

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF  
GULF ASHLEY MOTOR LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone Financial Statements of GULF ASHLEY MOTOR LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

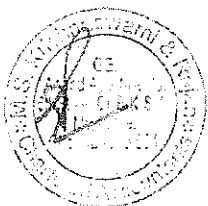
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other Accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information in their report to Members etc. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Standalone Financial Statements and our report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance for conclusion thereon. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our 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.







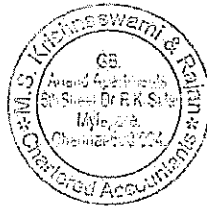
information and according to the explanations given to us, no remuneration (Other than sitting fee) is paid by the company to its directors during the year and hence the compliance with the provisions of the section 197 does not arise.

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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanation given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. (Refer Note 4.7)
- ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2021.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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



M.S. Murali - Partner  
Membership No. 26453  
UDIN: 21026453AAAHD2356  
Date: June 11, 2021  
Place: Chennai

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Gulf Ashley Motor Limited)

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

1. We have audited the internal financial controls over financial reporting of Gulf Ashley Motor Limited ("the Company") as of March 31, 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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (ii) 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 authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

8. In our opinion, considering the remediation measures taken by the Company by March 31, 2021, the Company has maintained, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M.S. Krishnaswami & Rajan  
Chartered Accountants  
Firm's Registration No. 015545

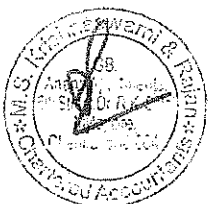
M.S. Murali  
Partner  
Membership No. 26453  
UDIN: 21026453AAAAHD2356  
Date: June 11, 2021  
Place: Chennai



## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Standalone financial statements of Gulf Ashley Motor Limited ("the Company") for the year ended March 31, 2021).

1. In respect of the Company's fixed assets:
  - (a) The company is maintaining records showing particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a programme of verification to cover all items of fixed assets in a phased manner which in our opinion, is reasonable having regard to the size and geographic location of the assets. Pursuant to the programme, certain fixed assets were physically verified by management during the year. According to the information and the explanations given to us, discrepancies noticed during the year on such verification were given effect to in the books of accounts.
  - (c) According to the information and explanations given to us and based on the examination of registered sale deeds/ transfer deeds/ conveyance deeds provided to us, we report that the title deeds, of all the freehold immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date, except in respect for freehold land at Jainamore (Jharkhand) aggregating Rs 8.10 lakhs and building thereon Rs 56.45 lakhs as per books. In respect of the immovable property taken on lease and disclosed as Right of use Asset in the Standalone Financial Statements, the lease agreement is in the name of the Company.
2. As explained to us, the inventories, other than goods in transit, have been physically verified at reasonable intervals by the management and discrepancies noticed during the year on such verification as compared to the stock in the SAP software were given effect to in the books of accounts.
3. The Company has not during the year, granted any loans, secured or unsecured to firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. According to the information and explanation given to us, the Company has not granted during the year any loans, secured or unsecured, nor made investments, furnished guarantees or provided security to any party covered by provisions of sections 185 and 186 of the Companies Act, 2013. Hence reporting on whether there is a compliance with the said provisions does not arise. In respect of the investments as at the beginning of the year, the provisions of section 186 of the Companies Act, 2013 had been complied with.
5. According to information and explanations given to us, the Company has not accepted any deposits during the year and there are no unclaimed deposits as at March 31, 2021 to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act are applicable. Accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
6. In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under section 148 of the Companies Act, 2013 are not applicable to the Company.
7. According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:



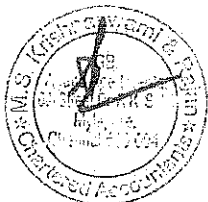
- (a) The company is generally regular in depositing material amount of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, Customs duty, cess and any other material statutory dues as applicable with the appropriate authorities during the year. There were no undisputed amounts payable in respect of the aforesaid statutory dues outstanding as on March 31, 2021 for a period of more than six months from the date they became payable, except for the following

Name of the Statute	Nature of the dues	Net Amount Rs in lakhs	Period to which the amount relates to	Due date
Odhisa VAT	VAT	5.37	01/10/2015 to 30/06/2017	19/06/2020
Jharkhand VAT	VAT	0.86	01/04/2014 to 31/03/2015	28/03/2018

- (b) There are no dues of Income tax, Sales tax, Goods and Services tax, Customs Duty, Excise duty or Value added tax that have not been deposited on account of any dispute. Details of service tax that has not been deposited an account of a dispute is as under

Name of the Statute	Nature of the dues	Net Amount Rs in lakhs	Period to which the amount relates to	Forum it is pending
Finance Act, 1994	Service Tax	90.29	FY 2012 -13 to 2015-16	Commissioner of GST & Excise

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution, or to banks. The Company does not have any borrowings from government or by way of Debentures.
9. As per the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offers (including debt instruments) or term loans during the year. Hence reporting on utilization of such money under clause 3(ii) of the Order does not arise.
10. During the course of our examination of the books of account and records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any fraud by the company or material fraud on the company by its officers or employees been noticed or reported during the year nor have we have been informed of any such case by the management.
11. No Managerial remuneration has been paid/provided by the Company and accordingly, our reporting on compliance by the Company with the provisions of section 197 read with Schedule V of the Companies Act, 2013 does not arise.
12. The Company is not a Nidhi Company and accordingly the provisions of Clause 3 (xii) of the Order are not applicable to the Company.
13. In our opinion and according to the information and explanations given to us all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable. The details of the transactions during the year have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards. (Refer note 4.5 to Standalone Financial Statements).
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under Clause 3 (xiv) of the Order is not applicable.



15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with directors or persons connected with them. Hence reporting on whether there is compliance with provisions of section 192 of the Companies Act, 2013 does not arise.

16. The Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934,

**For M.S.Krishnaswami & Rajan**  
Chartered Accountants  
Registration No: 015545



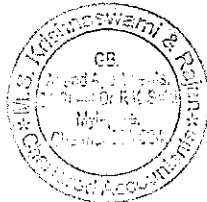
M.S.Murali  
Partner  
Membership No:26453  
UDIN: 21026453AAAAHD2356  
Date: June 11,2021  
Place: Chennai

Gulf Ashley Motor Limited  
Balance sheet as at March 31, 2021

Particulars	Note	As at	As at
		March 31, 2021 Audited	March 31, 2020 Audited
		Rs. Lakhs	Rs. Lakhs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and equipment	1.1	938.86	1,123.01
Capital work-in-progress	1.1	-	-
Right-of-use asset	1.2	606.03	685.45
<b>Financial Assets</b>			
(i) Investments	1.3	1.61	1.61
(ii) Loans	1.4	122.76	331.15
Deferred tax assets (net)	1.5	-	133.29
Advance tax assets (net)		153.27	231.59
		1,822.53	2,506.10
<b>Current assets</b>			
Inventories	1.6	10,179.45	465.81
<b>Financial Assets</b>			
(i) Trade receivables	1.7	5,331.46	1,913.65
(ii) Cash and cash equivalents	1.8	287.86	451.64
(iii) Bank balances other than (ii) above	1.8	200.00	-
(iv) Other financial assets	1.9	16.21	25.98
Contract Assets	1.10	51.19	108.07
Other current assets	1.11	2,777.84	255.51
		18,844.01	3,221.65
<b>TOTAL ASSETS</b>		<b>20,666.54</b>	<b>5,727.75</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	1.12	2,969.99	2,969.99
Other equity	1.13	(1,029.65)	(426.25)
		1,940.34	2,543.74
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Lease Liability			
Provisions	1.14	499.51	604.06
Deferred tax liabilities (net)	1.5	37.82	42.99
		39.75	
		577.08	647.05
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	1.15	3,900.00	1,100.00
(ii) Trade payables	1.16		
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues other than micro enterprises and small enterprises		13,183.77	305.25
(iii) Lease Liability		205.58	177.95
(iv) Other financial liabilities	1.17	790.39	748.98
Contract liabilities	1.18	-	141.74
Other current liabilities	1.19	61.45	53.16
Provisions	1.20	7.93	9.89
		18,149.12	2,536.96
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,666.54</b>	<b>5,727.75</b>

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

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



Date: June 11, 2021  
Place: Chennai

For and behalf of the Board

Uma Rao  
Director  
DIN: 07810779

Anuj Kothuris  
Director  
DIN: 05164533

K.C. Sathyanarayanan  
Chief Financial Officer

Ramachandran V  
Company Secretary

Gulf Ashley Motor Limited  
Statement of Standalone Financial Results for the Period ended March 31, 2021

