
- Other financial assets	1,408.03	-	-
<b>Non-current financial liabilities</b>			
- Borrowings	-	-	-
- Lease liabilities	3,386.99	-	-
- Other financial liabilities	-	-	-
<b>Current Financial liabilities</b>			
- Borrowings	-	-	-
- Trade payables	1,059.50	-	-
- Lease liabilities	323.80	-	-
- Other financial liabilities	3,466.78	-	-

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

- 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.
- Fair value of quoted financial instruments is based on quoted market price at the reporting date.
- The carrying amount of other items carried at amortized cost are reasonable approximation of their fair value.
- 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.



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**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 following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021:**

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value:</b>			
Non convertible debentures	2,357.84	-	-
Mutual fund	250.67	-	-
<b>Liability measured at fair value</b>			
Other financial liabilities	-	-	-

**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)
<b>Assets measured at fair value:</b>			
Non convertible debentures	2,055.08	-	-
Mutual fund	-	-	-
<b>Liability measured at fair value</b>			
Other financial liabilities	-	-	-

**34 Corporate Social Responsibility**

	For the year ended	
	31 March 2021	31 March 2020
Gross amount required to be spent by the Company	67.52	53.62
Amount approved by the Board to be spent during the year	67.52	53.62
<b>Amount spent during the year ending - In cash</b>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	11.54	5.00
<b>Total</b>	<b>11.54</b>	<b>5.00</b>
<b>Details related to spent / unspent obligations:</b>		
Contribution to Public Trust	-	5.00
Contribution ongoing projects	11.54	-
Unspent amount in relation to:		
- Ongoing project	55.98	48.62
- Other than ongoing projects	-	-
<b>Total</b>	<b>67.52</b>	<b>53.62</b>



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Details of CSR expenditure under Section 135(6) of the Act in respect of ongoing projects:

	For the year ended	
	31 March 2021	31 March 2020
<b>Opening Balance</b>		
With the Company	48.62	-
In Separate CSR Unspent account	-	-
<b>Amount required to be spent during the year</b>	67.52	53.62
<b>Amount spent during the year</b>		
From the Company's bank account	(60.16)	(5.00)
From Separate CSR unspent account	-	-
<b>Closing Balance</b>		
With the Company	47.48	48.62
In Separate CSR Unspent account with scheduled bank	8.50	-

\* The Company has deposited ₹ 47.48 lacs to CSR unspent account before 30 April 2021 towards unspent CSR amount pertaining to ongoing projects, as per provisions of section 135(6) of the Companies act, 2013. The Company has also spent ₹ 48.62 lacs during year ended 31 March 2021 pertaining to previous year ended 31 March 2020.

**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 2021	31 March 2020
Shriram Transport Finance Company Limited	7.50%		4,930.00	3,785.00
Adroit Inspection Services Private Limited	9.00%	Repayable on demand,	385.29	532.55
CarTradeExchange Solutions Private Limited	9.00%	Unsecured	-	3.00
Augeo Asset Management Private Limited	9.00%		110.00	-

\*amount outstanding as on 31 March 2021 and 31 March 2020 does not include interest portion.



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

	As at	
	31 March 2021	31 March 2020
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 2021	31 March 2020
Income Tax (refer note (i) below)	-	36.99
Services Tax (refer note (ii) below)	48.64	48.64
Maharashtra Value Added Tax (refer note (iii) below)	75.28	75.28

(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 2020 ₹ 13.79 lacs) for assessment year 2016-17. The management has filed rectification u/s 154 of Income Tax Act' 1961 which has been rejected by Department, later during the FY 2020-21, the amount of ₹ 13.79 lacs adjusted with refund for AY 2019-20. The management doesn't intend to contest further and accounted for Rs. 13.79 lacs in Income Statement.

The Company received demand notice from the Income Tax Authorities requiring the Company to pay additional tax of ₹ 23.20 lacs (31 March 2020: ₹ 23.20 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. During the FY 2020-21, the CIT (A) passed an order in company's favour via order no. ITA No. 0375/CIT(A)-15/2019-20 dt. 22 September 2020 and directed the AO to arrive out the correct income as per Income tax act.

(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 2020: ₹ 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 2020: ₹ 17.44 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 2020: ₹ 42 lacs), which was confirmed by Commission of Service Tax (Appeal). The Company has adjusted / paid service tax amounting to ₹ 36 lacs (31 March 2020: ₹ 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 2020 ₹ 25.80 lacs) and has also not discharged service tax liability of ₹ 44.12 lacs (31 March 2020 ₹ 44.12 lacs) on its output services. The Company has provided for & paid the demand of ₹ 44.12 lacs (31 March 2020 ₹ 44.12 lacs) and opted for Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019. The company has filed the application on 10 October 2019 and the relief was granted to the Company for Rs. 25.80 under Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019.



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- (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 2020: ₹ 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 2020: ₹ 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.
- (v) The Company has received various claims from its customers, in relation to the services rendered by it. The Company has either responded to such claims directly to customers or filed a response with appropriate authorities, where such claims were lodged by the customers. There exists an uncertainty over the outcome of such cases, however the management believes that the Company is acting merely as a facilitator and accordingly, is confident of favourable outcome based on the advice of its legal counsel and therefore not recorded any provision against such claims.

### 39 Capital and other commitments

	As at	
	31 March 2021	31 March 2020
Capital commitment (net of advance)	51.43	82.35

*For commitment relating to lease arrangement, please refer note 28*



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- 40 On 01 October 2019, the Company acquired fixed assets for a consideration of ₹ 13.62 lacs. The Company has entered into an agreement to acquire certain intangibles which are under negotiation and control was yet to be transferred by erstwhile owners as at 31 March 2020. Subsequent to 31 March 2020, the management has entered into an amendment agreement for total consideration for purchase of software amounting to ₹ 45.00 lacs (including GST), which is paid in December 2020, upon transfer of control.
- 41 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.
- 42 In view of the COVID-19 pandemic, as at the balance sheet date, the Company has evaluated the impact on its financial results, by assessing the counterparty credit risk in case of financial assets (comprising cash and cash equivalents, bank deposits and investments in mutual funds, NCDs) and considered subsequent recoveries, past trends, credit risks profile of customers in case of trade receivables and unbilled revenues. The Company has assessed the impact over Right to Use Asset and Goodwill, using past trend, future business projections and does not foresee either significant down-sizing of its operations or any changes in lease terms. The Company has performed sensitivity analysis on the assumptions used and based on the detailed evaluation of the current estimates expect that there is no significant impact on the carrying value of these assets as on March 31, 2021. The Company will continue to monitor any material changes to the operations based on future economic conditions owing to the nature and duration of COVID-19. The impact of COVID 19 may differ from that estimated as at the date of approval of these financial statements.
- 43 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 44 Subordinated Debts carry interest in the range of 10.85% to 11.8% payable in various instalments ranging between monthly and annually and are due for maturity at the end of 78 months from the date of investment. These subordinated debts are redeemable only on maturity.

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

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



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

*S. Lakshminarayanan*  
**S. Lakshminarayanan**  
Chairman  
DIN: 02808698

*Satish Kumar Garg*  
**Satish Kumar Garg**  
Chief Financial Officer

Place : Delhi  
Date : 02 June 2021

*Sameer Malhotra*  
**Sameer Malhotra**  
CEO & Whole Time Director  
DIN: 01029645

*Nitin Lokhande*  
**Nitin Lokhande**  
Company Secretary  
Membership no.: A27417

Place : Gurugram  
Date : 02 June 2021