

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GULF ASHLEY MOTOR LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of GULF ASHLEY MOTOR LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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.

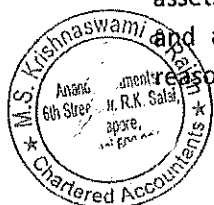
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards 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, 2019, the profit and 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 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 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 financial statements.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal



financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

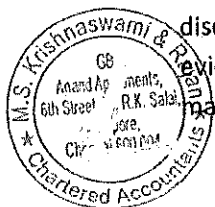
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

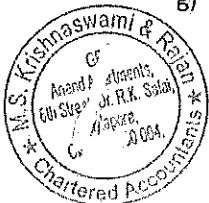
Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Companies Act, 2013, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rules issued thereunder.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
 - f) With respect to the adequacy of the Internal Financial Controls Over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control over financial reporting.
 - g) With respect to other matters to be included in the Auditor's report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of the information and according to the explanations given to us, no remuneration is paid by



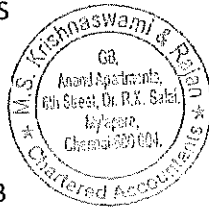
the company to its directors during the year and hence the compliance with the provisions of the section 197 does not arise.

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 does not have any pending litigations on its financial position in its Financial Statements.
- 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, 2019.
- 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
Date: May 10, 2019
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, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

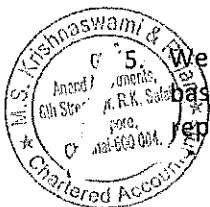
Management's Responsibility for Internal Financial Controls

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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 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 authorisations 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.

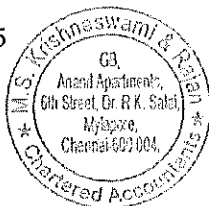
Opinion

8. In our opinion, considering the remediation and other measures taken by the Company, 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, 2019 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

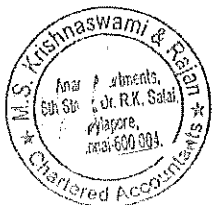
M.S. Murali
Partner
Membership No. 26453
Date: May 10, 2019
Place: Chennai



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 financial statements of Gulf Ashley Motor Limited ("the Company") for the year ended March 31, 2019).

1. In respect of the Company's fixed assets:
 - (a) The company is maintaining proper records showing full 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 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, no material discrepancies were noticed during the year on such verification.
 - (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 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 land taken on lease, the lease agreement is in the name of the Company. The building on the said land disclosed as fixed asset is in the name of the Company.
2. As explained to us, the inventories, other than goods in transit, have been physically verified at the year-end by the management and no material discrepancies were noticed on such physical verification.
3. According to the information and explanation given to us, 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 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 have 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, 2019 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 services tax, Customs duty, cess and any other material statutory dues as applicable to the appropriate authorities during the year. There were no undisputed amounts payable in respect of the aforesaid statutory dues outstanding as on March 31, 2019 for a period of



more than six months from the date they became payable.

- (b) There are no dues of Income tax, Sales tax, Service tax, Goods and Services tax, Customs Duty, Excise duty or Value added tax that have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, or to banks. The Company does not have any borrowings 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) during the year. Hence reporting on utilization of such money under clause 3(ii) of the Order does not arise.
10. To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations no fraud by the company or no material fraud on the company by its officers or employees has been noticed or reported during the year.
11. No Managerial remuneration has been paid/provided by the Company and accordingly, the provisions of section 197 read with Schedule V of the Companies Act, 2013 are not applicable to the Company.
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 financial statements as required by the applicable Accounting Standards. (Refer note 5.5 to 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: 01554S

M.S.Murali

Partner

Membership No:26453

Date: May 10, 2019

Place: Chennai



Gulf Ashley Motor Limited			As at Mar 31, 2019	As at Mar 31, 2018
Balance Sheet as at March 31, 2019		Note No.	₹ Lakhs	₹ Lakhs
ASSETS				
Non-current assets				
Property, plant and equipment	1.1		1,211.44	1,360.86
Capital work-in-progress	1.1		-	7.52
Financial Assets				
(i) Investments	1.2		1.61	23.25
(ii) Others	1.3		346.47	383.89
Deferred tax assets (net)	1.4		32.00	44.40
Non-current tax assets (net)	1.5		127.11	160.01
Other non-current assets	1.6		-	0.46
			<u>1,718.63</u>	<u>1,980.39</u>
Current assets				
Inventories	1.7		9,349.29	8,093.86
Financial Assets				
(i) Trade Receivables	1.8		6,476.46	7,234.06
(ii) Cash and cash equivalents	1.9		3,751.46	1,943.52
(iii) Others	1.10		33.82	128.03
(iv) Contract Assets			65.76	-
Other Current Assets	1.11		741.36	1,189.24
			<u>20,418.15</u>	<u>18,588.71</u>
TOTAL			<u>22,136.78</u>	<u>20,569.10</u>
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	1.12		2,969.99	2,969.99
Other Equity	1.13		2,813.91	126.62
			<u>5,783.90</u>	<u>3,096.61</u>
Liabilities				
Non-current liabilities				
Provisions	1.14		47.55	39.15
			<u>47.55</u>	<u>39.15</u>
Current liabilities				
Financial Liabilities				
(i) Borrowings	1.15		8,080.17	14,485.26
(ii) Trade Payables	1.16		-	-
-Total outstanding dues to Micro, Small and Medium enterprises			-	-
-Total outstanding dues other than to Micro, Small and Medium enterprises			6,826.11	1,430.75
(iii) Other financial liabilities	1.17		354.00	401.51
Other current liabilities	1.18		1,025.69	1,099.84
Provisions	1.19		19.36	15.98
			<u>16,305.33</u>	<u>17,433.34</u>
TOTAL			<u>22,136.78</u>	<u>20,569.10</u>

The accompanying notes form an integral part of standalone financial statements

This is the Balance Sheet referred to in our Report of even date.