Particulars	Note	Year ended March 31, 2021 Audited	Year ended March 31, 2020 Audited
		Rs. Lakhs	Rs. Lakhs
<b>Income</b>			
Revenue from operations	2.1	28,314.35	48,220.89
Other income	2.2	50.80	157.18
<b>Total Income</b>		<b>28,365.15</b>	<b>48,378.07</b>
<b>Expenses</b>			
Purchases of stock-in-trade	2.3	36,098.27	36,491.75
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.4	(9,713.64)	8,883.48
		<b>26,384.63</b>	<b>45,375.23</b>
Employee benefits expense	2.5	946.73	1,359.04
Finance costs	2.6	186.53	515.38
Depreciation and amortisation expense	2.7	303.49	409.32
Other expenses	2.8	964.55	1,527.40
<b>Total Expenses</b>		<b>28,785.93</b>	<b>49,186.37</b>
<b>Profit before exceptional items and tax</b>		<b>(420.78)</b>	<b>(808.30)</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>(420.78)</b>	<b>(808.30)</b>
<b>Tax expense:</b>			
Current tax		17.45	-
Prior period tax		173.04	(101.29)
Deferred tax - Charge/ (Credit)		190.49	(101.29)
		<b>(611.26)</b>	<b>(707.01)</b>
<b>Profit for the year</b>			
<b>Other Comprehensive Income / (Loss)</b>			
A (i) Items that will not be reclassified to Profit or Loss - Remeasurement of Defined Benefit Plans - Net		7.87	15.20
(ii) Income tax relating to the above		-	-
B (i) Items that will be reclassified to Profit or loss		-	-
(ii) Income tax relating to the above		-	-
<b>Total Other Comprehensive Income / (Loss)</b>		<b>7.87</b>	<b>15.20</b>
<b>Total Comprehensive Income for the year</b>		<b>(603.40)</b>	<b>(691.81)</b>
Earnings per share (Face value Re.1 each) Basic and Diluted (Refer Note 4.3 to the Financial statements)		<b>(20.58)</b>	<b>(23.81)</b>

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

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

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



For and behalf of the Board

Uma Rao  
Director  
DIN: 07810779

Anuj Kathuria  
Director  
DIN: 05164333

Date: June 11, 2021  
Place : Chennai

K.C.Sathyanarayanan  
Chief Financial Officer

Ramachandran V  
Company Secretary

Gulf Ashley Motor Limited  
Statement of Cash flows for the period ended March 31, 2021

Particulars	March 31, 2021 Audited Rs. Lakhs	March 31, 2020 Audited Rs. Lakhs
<b>Cash flow from operating activities</b>		
Profit for the year	(420.78)	(808.30)
Adjustments for:		
Depreciation - Right of use assets	176.59	282.29
Depreciation - Other assets	126.90	127.03
Bad and doubtful debts / advances provided / written-off (net of recovery)		3.87
Loss / (Profit) on disposal of tangible assets	12.26	-
Scrap Sales		-
Loss / (Profit) on sale of investments		-
Provision for Receivables	89.00	118.99
Provision for Other Receivables	27.06	8.97
Provision for Obsolete parts	90.46	58.35
Income from Right of use of asset		(94.87)
Finance costs	186.53	515.38
Interest income	(23.36)	(54.07)
Remeasurement of Defined benefit plans	7.87	15.20
<b>Operating profit before working capital changes</b>	<b>272.54</b>	<b>172.83</b>
Adjustments for changes in:		
Trade receivables	(3,506.81)	4,893.94
Inventories	(9,804.10)	8,825.13
Non-current and current financial assets	163.87	21.11
Contract Assets		
Other non-current and current assets	(2,497.34)	437.73
Trade payables	12,878.50	(6,520.86)
Non-current and current financial liabilities	(123.57)	(61.11)
Other non-current and current liabilities	(133.44)	(830.80)
Other non-current and current provisions	(7.13)	(14.03)
<b>Cash generated from operations</b>	<b>(2,767.47)</b>	<b>6,923.94</b>
Income tax paid (net of refund)	33.81	(104.48)
<b>Net cash from / (used in) operating activities</b>	<b>[A] (2,733.66)</b>	<b>6,819.46</b>
<b>Cash flow from Investing activities</b>		
Payments for acquisition of assets	(25.33)	(38.60)
Proceeds on sale of fixed assets	70.32	-
Payment for investment in Fixed deposits	(200.00)	-
Investment of ROU	246.83	-
Proceeds from sale of investments (net)	-	-
Interest received	23.36	54.07
<b>Net cash (used in) / from investing activities</b>	<b>[B] 115.18</b>	<b>15.46</b>
<b>Cash flow from financing activities</b>		
Proceeds from short-term borrowings	5,050.00	(6,980.17)
Repayments of current borrowings	(2,250.00)	
Repayment of Lease Liability - Principal	(158.76)	(240.27)
Repayment of Lease Liability - Interest	(49.72)	(140.64)
Dividend paid and tax thereon		(2,398.93)
Finance cost paid	(136.81)	(374.74)
<b>Net cash from / (used in) financing activities</b>	<b>[C] 2,454.71</b>	<b>(10,134.75)</b>
<b>Net cash (Outflow) / Inflow</b>	<b>[A+B+C] (163.78)</b>	<b>(3,299.81)</b>
<b>Opening cash and cash equivalents</b>	<b>451.64</b>	<b>3,751.46</b>
<b>Closing cash and cash equivalents</b>	<b>287.86</b>	<b>451.64</b>

0.00 (0.00)

For M.S. Krishnaswami & Rajan  
Chartered Accountants  
Firm Registration No. 301554S

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

Date: June 11, 2021  
Place: Chennai



For and behalf of the Board

Uma Rao  
Director  
DIN: 07810779

Anuj Kathuria  
Director  
DIN: 05164333

K.C. Sathyanarayanan  
Chief Financial Officer

Ramachandran V  
Company Secretary

Cell As My Hilar Limited  
 Statement of Changes in Equity for the Period and Quarter ended March 31, 2021

A. Equity Share Capital

Rs. Lakhs				
Balance at the beginning of April 1, 2020	Changes in equity share capital during the year	Balance at the end of March 31, 2021	Changes in equity share capital during the year	Balance at the end of March 31, 2021
2,397.19	-	2,397.19	-	2,397.19

B. Other Equity

Rs. Lakhs

Particulars	Share Premium Account	Reserves and Surplus							Items of Other Comprehensive Income	Total
		Capital Reserve	Securities Premium	Capital Reserve	Debitory Reserves	Share Options Outstanding Account	General Reserve	Foreign Currency Translation Reserve		
Balance at the beginning of April 1, 2020									2,413.81	2,413.81
Particulars in income statement									2,413.81	2,413.81
Adjusting entries at the beginning of the year									(166.42)	(166.42)
Provision adjustment on account of amount of Rs. 2,41,116 paid for the year									(187.63)	(187.63)
Other comprehensive income									11.22	11.22
Total change in equity reserve for the year									1,871.68	1,871.68
Adjustment on account of non-availability of payment, 18th Dec 2020									-	-
Exchange difference on translation of monetary item balances									-	-
Exchange difference on translation									-	-
Transfer to retained earnings									-	-
Translation difference									-	-
Adjustment of share capital premium in income statement									-	-
Dividend income - 2020/21									-	-
Dividend income - 2019/20									-	-
Dividend income - 2018/19									-	-
Dividend income - 2017/18									-	-
Dividend income - 2016/17									-	-
Dividend income - 2015/16									-	-
Dividend income - 2014/15									-	-
Dividend income - 2013/14									-	-
Dividend income - 2012/13									-	-
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Dividend income - 2007/08									-	-
Dividend income - 2006/07									-	-
Dividend income - 2005/06									-	-
Dividend income - 2004/05									-	-
Dividend income - 2003/04									-	-
Dividend income - 2002/03									-	-
Dividend income - 2001/02									-	-
Dividend income - 2000/01									-	-
Dividend income - 1999/00									-	-
Dividend income - 1998/99									-	-
Dividend income - 1997/98									-	-
Dividend income - 1996/97									-	-
Dividend income - 1995/96									-	-
Dividend income - 1994/95									-	-
Dividend income - 1993/94									-	-
Dividend income - 1992/93									-	-
Dividend income - 1991/92									-	-
Dividend income - 1990/91									-	-
Dividend income - 1989/90									-	-
Dividend income - 1988/89									-	-
Dividend income - 1987/88									-	-
Dividend income - 1986/87									-	-
Dividend income - 1985/86									-	-
Dividend income - 1984/85									-	-
Dividend income - 1983/84									-	-
Dividend income - 1982/83									-	-
Dividend income - 1981/82									-	-
Dividend income - 1980/81									-	-
Dividend income - 1979/80									-	-
Dividend income - 1978/79									-	-
Dividend income - 1977/78									-	-
Dividend income - 1976/77									-	-
Dividend income - 1975/76									-	-
Dividend income - 1974/75									-	-
Dividend income - 1973/74									-	-
Dividend income - 1972/73									-	-
Dividend income - 1971/72									-	-
Dividend income - 1970/71									-	-
Dividend income - 1969/70									-	-
Dividend income - 1968/69									-	-
Dividend income - 1967/68									-	-
Dividend income - 1966/67									-	-
Dividend income - 1965/66									-	-
Dividend income - 1964/65									-	-
Dividend income - 1963/64									-	-
Dividend income - 1962/63									-	-
Dividend income - 1961/62									-	-
Dividend income - 1960/61									-	-
Dividend income - 1959/60									-	-
Dividend income - 1958/59									-	-
Dividend income - 1957/58									-	-
Dividend income - 1956/57									-	-
Dividend income - 1955/56									-	-
Dividend income - 1954/55									-	-
Dividend income - 1953/54									-	-
Dividend income - 1952/53									-	-
Dividend income - 1951/52									-	-
Dividend income - 1950/51									-	-
Dividend income - 1949/50									-	-
Dividend income - 1948/49									-	-
Dividend income - 1947/48									-	-
Dividend income - 1946/47									-	-
Dividend income - 1945/46									-	-
Dividend income - 1944/45									-	-
Dividend income - 1943/44									-	-
Dividend income - 1942/43									-	-
Dividend income - 1941/42									-	-
Dividend income - 1940/41									-	-
Dividend income - 1939/40									-	-
Dividend income - 1938/39									-	-
Dividend income - 1937/38									-	-
Dividend income - 1936/37									-	-
Dividend income - 1935/36									-	-
Dividend income - 1934/35									-	-
Dividend income - 1933/34									-	-
Dividend income - 1932/33									-	-
Dividend income - 1931/32									-	-
Dividend income - 1930/31									-	-
Dividend income - 1929/30									-	-
Dividend income - 1928/29									-	-
Dividend income - 1927/28									-	-
Dividend income - 1926/27									-	-
Dividend income - 1925/26									-	-
Dividend income - 1924/25									-	-
Dividend income - 1923/24									-	-
Dividend income - 1922/23									-	-
Dividend income - 1921/22									-	-
Dividend income - 1920/21									-	-
Dividend income - 1919/20									-	-
Dividend income - 1918/19									-	-
Dividend income - 1917/18									-	-
Dividend income - 1916/17									-	-
Dividend income - 1915/16									-	-
Dividend income - 1914/15									-	-
Dividend income - 1913/14									-	-
Dividend income - 1912/13									-	-
Dividend income - 1911/12									-	-
Dividend income - 1910/11									-	-
Dividend income - 1909/10									-	-
Dividend income - 1908/09									-	-
Dividend income - 1907/08									-	-
Dividend income - 1906/07									-	-
Dividend income - 1905/06									-	-
Dividend income - 1904/05									-	-
Dividend income - 1903/04									-	-
Dividend income - 1902/03									-	-
Dividend income - 1901/02									-	-
Dividend income - 1900/01									-	-
Dividend income - 1899/00									-	-
Dividend income - 1898/99									-	-
Dividend income - 1897/98									-	-
Dividend income - 1896/97									-	-
Dividend income - 1895/96									-	-
Dividend income - 1894/95									-	-
Dividend income - 1893/94									-	-
Dividend income - 1892/93									-	-
Dividend income - 1891/92									-	-
Dividend income - 1890/91									-	-
Dividend income - 1889/90									-	-
Dividend income - 1888/89									-	-
Dividend income - 1887/88									-	-
Dividend income - 1886/87									-	-
Dividend income - 1885/86									-	-
Dividend income - 1884/85									-	-
Dividend income - 1883/84									-	-
Dividend income - 1882/83									-	-
Dividend income - 1881/82										

**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

1.1

**A PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS**

FY 2020-21  
Rs. Lakhs

DESCRIPTION	GROSS CARRYING AMOUNT ( COST )			DEPRECIATION / AMORTISATION			NET CARRYING AMOUNT in Lakhs
	01.04.2020	Additions	Disposals / Adjustment	31.03.2021	Charge during the year	Disposals / Adjustment	
Property, plant and equipment (PPE)							
Freehold land	88.10	-	-	88.10	-	-	88.10
Buildings	457.56	-	-	457.56	21.71	71.37	386.19
Plant and equipment	468.87	22.92	40.43	451.36	37.21	9.98	289.53
Furniture and fittings	280.81	2.41	22.45	260.77	44.58	11.36	117.96
Vehicles	194.83	-	51.53	143.30	22.02	10.57	56.24
Office Equipment	63.96	0.73	0.73	63.23	1.38	0.65	0.84
<b>TOTAL</b>	<b>1,554.13</b>	<b>25.33</b>	<b>115.14</b>	<b>1,464.32</b>	<b>126.90</b>	<b>32.56</b>	<b>938.86</b>

Capital work-in-progress

**PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS**

FY 2019-20  
Rs. Lakhs

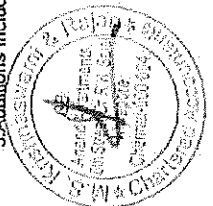
DESCRIPTION	GROSS CARRYING AMOUNT			DEPRECIATION / AMORTISATION			NET CARRYING AMOUNT
	01.04.2019	Additions	Disposals	31.03.2020	Charge during the year	Disposals/Adjustments	
Property, plant and equipment (PPE)							
Freehold land	88.10	-	-	88.10	-	-	88.10
Buildings	457.56	-	-	457.56	20.72	-	407.90
Plant and equipment	468.37	0.50	-	468.87	44.37	-	334.27
Furniture and fittings	280.81	-	-	280.81	39.02	-	171.22
Vehicles	156.73	38.10	-	194.83	20.93	-	119.22
Office Equipment	63.96	-	-	63.96	1.99	-	2.30
<b>TOTAL</b>	<b>1,515.53</b>	<b>38.60</b>	<b>-</b>	<b>1,554.13</b>	<b>127.03</b>	<b>-</b>	<b>1,123.01</b>

1.1

B

Notes:

1. Title to Freehold Land at Jainamore, Jharkhand (carrying value Rs.8.10 lakhs) is yet to be conveyed to the Company.
2. Capital Commitments (net of advances) Rs. Nil (2019-20 Rs.Nil)
3. Impairment loss recognised during the year Rs.Nil (2019-20 Rs.Nil)
4. Refer Note 4.8 for details of Property, plant and equipment given as security against borrowings
5. Additions include Exchange Loss / (Gain) capitalised, borrowing cost capitalised and expenditure in the course of construction Rs.Nil (2019-20 Rs.Nil)



Gulf Ashley Motor Limited  
Notes annexed to and forming part of the standalone financial statements

1.2 RIGHT-OF-USE ASSET

Description	Gross carrying amount			Depreciation/Amortisation			Net Carrying Amount
	01.04.2020	Additions	Deduction / Adjustments	Upto 31.03.2020	Charge during the year	Exclusions	
Right of use asset	967.74	246.83	164.32	282.29	176.59	15.26	606.03
Building (Right to Use of Asset)	967.74	246.83	164.32	282.29	176.59	15.26	606.03
Total	967.74	246.83	164.32	282.29	176.59	15.26	606.03

FY 2020-21  
Amt in Lakhs

A

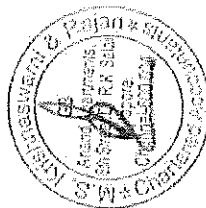
Description	Gross carrying amount			Depreciation/Amortisation			Net Carrying Amount
	01.04.2019	Additions	Deduction / Adjustments	Upto 31.03.2019	Charge during the year	Exclusions	
Right of use asset	1,505.31	-	537.57	967.74	282.29	-	665.45
Building (Right to Use of Asset)	1,505.31	-	537.57	967.74	282.29	-	665.45
Total	1,505.31	-	537.57	967.74	282.29	-	665.45

FY 2019-20  
Amt in Lakhs

B

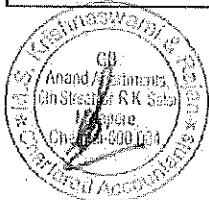
Note:

Building infrastructure Rs.1505.32 lakhs is a recognition of value of asset in FY 2019-20 pursuant to application of IND AS 116 - Leases effective from April 1, 2019. The lease agreements is for composite use of infrastructure and doesn't segregate between the use of the class of underlying assets.



1.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

DESCRIPTION	As at March 31, 2021		As at March 31, 2020	
	Nos	Rs. Lakhs	Nos	Rs. Lakhs
<b>Investments in Equity Instruments (unquoted) (fully paid up unless otherwise stated)</b>				
<b>Joint Ventures (at cost)</b>				
<b>Equity Shares of Rs. 10 each</b>				
Ashok Leyland John Deere Construction Equipment Company Private Limited	1,60,64,853	1.61	1,60,64,853	1.61
	<b>1,60,64,853</b>	<b>1.61</b>	<b>1,60,64,853</b>	<b>1.61</b>
<b>Total</b>		<b>1.61</b>		<b>1.61</b>
<b>Note:</b>				
(i) Aggregate amount of unquoted investment		1.61		1.61
(ii) Ashok Leyland John Deere Construction equipment Company Private Limited is under Liquidation.				



**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

1.4 NON-CURRENT FINANCIAL ASSETS - LOANS (Unsecured)	As at March 31, 2021	As at March 31, 2020
	Rs. Lakhs	Rs. Lakhs
Security Deposits - Considered good	122.76	331.15
- Considered doubtful	28.36	1.30
	151.12	332.45
Less: Provision for doubtful deposits	28.36	1.30
	122.76	331.15
	<b>122.76</b>	<b>331.15</b>

Note:

1. Movement in allowance for doubtful loans is as follows:

	As at 31.03.2021	As at 31.03.2020
Opening	1.30	1.30
Add: Additions / (Reversal) - Refer Note 2.8 (P)	27.06	-
Closing	28.36	1.30





**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

1.6 INVENTORIES	As at March 31, 2021 Rs. Lakhs	As at March 31, 2020 Rs. Lakhs
Stock-in-trade		
(i) Commercial vehicles	9,859.72	-
(ii) Spare parts and auto components	410.19	524.16
	10,269.91	524.16
Less: Allowance for obsolescence	90.46	58.35
	<b>10,179.45</b>	<b>465.81</b>

**Notes :**

	Mar-21	Mar-20
<b>a) Goods in transit comprises</b>		
Stock-in-trade - Traded goods	6,038.18	24.02
<b>b) Cost of goods recognised as an expense during the year</b>	26,384.63	45,375.23

**c) Movement in allowances:**

	As at Mar 31, 2021	As at Mar 31, 2020
Opening balance	58.35	34.17
Provision created / (Reversal)	32.11	24.18
Closing balance	90.46	58.35

d) The net movement in provision for obsolete/ slow moving stock during the year has been considered under purchases of stock in trade - Traded goods in Note 2.3

e) The carrying amount of inventories pledged as security -Refer note 4.8



**Gulf Ashley Motor Limited**

Notes annexed to and forming part of the standalone financial statements

1.7 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES (Unsecured)	As at March 31, 2021 Rs. Lakhs	As at March 31, 2020 Rs. Lakhs
Trade Receivables		
(i) Considered good	5,331.46	1,913.65
(ii) Considered doubtful	373.46	284.46
	<b>5,704.92</b>	<b>2,198.11</b>
Less: Loss allowance	373.46	284.46
	<b>5,331.46</b>	<b>1,913.65</b>

**Notes :**

(a) Due from Related Parties - Considered Good 357.13 21.26

(b) Refer note 4.8 for details of Trade Receivables pledged as security for liabilities

(c) Movement in allowances:

Movement in Provision for doubtful debts is as follows:	As at Mar 31, 2021	As at Mar 31, 2020
Opening Balance	284.46	165.47
Provision Made - Refer Note 2.8 (o)	89.00	118.99
Provision written back/utilised	-	-
Closing Balance	373.46	284.46





**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

	<b>As at March 31, 2021 Rs. Lakhs</b>	<b>As at March 31, 2020 Rs. Lakhs</b>
<b>1.9 CURRENT FINANCIAL ASSETS - OTHERS (Unsecured, considered good unless otherwise stated)</b>		
a) Employee advances	13.70	1.73
b) Receivable on sale of Property, Plant and Equipment	-	25.00
c) Interest Accrued - Others	1.96	-
d) Bank balances with maturity more than 12 months	0.55	0.25
e) Other receivables - Considered doubtful	31.30	31.30
	<b>47.51</b>	<b>58.28</b>
Less : Provision for doubtful receivable	31.30	31.30
	<b>16.21</b>	<b>26.98</b>



**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

	<b>As at March 31, 2021 Rs. Lakhs</b>	<b>As at March 31, 2020 Rs. Lakhs</b>
<b>1.10 CURRENT CONTRACT ASSETS</b>		
Unbilled revenue	51.19	108.07
	<b>51.19</b>	<b>108.07</b>

Note: Unbilled revenue related to Related Party - Refer Note 4.5 '(c)



**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

	<b>As at March 31, 2021 Rs. Lakhs</b>	<b>As at March 31, 2020 Rs. Lakhs</b>
<b>1.11 OTHER CURRENT ASSETS (Unsecured, considered good unless otherwise stated)</b>		
a) Balances with Government Authorities	989.85	182.18
b) Amount paid under protest :		
- VAT	50.00	50.00
- Service Tax	7.32	7.32
c) Advance to Suppliers	15.71	-
d) Advance to Suppliers - Considered Doubtful	5.13	7.66
Less: Provision	(5.13)	(7.66)
e) GST on Hold	1,690.12	-
f) Prepaid Expenses		
- Gratuity	-	1.58
- Others	12.87	14.42
- Prepaid Rent-Ind AS 109	11.97	-
	<b>2,777.84</b>	<b>255.51</b>

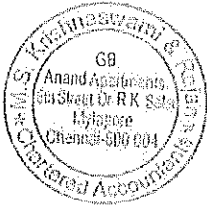




Gulf Ashley Motor Limited

Notes annexed to and forming part of the standalone financial statements

1.13 OTHER EQUITY	As at March 31, 2021 Rs. Lakhs	As at March 31, 2020 Rs. Lakhs
<b>Retained Earnings (Surplus in Statement of Profit and Loss)</b>		
Balance as at the beginning of the year	(426.25)	2,813.91
Add/(Less): Current year profit/(loss)	(611.26)	(707.01)
Add: Other Comprehensive Income arising from remeasurement of defined benefit obligation net of Income Tax	7.87	15.20
Less: Adjustment for Right of use Asset (gross) on transition to IND AS 116 w.e.f April 1, 2019	-	(149.42)
Less: Dividend	-	(1,989.90)
Less: Corporate tax on Dividend	-	(409.03)
<b>Balance as at the end of the year</b>	<b>(1,029.65)</b>	<b>(426.25)</b>



**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

<b>1.14 NON-CURRENT PROVISIONS</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	<b>Rs. Lakhs</b>	<b>Rs. Lakhs</b>
Provision for employee benefits - Compensated absences	37.82	42.99
	<b>37.82</b>	<b>42.99</b>

Refer Note 1.21 also



**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

	<b>As at March 31, 2021 Rs. Lakhs</b>	<b>As at March 31, 2020 Rs. Lakhs</b>
<b>1.15 CURRENT FINANCIAL LIABILITIES - BORROWINGS</b>		
<b>Secured borrowings</b>		
Loans from banks (Includes cash credit, packing credit, etc)	3,900.00	1,100.00
	<b>3,900.00</b>	<b>1,100.00</b>

Details of security for the secured short term borrowings above is detailed in Note 4.8



**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

	<b>As at March 31, 2021 Rs. Lakhs</b>	<b>As at March 31, 2020 Rs. Lakhs</b>
<b>1.16 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>		
Trade payables - including acceptances		
a) Total outstanding dues of micro enterprises and small enterprises		-
b) Other Trade Payables	13,183.77	305.25
	<b>13,183.77</b>	<b>305.25</b>



**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

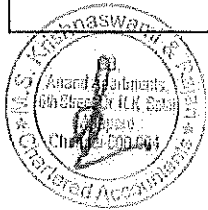
	<b>As at March 31, 2021 Rs. Lakhs</b>	<b>As at March 31, 2020 Rs. Lakhs</b>
<b>1.17 CURRENT - OTHER FINANCIAL LIABILITIES</b>		
a) Employee benefits	119.54	127.66
b) Gratuity Fund	3.26	-
c) Refund liabilities	617.54	454.00
c) Accrued Expenses	50.05	167.32
	<b>790.39</b>	<b>748.98</b>



**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	<b>Rs. Lakhs</b>	<b>Rs. Lakhs</b>
<b>1.18 CONTRACT LIABILITIES</b>		
Advance from customers	-	141.74
	-	<b>141.74</b>



**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

	<b>As at March 31, 2021 Rs. Lakhs</b>	<b>As at March 31, 2020 Rs. Lakhs</b>
<b>1.19 OTHER CURRENT LIABILITIES</b>		
Statutory liabilities	61.45	53.15
	<b>61.45</b>	<b>53.15</b>



**Gulf Ashley Motor Limited**

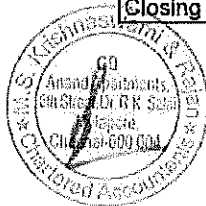
**Notes annexed to and forming part of the standalone financial statements**

1.20 CURRENT PROVISIONS	As at March 31, 2021	As at March 31, 2020
	Rs. Lakhs	Rs. Lakhs
Provision for employee benefits - Compensated absences	7.93	9.89
	<b>7.93</b>	<b>9.89</b>

**Note : 1.21**

Movement in provisions (Refer Notes 1.14 and Note 1.20)

Provision for compensated absences	As at March 31,2021	As at March 31,2020
Opening	52.88	59.81
Add:tion	8.62	16.67
Utilisation	(15.75)	(23.60)
Closing	45.75	52.88



**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

2.1 REVENUE FROM OPERATIONS	YTD March 31, 2021	YTD March 31, 2020
	Rs. Lakhs	Rs. Lakhs
a) Sale of products		
- Commercial vehicles	25,983.86	46,051.21
- Spare parts and others	2,242.44	3,517.35
(A)	<b>28,226.30</b>	<b>49,568.56</b>
b) Sale of services	(B) 630.83	991.50
c) Other operating revenues		
- Commission	20.38	11.78
- Incentives	157.16	325.76
- Scrap sales	14.41	35.72
(C)	<b>191.95</b>	<b>373.26</b>
(A+B+C)	<b>29,049.08</b>	<b>50,933.32</b>
Less: Commission, rebate and discounts	734.73	2,712.43
	<b>28,314.35</b>	<b>48,220.89</b>



Gulf Ashley Motor Limited

Notes annexed to and forming part of the standalone financial statements

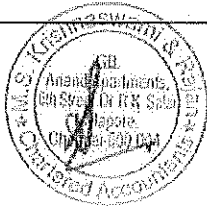
2.2 OTHER INCOME	YTD March 31, 2021 Rs. Lakhs	YTD March 31, 2020 Rs. Lakhs
a) Interest income from:		
i. Fixed deposit	7.56	54.07
ii. Income Tax Refund	15.80	-
	<b>23.36</b>	<b>54.07</b>
b) Other non-operating income		
i. Income from Right of use asset	15.26	94.87
ii. Net (loss) / gain arising on financial asset mandatorily measured at FVTPL	4.61	7.92
iii. Others (including Unclaimed balances written back)	7.57	0.32
	<b>27.44</b>	<b>103.11</b>
	<b>50.80</b>	<b>157.18</b>



**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

<b>2.3 PURCHASES OF STOCK-IN-TRADE</b>	<b>YTD</b>	<b>YTD</b>
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>Rs. Lakhs</b>	<b>Rs. Lakhs</b>
a) Commercial vehicles	34,222.95	33,862.98
b) Spare parts and auto components	1,875.32	2,628.77
	<b>36,098.27</b>	<b>36,491.75</b>



**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

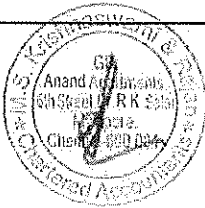
2.4 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS	YTD March 31, 2021	YTD March 31, 2020
	Rs. Lakhs	Rs. Lakhs
Changes in inventories		
Opening Stock		
- commercial vehicles		8,546.47
- Spare parts and auto components	465.81	802.82
	465.81	9,349.29
Less:		
Closing stock		
- commercial vehicles	9,869.59	-
- Spare parts and auto components	309.86	465.81
	10,179.45	465.81
<b>Net Movement</b>	<b>(9,713.64)</b>	<b>8,883.48</b>



**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

<b>2.5 EMPLOYEE BENEFITS EXPENSE</b>	<b>YTD</b>	<b>YTD</b>
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>Rs. Lakhs</b>	<b>Rs. Lakhs</b>
a) Salaries, Wages and Leave Encashment	840.80	1,174.98
b) Contribution to provident and other funds	74.69	102.84
c) Staff welfare expenses	31.23	81.22
	<b>946.73</b>	<b>1,359.04</b>



**Gulf Ashley Motor Limited**

**Notes annexed to and forming part of the standalone financial statements**

2.6 FINANCE COSTS	YTD	YTD
	March 31, 2021	March 31, 2020
	Rs. Lakhs	Rs. Lakhs
Interest expense	136.81	374.74
Less: Capitalised	-	-
	136.81	374.74
Interest on lease liability	49.72	140.64
	<b>186.53</b>	<b>515.38</b>



**Gulf Ashley Motor Limited**

Notes annexed to and forming part of the standalone financial statements

<b>2.7 DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>YTD March 31, 2021 Rs. Lakhs</b>	<b>YTD March 31, 2020 Rs. Lakhs</b>
<b>A) Property, plant and equipment</b>		
(i) Buildings	21.71	20.72
(ii) Plant and equipment	37.21	44.37
(iii) Furniture and fittings	44.58	39.02
(iv) Vehicles	22.02	20.93
(v) Office equipment	1.38	1.99
	<b>(A) 126.90</b>	<b>127.03</b>
<b>B) Right to use of assets</b>		
ROU ASSET	176.59	282.29
	<b>(B) 176.59</b>	<b>282.29</b>
	<b>(A+B+C) 303.49</b>	<b>409.32</b>

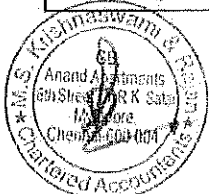


**Gulf Ashley Motor Limited**  
**Notes annexed to and forming part of the standalone financial statements**

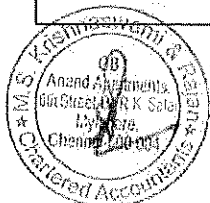
<b>2.8 OTHER EXPENSES</b>	<b>YTD March 31, 2021 Rs. Lakhs</b>	<b>YTD March 31, 2020 Rs. Lakhs</b>
(a) Power and fuel	34.04	62.31
(b) Rent	122.97	197.64
(c) Repairs and maintenance	83.86	63.29
(d) Security Charges	73.77	122.10
(e) Diesel for Service Van	6.82	11.94
(f) Selling and distribution expenses - net	21.87	40.00
(g) Consultancy Charges	89.75	95.65
(h) Administration Expenses	102.84	138.96
(i) Contract Labour Charges	23.07	64.84
(j) Bank Charges	12.78	11.97
(k) Transportation, Loading and unloading charges	38.50	243.63
(l) Audit Fees (Refer note no:4.10)	10.29	7.35
(m) Packing and forwarding charges	0.16	4.88
(n) Outside Service Expenses	153.38	252.87
(o) Provision for doubtful - Trade Receivables	89.00	118.99
(p) Provision for doubtful advances/deposits/other receivables	27.06	8.97
(q) Bad Debts/Advances - Written off	2.53	3.87
Less: Provision for Advances written back	(2.53)	-
(r) Miscellaneous expenses	0.13	3.87
(s) Loss on Sale of Assets	12.26	
(t) Insurance Expenses	44.77	31.24
(u) Consumables-Stores & spares	0.13	3.26
(v) Local Conveyance	16.31	37.62
(w) Postage & Courier	0.79	6.02
	<b>964.55</b>	<b>1,527.40</b>
Less: Expenses capitalised		
	<b>964.55</b>	<b>1,527.40</b>



4.1 Income taxes relating to continuing operations		
	March 31, 2021	March 31, 2020
	₹ Lakhs	₹ Lakhs
<b>a) Income tax recognised in profit or loss</b>		
Current tax In respect of the current year	-	-
Deferred tax In respect of the current year	(173.04)	101.29
	<b>(173.04)</b>	<b>101.29</b>
Total income tax expense recognised in the current year relating to continuing operations	<b>(173.04)</b>	<b>101.29</b>
<b>b) Income tax recognised in other comprehensive income</b>		
Current tax	-	-
Total income tax recognised in other comprehensive income	-	-
<b>c) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
	March 31, 2021	March 31, 2020
	₹ Lakhs	₹ Lakhs
Profit/(loss) before tax from continuing operations and OCI	(420.78)	(808.30)
Income tax expense calculated at 33.384% (2019-20: 33.384%)	-	-
Effect of income that is exempt from taxation	-	-
Effect of expenses that are not deductible in determining taxable profit	-	-
Effect of deductible temporary differences	(173.04)	101.29
Income tax expense recognised in profit or loss (relating to continuing operations)	<b>(173.04)</b>	<b>101.29</b>
The tax rate used for the reconciliations above is the corporate tax rate of 33.384% (for the year 2020-21) and 33.384% (for the year 2019-20) payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.		
<b>d) Deferred tax balances</b>		
The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:		
	March 31, 2021	March 31, 2020
	₹ Lakhs	₹ Lakhs
Deferred tax assets	65.79	456.66
(Deferred tax liabilities)	(105.54)	(323.37)
Deferred tax Liability - Net	<b>(39.75)</b>	<b>133.29</b>
Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.		
There is no tax for the current year as per the Income tax act, 1961, Considering the allowances/exemptions and consequently, the tax effect on the components in Other Comprehensive Income (OCI) is Nil		



Movement of deferred tax expense during the year ended March 2020-21 (₹ Lakhs)					
	Opening balance	Recognised in profit or loss	Recognised in Other equity	Utilisation of unused tax credits	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>					
(i) Property, plant, and equipment and Intangible Assets	(94.54)	(11.00)	-	-	(105.54)
(ii) Right of use of asset net of Lease Liability	32.24	(32.24)	-	-	-
(iii) Expenditure allowed upon payments	31.48	(31.48)	-	-	-
(iv) Other temporary differences	127.89	(127.89)	-	-	-
(v) unabsorbed depreciation	36.22	29.57	-	-	65.79
	<b>133.29</b>	<b>(173.04)</b>	-	-	<b>(39.75)</b>
Movement of deferred tax expense during the year ended March 2019-20 (₹ Lakhs)					
	Opening balance	Recognised in profit or loss	Recognised in Other equity	Utilisation of unused tax credits	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>					
(i) Property, plant, and equipment and Intangible Assets	(67.47)	(27.07)	-	-	(94.54)
(ii) Right of use of asset net of Lease Liability	-	(17.64)	49.88	-	32.24
(iii) Expenditure allowed upon payments	22.34	9.14	-	-	31.48
(iv) Other temporary differences	77.10	50.79	-	-	127.89
(v) unabsorbed depreciation	-	36.22	-	-	36.22
	<b>31.97</b>	<b>51.44</b>	<b>49.88</b>	-	<b>133.29</b>



#### 4.2 Retirement benefit plans

##### Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The total expense recognised in profit or loss of Rs.61.97 lakhs (for the year ended March 31, 2020: Rs.87.14 lakhs) out of which Rs.4.92 lakhs (for the year ended March 31, 2020 : Rs.5.80 lakhs) represents payable by the Company.

##### Defined benefit plans

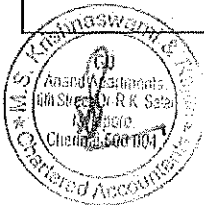
The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company makes annual contributions to a funded Company gratuity scheme administered by the SBI Life Insurance Company Limited.

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

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

In Note No.4.2 Gratuity - The total expense recognised in profit or loss of Rs.12.72 lakhs (for the year ended March 31, 2020: Rs.15.70 lakhs) out of which Rs.3.26 lakhs (for the year ended March 31, 2020 : Rs.Nil) represents payable by the Company.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.



**Gratuity**

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	March 31, 2021	March 31, 2020
Discount rate(s)	6.77%	6.55%
Expected rate(s) of salary increase	5.00%	5.00%

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

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

	March 31, 2021 Rs. Lakhs	March 31, 2020 Rs. Lakhs
Current service cost	12.83	15.84
Net interest expense	(0.11)	(0.14)
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>12.72</b>	<b>15.70</b>
<b>Remeasurement on the net defined benefit liability comprising:</b>		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(1.40)	6.25
Actuarial (gains)/losses arising from experience adjustments	(5.83)	(18.45)
Return on plan assets (excluding amounts included in net interest expense)	(0.85)	(3.00)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(7.87)</b>	<b>(15.20)</b>
<b>Total</b>	<b>4.85</b>	<b>0.51</b>

The above current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss excluding full and final settlement cases.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the statement of financial position arising from the Company's obligation in respect of its defined benefit plans is as

	March 31, 2021 Rs. Lakhs	March 31, 2020 Rs. Lakhs
Present value of defined benefit obligation	85.61	90.36
Fair value of plan assets	82.35	91.94
<b>Net liability arising from defined benefit obligation</b>	<b>3.26</b>	<b>(1.58)</b>
Funded	3.26	(1.68)
Unfunded	-	-
<b>Total</b>	<b>3.26</b>	<b>(1.58)</b>

The above provisions are reflected under "Provisions" as at Mar'21 (Refer Note no 1.20) and "Other Current Assets" as at Mar'20 (Refer notes 1.12) and

Movements in the present value of the defined benefit obligation in the current year were as follows:

	March 31, 2021 Rs. Lakhs	March 31, 2020 Rs. Lakhs
Opening defined benefit obligation	90.36	107.36
Current service cost	12.83	15.85
Interest cost	5.58	6.15
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(1.40)	6.25
Actuarial (gains)/losses arising from experience adjustments	(5.83)	(18.45)
Benefits paid	(15.93)	(26.80)
<b>Closing defined benefit obligation</b>	<b>85.61</b>	<b>90.36</b>

Movements in the fair value of the plan assets in the current year were as follows:

	March 31, 2021 Rs. Lakhs	March 31, 2020 Rs. Lakhs
Opening fair value of plan assets	91.94	109.46
Interest income	-	-
Return on plan assets (excluding amounts included in net interest expense)	5.69	6.29
Contributions	-	-
Benefits paid	(15.93)	(26.80)
Others	0.65	3.00
<b>Closing fair value of plan assets</b>	<b>82.35</b>	<b>91.94</b>



The Company funds the cost of the gratuity expected to be earned on a yearly basis to SBI Life Insurance Company Limited, which manages the plan assets.

The actual return on plan assets was Rs.6.33 lakhs (2019-20: Rs.9.30 lakhs).

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increases. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is 1% basis points higher (lower), the defined benefit obligation would decrease by Rs.6.89 lakhs (increase by Rs.5.86 lakhs) (as at March 31, 2020: decrease by Rs.3.45 lakhs)

If the expected salary increases (decreases) by 1%, the defined benefit obligation would increase by Rs.6.42 lakhs (decrease by Rs.5.7 lakhs) (as at March 31, 2020: increase by Rs.3.57 lakhs)

If the life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by Rs.0.01 lakhs (as at March 31, 2020: increase by Rs.0.02 lakhs)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

The Company expects to make Rs.3.26 Lakhs contribution (as at March 31, 2020: 20.40) to the defined benefit plans during the next financial year.

The average duration of the benefit obligation as at March 31, 2021 is 7.48 years (as at March 31, 2020: 7.86 years).



### Compensated Balances

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	March 31, 2021	March 31, 2020
Discount rate(s)	6.77%	7.48%
Expected rate(s) of salary increase	5.00%	5.00%

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

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

	March 31, 2021 Rs. Lakhs	March 31, 2020 Rs. Lakhs
Current service cost	7.95	9.02
Net Interest expense	3.05	4.15
Recognition of (Gain)/Losses - Other Long term benefits	(2.38)	(20.10)
Components of defined benefit costs recognised in profit or loss	8.62	(6.93)
<b>Remeasurement on the net defined benefit liability comprising:</b>		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	-	-
Actuarial (gains)/losses arising from experience adjustments	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-
Components of defined benefit costs recognised in profit or loss	-	-
Total	8.62	(6.93)

The above current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss. The amount included in the statement of financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:

	March 31, 2021 Rs. Lakhs	March 31, 2020 Rs. Lakhs
Present value of defined benefit obligation	45.75	52.88
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	45.75	52.88
Funded	-	-
Unfunded	45.75	52.88
Total	45.75	52.88

The above provisions are reflected under 'Provisions' [Refer notes 1.14 and 1.20].

Movements in the present value of the defined benefit obligation in the current year were as follows:

	March 31, 2021 Rs. Lakhs	March 31, 2020 Rs. Lakhs
Opening defined benefit obligation	52.88	58.81
Current service cost	7.95	9.02
Interest cost	3.05	4.15
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(0.73)	3.60
Actuarial (gains)/losses arising from experience adjustments	(1.85)	(23.61)
Benefits paid	(15.75)	-
Closing defined benefit obligation	45.75	52.88

Movements in the fair value of the plan assets in the current year were as follows:

	March 31, 2021 Rs. Lakhs	March 31, 2020 Rs. Lakhs
Opening fair value of plan assets	-	-
Interest Income	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-
Contributions	-	-
Benefits paid	-	-
Others	-	-
Closing fair value of plan assets	-	-



Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs.3.59 lakhs (Increase by Rs. 3.11 Lakhs) [as at March 31, 2020: decrease by Rs.1.90 lakhs].

If the expected salary increases (decreases) by 1%, the defined benefit obligation would increase by Rs.3.32 lakhs (Decrease by Rs.2.91 lakhs) [as at March 31, 2019: increase by Rs. 1.9 lakhs].

If the life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by Rs.0.01 lakhs [as at March 31, 2020: decrease by Rs.0.01 lakhs].

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

The average duration of the benefit obligation as at March 31, 2021 is 7.48 years (as at March 31, 2020: 7.95 years).



4.3 Earnings per share	Year ended	Year ended
	March 31, 2021	March 31, 2020
	Rs.	Rs.
<b>Basic earnings per share</b>		
From continuing operations	(20.58)	(23.81)
<b>Total basic earnings per share</b>	<b>(20.58)</b>	<b>(23.81)</b>
<b>Diluted earnings per share</b>		
From continuing operations	(20.58)	(23.81)
<b>Total diluted earnings per share</b>	<b>(20.58)</b>	<b>(23.81)</b>

**Basic earnings per share**

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows.

	Year ended	Year ended
	March 31, 2021	March 31, 2020
	₹ Lakhs	₹ Lakhs
Profit/(loss) for the year attributable to owners of the Company	(611.27)	(707.01)
Adjustments	-	-
<b>Earnings used in the calculation of basic earnings per share</b>	<b>(611.27)</b>	<b>(707.01)</b>

	Year ended	Year ended
	March 31, 2021	March 31, 2020
	Nos.	Nos.
Weighted average number of ordinary shares for the purposes of basic earnings per share	29,69,999	29,69,999

	As At March 31,	As At March 31,
	2021	2020
	Nos.	Nos.
Weighted average number of ordinary shares used in the calculation of basic earnings per share	29,69,999	29,69,999
Adjustments	-	-
<b>Weighted average number of ordinary shares used in the calculation of diluted earnings per share</b>	<b>29,69,999</b>	<b>29,69,999</b>



#### 4.4 Financial Instruments

##### Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, non-convertible debt securities, and other long-term/short-term borrowings. The Company is required to comply with certain covenants under the arrangements executed for its borrowings and the Company has complied with all such covenants.

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

##### Gearing Ratio:

	₹ Lakhs	
	March 31, 2021	March 31, 2020
Debt ( Including Lease Liability)	(4,605.09)	1,882.02
Total equity	1,940.34	2,543.74
Net debt to total equity ratio	(2.37)	0.74

##### Categories of Financial Instruments:

	₹ Lakhs	
	March 31, 2021	March 31, 2020
<b>Financial assets</b>		
<u>a. Measured at amortised cost:</u>		
Cash and bank balances	487.86	451.64
Trade Receivables	5,331.46	1,913.65
Investments	1.61	1.61
Loans and advances	122.76	331.15
Others	16.21	26.98

##### **Financial liabilities**

##### a. Measured at amortised cost:

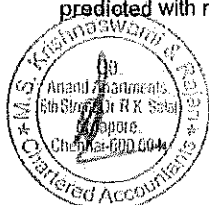
Borrowings	3,900.00	1,100.00
Trade Payables	13,183.77	305.25
Lease Liabilities	705.09	782.01
Others	790.39	748.98

##### **Financial risk management objectives**

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

##### **Market risk**

Market risk is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realizable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.



### Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings .

The exposure of company's borrowings to interest rate changes at the end of the reporting period are as follows:

	31-Mar-21	March 31, 2020
	Rs . Lakhs	Rs . Lakhs
Variable rate Borrowings	3,900.00	1,100.00
Fixed rate Borrowings	-	-

### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2021 would decrease/increase by Rs.9.75 lakhs (March 31, 2020: decrease/increase by Rs.2.75 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjustment is determined to be NIL. The Company makes an allowance for doubtful debts on a case to case basis wherever applicable. Expected credit loss for other than trade receivables has been assessed and based on life-time expected credit loss, loss allowance provision has been made where applicable.

The Company does has significant credit risk exposure to the following parties. (Constituting less than 9.5% of receivable value as on 31st Mar 21 & more than 10% of receivable value of 31st Mar 2020)

Period	Parties who constitute more than 5% of receivable
As on 31st Mar'21	Ashok Leyland Limited
As on 31st Mar'20	Ashok Leyland Limited

Age of receivables	₹ Lakhs	
	March 31 2021	March 31 2020
Not - due	-	-
Due within 6 Months	4,887.16	1,607.44
Due later than 6 months	444.30	306.21
Total	5,331.46	1,913.65

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

### Exposure to credit risk

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



### Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund based working capital loans from various banks. The Company invests its surplus funds in bank fixed deposit which carry minimal mark to market risks. Where available, there are no restrictions on the amount of undrawn borrowing facilities that are available for operating and capital commitments as at March 31, 2021.

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

Particulars	₹ lakhs	
	31-Mar-21	March 31, 2020
Expiring within one year (bank overdraft and other facilities)	-	-
Secured	6,600.00	13,400.00
UnSecured	-	-
<b>Total</b>	<b>6,600.00</b>	<b>13,400.00</b>

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

### Liquidity tables:

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

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	₹ Lakhs Carrying amount
<b>March 31, 2021</b>				
Trade payables	13,183.77	-	-	13,183.77
Lease Liability	255.24	378.66	233.01	866.91
Other financial liabilities	790.39	-	-	790.39
Borrowings (including interest accrued thereon upto the reporting date)	3,900.00	-	-	3,900.00
	<b>18,129.40</b>	<b>378.66</b>	<b>233.01</b>	<b>18,741.07</b>
<b>March 31, 2020</b>				
Trade payables	305.25	-	-	305.25
Lease Liability	256.62	574.86	88.50	919.98
Other financial liabilities	748.98	-	-	748.98
Borrowings (including interest accrued thereon upto the reporting date)	1,100.00	-	-	1,100.00
	<b>2,410.85</b>	<b>574.86</b>	<b>88.50</b>	<b>3,074.21</b>



4.6 Related party disclosure

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

Name of the Related Party	Relationship
Ashok Leyland Limited	Holding Company
Gulf Oil Lubricants Limited	Fellow Subsidiary to Holding Company
Hinduja Leyland Finance Limited	Fellow Subsidiary
Mr. Shanker Narayan	Director
Mr. S Ramadorai	Director
Mr. Sandeep Agarwal - Managing Director	Key Managerial Personnel
Mr.K.C.Sathyanarayanan- Chief Financial Officer	Key Managerial Personnel
Mr.V.Ramachandran - Company Secretary	Key Managerial Personnel

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

Name of the Related Party	Relationship
Hinduja Automotive Limited, United Kingdom	Holding Company
Machen Holdings SA	Holding Company
Machen Development Corporation, Panama	Holding Company
Amas Holdings SA	Holding Company
Hinduja Housing Finance Limited	Subsidiaries
Oplare PLC	Subsidiaries
Oplare UK Limited	Subsidiaries
Switch Mobility Limited (formerly known as Oplare Group Limited )	Subsidiaries
Jamasstan Investments Limited	Subsidiaries
Oplare Holdings Limited	Subsidiaries
Oplare (Leeds) Limited	Subsidiaries
East Lancashire Bus Builders Limited	Subsidiaries
Oplare Australia PTY LTD	Subsidiaries
Ashok Leyland (UAE) LLC	Subsidiaries
LLC Ashok Leyland Russia	Subsidiaries
Ashok Leyland West Africa	Subsidiaries
Ashok Leyland (Nigeria) Limited	Subsidiaries
Ashok Leyland (Chile) S.A.	Subsidiaries
Global TVB Bus Body Builders Limited	Subsidiaries
H.F Services Limited	Subsidiaries
Ashley Aviation Limited	Subsidiaries
Vishwa Buses and Coaches	Subsidiaries
Albonair (India) Private Limited	Subsidiaries
Albonair GmbH, Germany	Subsidiaries
Albonair (Taicang) Automotive Technology Co. Limited, China	Subsidiaries
Hinduja Tech Limited	Subsidiaries
Hinduja Tech Inc., USA	Subsidiaries
Hinduja Tech Inc. GmbH	Subsidiaries
Ashok Leyland Defence Systems Limited	Associates
Mangalam Retail Services Limited	Associates
Lanka Ashok Leyland PLC	Associates
Ashley Allteams India Limited	Joint venture
Ashok Leyland John Deere Construction Equipment Company Private Limited	Joint venture
Hinduja Energy (India) Limited	Fellow subsidiaries
DA Stuart India Private Limited	Fellow subsidiaries
Hinduja Renewables Private Limited	Fellow subsidiaries
Gulf Oil Iran (Iran)	Fellow subsidiaries
Gulf Oil Persia (Iran)	Fellow subsidiaries
Hinduja National Power Corporation Limited (India)	Fellow subsidiaries
Sangam Limited (United Kingdom)	Fellow subsidiaries
NN Investment BV (Netherlands)	Fellow subsidiaries
Gulf Oil International Limited (Cayman Islands)	Fellow subsidiaries
Gulf Oil Yantai Limited (China)	Fellow subsidiaries
Gulf Oil International UK Limited (United Kingdom)	Fellow subsidiaries
Gulf Oil International Middle East (Cayman Islands)	Fellow subsidiaries
Gulf Oil Marine Limited (Hong Kong)	Fellow subsidiaries
Gulf International Lubricants Limited (Cayman Islands)	Fellow subsidiaries
Gulf Oil International Middle East Limited (UAE & GCC branches) (Cayman)	Fellow subsidiaries
Gulf Oil Philippines Inc (Philippines)	Fellow subsidiaries
Gulf Oil Bangladesh (Bangladesh)	Fellow subsidiaries
Gulf Oil China Limited (China)	Fellow subsidiaries
Gulf Oil Italy S.p.A	Fellow subsidiaries
Gulf Oil Supply Company Limited	Fellow subsidiaries



Gulf Polska sp. Z o.o	Fellow subsidiaries
P T Gulf Oil Lubricants Inc (Indonesia)	Fellow subsidiaries
Gulf Oil Corporation Limited (India)	Fellow subsidiaries
HGHL Holdings Limited (United Kingdom)	Fellow subsidiaries
Gulf Oil Mauritius Inc (Mauritius)	Fellow subsidiaries
Base Oil Supply Limited (Cayman Islands)	Fellow subsidiaries
Gulf Oil Argentina SA (Argentina)	Fellow subsidiaries
Gulf Rak Lube Oil (Ras Al Khaimah)	Fellow subsidiaries
Gulf Oil Panama, SA (Panama)	Fellow subsidiaries
Gulf Oil Marketing GmbH (Austria)	Fellow subsidiaries
Gulf Oil Selective Asia Limited (Cayman Islands)	Fellow subsidiaries
Gulf International Lubricants Limited (Bermuda)	Fellow subsidiaries
Gulf Oil Benelux B.V. (Netherlands)	Fellow subsidiaries
Houghton Norge AS (Norway)	Fellow subsidiaries
Houghton Deutschland GMBH	Fellow subsidiaries
GITCEL Limited (United Kingdom)	Fellow subsidiaries
SLAA (USA)	Fellow subsidiaries
Hinduja Capital Limited	Fellow subsidiaries
Kiran Energy Solar Power Limited	Fellow subsidiaries
Hinduja Renewable Energy Private Limited	Fellow subsidiaries
Riot Solutions Limited	Fellow subsidiaries
Genies Inc Fund	Fellow subsidiaries
Clear Energy Venture Fund	Fellow subsidiaries
Pavegen Systems Venture Capital Fund	Fellow subsidiaries
GH Holdings Inc (USA)	Fellow subsidiaries
Houghton Holdings Limited (UK)	Fellow subsidiaries
Houghton Plc (United Kingdom)	Fellow subsidiaries
Houghton Danmark A/S (Denmark)	Fellow subsidiaries
Houghton Sverige AB (Sweden)	Fellow subsidiaries
Houghton Oils & Chemicals (Ireland)	Fellow subsidiaries
Houghton Oils & Chemicals (Northern Ireland)	Fellow subsidiaries
IDL Explosives Limited	Fellow subsidiaries
IDL Speciality Chemicals Limited (India)	Fellow subsidiaries
GHGL London Limited (United Kingdom)	Fellow subsidiaries
GHG Lubricants Holdings Limited (United Kingdom)	Fellow subsidiaries
GHGL Holdings Limited (United Kingdom)	Fellow subsidiaries

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



Related party disclosure (Continued)

Is of Transactions with Related Parties :

Name of Related Party	Particulars	₹ Lakhs	
		2020-21	2019-20
Ashok Leyland Limited	<i>Transactions during the year ended March 31</i>		
	Purchase of Traded Goods (Net of Discount)	34,398.59	32,369.84
	Management/Other Service Expense	117.56	58.41
	Sales and Services Income (Net of GST)	759.95	1,504.22
	Other Operating Income	343.12	1,336.22
	<i>Outstanding balances as at March 31</i>		
	Trade Receivables	357.13	21.26
Contract Assets - Unbilled Revenue	31.93	54.86	
Trade Payables	13,114.86	241.22	
Gulf Oil Lubricants Limited	<i>Transactions during the year ended March 31</i>		
	Purchase of Traded Goods (Net of Discount)	335.07	540.44
	<i>Outstanding balances as at March 31</i>		
Trade and Other payables/ Receivable	(7.73)	18.41	
Hinduja Leyland Finance Limited	<i>Transactions during the year ended March 31</i>		
	Interest paid on borrowings	0.40	6.86
	<i>Outstanding balances as at March 31</i>		
Borrowings (Trade Advance)	-	-	
Global TVS Bus Body Builders Limited	<i>Transactions during the year ended March 31</i>		
	Purchase of Traded Goods (Net of Discount)	-	11.90
	<i>Outstanding balances as at March 31</i>		
Trade and Other payables	-	-	



#### 4.6 Leases

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

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

Non-cancellable lease commitments	Rs. Lakhs 31-Mar-21	Rs. Lakhs 31-Mar-20
Maturity analysis of future lease payments :-		
Not later than 1 year	255.24	256.62
Later than 1 year but not later than 5 years	378.65	574.86
Later than 5 years	233.02	88.50

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

Particulars	Rs. Lakhs 31-Mar-21	Rs. Lakhs 31-Mar-20
Lease asset for low value asset (less than Rs.5 lakhs)	1.44	5.66
Short term leases	121.53	192.08

##### 4.6.3 Other disclosures

Particulars	Rs. Lakhs 31-Mar-21	Rs. Lakhs 31-Mar-20
a. Carrying value of right of use of (ROU) asset	606.03	685.46
b. Depreciation charge for ROU asset	176.59	282.29
c. Interest expense on lease liability	49.72	140.64
d. Total cashflow during the year for leases	208.48	380.91
e. Additions to ROU (Other than upon transition)	246.83	-
f. Lease commitments for short term leases	-	-
g. Lease liability outstanding	705.09	782.01

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

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

##### Company as lessee

##### Leasing arrangements

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

#### 4.7 Contingent liabilities and contingent assets

Contingent liabilities	March 31, 2021	March 31, 2020
	₹ Lakhs	₹ Lakhs
Claims against the Company not acknowledged as debts (net)		
Sales tax / VAT*	-	-
Service Tax	97.61	97.61
These have been disputed by the Company on account of issues of applicability and classification.		
	97.61	97.61

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

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



4.8 Details of Short Term Borrowings	March 31, 2021	Particulars of Borrowing	March 31, 2020
	₹ Lakhs		₹ Lakhs
- HDFC	3,900.00	Working Capital Demand Loan repayable on demand carry interest rates varying between 6.00% p.a. to 7.00 % p.a.	1,100.00
- Federal	-	Cash Credit Facility - Repayable on demand	-
	<b>3,900.00</b>		<b>1,100.00</b>

The above loans are secured by way of hypothecation of inventories aggregating to Rs. 10,179.45 lakhs (2020: Rs.465.81 lakhs), Bills receivable, Book Debts to the extent of Rs.5,331.46 lakhs (2020: Rs.1,913.65 lakhs) and all other movables both present and future of the Company reduced by the Trade Payable in the book Rs.11,493.65 Lakh (2020 Rs.305.25 lakhs). No Fixed asset has been provided as security against the short term borrowings. The weighted average rate of interest of these loans is around 6.27%

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

4.10 Auditor's Remuneration	PARTICULARS	Rs. Lakhs	
		2021	2020
	1. for Statutory audit	3.00	3.00
	2. for Taxation matters	1.50	1.50
	3. GST Audit of FY 2017-18	-	2.45
	4. GST Audit of FY 2018-19	2.45	-
	5. GST Audit of FY 2019-20	2.45	-
	6. for Other services	0.88	0.40

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

4.12 Net debt reconciliation

Not debt reconciliation:	Rs. Lakhs	
	As at March 31, 2021	As at March 31, 2020
	Rs.	Rs.
1. Cash and cash equivalents	287.86	451.64
2. Current borrowings	(3,900.00)	(1,100.00)
2. Lease Liability	(705.09)	(782.01)
<b>Net debt</b>	<b>(4,317.23)</b>	<b>(1,430.37)</b>

	Other assets	Liabilities from financing activities	Liabilities from financing activities	Total
	cash and bank overdraft	Current borrowings	Lease Liability	
Net debt as at March 31, 2020	451.64	(1,100.00)	-	(648.36)
Opening Lease Liability as at April 1, 2020	-	-	(782.01)	(782.01)
Liability created during the year	-	-	(246.83)	(246.83)
Cash flows	(163.78)	(2,800.00)	158.76	(2,805.02)
Interest expense	-	136.81	49.72	186.53
Interest paid	-	(136.81)	(49.72)	(186.53)
Adjustment	-	-	164.98	164.98
<b>Net debt as at March 31, 2021</b>	<b>287.86</b>	<b>(3,900.00)</b>	<b>(705.09)</b>	<b>(4,317.23)</b>





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

	31-Mar-21	March 31, 2020
	₹ lakhs	₹ lakhs
Revenue as per contracted price	28,136.81	47,883.35
Adjustments		
Commission	20.38	11.78
Incentives	157.16	325.76
Revenue from contract with customers	<u>28,314.35</u>	<u>48,220.89</u>

(d) There are no performance obligations remaining unsatisfied as at March 31, 2021.

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

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

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

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



For and behalf of the Board

Uma Rao  
Director  
DIN: 07810779

Anuj Kathuria  
Director  
DIN: 05164333

Date: June 11, 2021  
Place : Chennai

K.C.Sathyanarayanan  
Chief Financial Officer

Ramachandran V  
Company Secretary

Gulf Ashley Motor Limited

Notes to the Financial Statements for the year ended March 31, 2021

### 3A. General information

Gulf Ashley Motor Limited ("the Company") is a public limited company incorporated and domiciled in India and governed by the Companies Act, 2013 ("Act"). The Company's registered office is situated at 1, Sardar Patel Road, Guindy, Chennai, Tamil Nadu, India. The main activities of the Company are those relating to sale and service of Commercial Vehicle and sale of Spare Parts.

### 3B. Significant Accounting Policies

#### Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable



property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

### 3.1 Basis of Preparation and Presentation

The financial statements are presented in Indian Rupees Lakhs (Rs. in Lakhs)

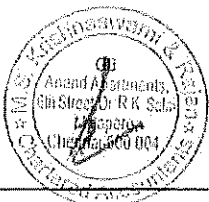
The financial statements have been prepared on the historical cost basis

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

### 3.2 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.



### 3.2.1 Sale of goods

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally when the product is shipped to the customer. The revenue from sale of vehicles is based on the terms of the tender.

The Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. Thus there is no significant financing component.

### 3.2.2 Rendering of services

Revenue from services is recognised over a period of time as and when the services are rendered in accordance with the specific terms of contract with customer.

### 3.2.3 Other Operating Revenues

Other operating revenues comprise of income from ancillary activities (eg: scrap sales) incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

### 3.2.4 Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

3.2.5 Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

## Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers and establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to



exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

### 3.3 Employee benefits

#### 3.3.1 Retirement benefit costs and termination benefits

Payments to defined contribution plans i.e., Company's contribution to provident fund, employee state insurance and other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

For defined benefit plans i.e. Company's liability towards gratuity (funded), other retirement/ terminations benefits and compensated absences, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Defined benefit costs are comprised of: service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); net interest expense or income; and re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement of net defined benefit liability/ asset is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

#### 3.3.2 Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.



### 3.4 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### 3.4.1 Current tax

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted.

#### 3.4.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.



The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3.6 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost (net of eligible credit for GST) less accumulated depreciation and accumulated impairment losses. Cost of all civil works (including electrification and fittings) is capitalised.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Property, plant and equipment (including patterns and dies) where the cost exceeds Rs.10,000 is capitalised and stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement profit or loss.

### 3.7 Impairment of assets:



Plant, Property and Equipment are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 3.8 Investment:

Investment in joint venture is measured at deemed cost. However, provision for diminution is made to recognize a decline, if any, other than temporary, in the carrying value of the investment.

### 3.9 Leases

The Indian Accounting Standard (Ind AS) 116 is applicable from FY 2019-20 and it replaces Ind AS 17.

Ind AS 116 requires entity to determine whether a contract is or contains a lease at the inception of the contract.

Ind AS 116 requires lessee to recognise a liability to make lease payments and an asset representing the right to use asset during the lease term for all leases except for short term leases and leases of low-value assets.

Ind AS 116 requires Lessee Company to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.



At the commencement date, Company recognized a Right-Of Use asset measured at cost and a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company has used its incremental borrowing rate

The cost of the right-of-use asset comprised of, the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee

At the commencement date, the lease payments included in the measurement of the lease liability comprise (a) fixed payments less any lease incentives receivable; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (c) amounts expected to be payable by the company under residual value guarantees;(d) the exercise price of a purchase option if the company is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

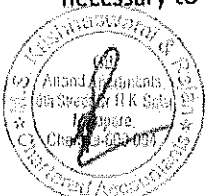
Depreciation on Right to use asset and impairment losses if any is recognised in Statement of Profit and Loss. Computed on a straight line basis over the period of lease. Also the company separately recognises interest on lease liability as a component of finance cost in Statement of Profit and Loss.

### 3.10 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost of Vehicles and spares comprises cost of purchases and includes taxes and duties. Cost of inventories also includes all other related costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.



Cost of inventories are determined as follows,

- Stores, Spares, Consumable tools and components: on moving weighted average basis;
- Traded goods: on weighted average basis;

Cost of obsolete/ slow moving inventories are adequately provided for.

### 3.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event or it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed in case of:

- A present obligation arising out of past events, when it is not probable that there will be an outflow of resources that will be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.
- Provisions, Contingent liabilities, Contingent assets and commitments are reviewed at each Balance sheet date.
- Provision for litigation related obligation represents liabilities expected to materialise in respect of matters in appeal.

### 3.12 Exceptional Items:



On certain occasions, the size, the type or incidence of an item of expense or income, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, In that event such income or expense is classified as an exceptional item and accordingly disclosed in notes to the financial statements.

### 3.13 Fair Value Measurement:

The Company measures financial instruments, at fair value at each balance sheet 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:

- In the principal market for the asset or liability,
- or
- 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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) market prices in active markets for identical assets or liabilities
  
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
  
- ▶ 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

#### 3.14 Financial instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognised immediately in profit or loss.

#### 3.15 Financial assets

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.



### 3.15.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments on principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

The Company has determined the classification of debt instruments in terms of whether they meet amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date. Accordingly, the Company has classified all debt instruments as of the transition date at amortised cost.

The Company measures its investments in equity instruments of joint venture at cost in accordance with Ind AS 27. At transition date, the Company had elected to continue with the carrying value of such investments measured as per the previous GAAP and use such carrying value as its deemed cost.

All other financial assets are subsequently measured at fair value.

### 3.15.2 Impairment of financial assets:

A Financial asset is regarded as credit impaired or subject to significant increase in credit risk, when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the company expects to receive).



### 3.15.3 De-recognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

## 3.16 Financial liabilities and equity instruments

### 3.16.1 Classification as debt or equity

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 3.16.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.



### 3.16.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

#### 3.16.3.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other Income' line item.

#### 3.16.3.2 Financial liabilities subsequently measured at amortised cost



Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance Costs" line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### 3.17. Critical accounting judgments and key sources of estimation uncertainty:

The preparation of financial statements in conformity with Ind AS requires the Company's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) and recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the Management in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 3.17.1 Taxation



Determining of income tax liabilities using tax rates and tax laws that have been enacted or substantially enacted requires the Management to estimate the level of tax that will be payable based upon the Company's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

In respect of other taxes which are in disputes, the Management estimates the level of tax that will be payable based upon the Company's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

#### 3.17.2 Provisions against receivables

The Management makes judgement based on experience regarding the level of provision required to account for potentially uncollectible receivables using information available at the balance sheet date.