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

For and behalf of the Board

M.S. Murali
Partner
Membership No: 26453

Anuj Kathuria
Chairman
DIN: 05164333

Sandeep Agrawal
Manager and Director
DIN: 08148276

Date: May 10, 2019
Place : Chennai

PR Alagusundaram
Chief Financial Officer

Ramachandran V /
Company Secretary

Gulf Ashley Motor Limited
Statement of Profit and Loss for the Period ended March 31, 2019

Particulars	Note No.	Year ended March 31, 2019 ₹ Lakhs	Year ended March 31, 2018 ₹ Lakhs
Income			
Revenue from operations	2.1	95,321.60	84,909.95
Other income	2.2	258.11	62.18
Total Income		<u>95,579.71</u>	<u>84,972.13</u>
Expenses			
Purchases of Stock-in-Trade - Traded goods	2.3	91,465.05	86,267.64
Changes in inventories of stock-in-trade	2.4	(1,255.43)	(5,996.61)
		<u>90,209.62</u>	<u>80,271.03</u>
Employee benefits expense	2.5	1,894.00	1,846.78
Finance costs	2.6	956.27	634.76
Depreciation and amortisation expense	2.7	123.97	140.44
Other expenses	2.8	2,093.55	2,032.41
Total Expenses		<u>95,277.41</u>	<u>84,925.42</u>
Profit/ (Loss) before exceptional items and tax		<u>302.30</u>	<u>46.71</u>
Exceptional Items	2.9	3,138.57	252.66
Profit/ (Loss) before tax		<u>3,440.87</u>	<u>299.37</u>
Tax expense:			
Current tax		758.69	67.18
Deferred tax		12.41	(9.84)
Tax expense		<u>771.10</u>	<u>57.34</u>
Profit/(Loss) for the year		<u>2,669.77</u>	<u>242.03</u>
Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
Remeasurement of Defined Benefit Plans		26.93	(3.96)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(9.41)	(0.81)
Total Other Comprehensive Income		<u>17.52</u>	<u>(4.77)</u>
Total Comprehensive Income		<u>2,687.29</u>	<u>237.26</u>
Earnings per equity share (Face value Rs.100 each) (for continuing operations)			
- Basic (in Rs.)		89.89	8.15
- Diluted (in Rs.)		89.89	8.15

The accompanying notes form an integral part of standalone financial statements.
This is the Statement of Profit and Loss referred to in our Report of even date

For M.S. Krishnaswami & Rajan
Chartered Accountants
Firm Registration No. : 01654S

For and behalf of the Board

M.S. Murali
Partner
Membership No: 26453

Anuj Kathuna
Chairman
DIN: 05164333

Sandeep Agrawal
Manager and Director
DIN: 08148276

Date: May 10, 2019
Place : Chennai

PR Alaguśundaram
Chief Financial Officer

Ramachandran V
Company Secretary

Gulf Ashley Motor Limited

Cash Flow Statement for the year ended March 31, 2019

	March 31, 2019 ₹ lakhs	March 31, 2018 ₹ lakhs
Cash flow from operating activities		
Profit/(loss) for the year	3,440.87	299.37
Adjustments for :		
Depreciation and amortisation - net of capitalisation	123.97	140.44
Bad and doubtful debts / advances provided / written-off (net of recovery)	68.66	90.61
Loss / (Profit) on disposal of tangible assets	(112.17)	(306.18)
Loss / (Profit) on sale of investments	(3,138.57)	-
Provision for Obsolete parts	34.17	(48.38)
Finance costs	956.27	634.76
Interest income	(118.55)	(0.57)
Operating profit before working capital changes	1,254.65	810.05
Adjustments for changes in :		
Trade receivables	708.43	1,300.36
Inventories	(1,289.60)	(5,948.23)
Non-current and current financial assets	65.87	(212.03)
Other non-current and current assets	428.39	(1,133.13)
Trade payables	5,395.36	(172.65)
Non-current and current financial liabilities	(20.58)	60.56
Other non-current and current liabilities	(74.15)	155.56
Other non-current and current provisions	11.76	2.82
Cash generated from operations		
Income tax paid	(735.21)	-
Net cash flow from operating activities	5,744.94	(5,136.69)
Cash flow from investing activities		
Payments for acquisition of assets	(168.02)	(124.80)
Proceeds on sale of fixed assets	313.62	614.10
Proceeds from sale of investments (net)	3,160.21	-
Interest received	118.55	0.57
Net cash flow from investing activities	3,424.36	489.87
Cash flow from financing activities		
Proceeds from short-term borrowings	(6,405.09)	6,116.78
Finance cost paid	(956.27)	(634.76)
Net cash flow (used in) financing activities	(7,361.36)	5,482.02
Net cash inflow	1,807.94	835.20
Opening cash and cash equivalents	1,943.52	1,108.32
Closing cash and cash equivalents [Refer Note 1.9 to the Financial Statements]	3,751.46	1,943.52
The accompanying notes form an integral part of standalone financial statements		

This is the Cash Flow Statement referred to in our Report of even date

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

For and behalf of the Board

M.S. Murali
Partner
Membership No: 26453

Anuj Kathuria
Chairman
DIN: 05164333

Sandeep Agrawal
Manager and Director
DIN: 08148276

Date: May 10, 2019
Place: Chennai

PR Alagusundaram
Chief Financial Officer

Ramachandran V
Company Secretary

Gulf Ashley Motor Limited
Statement of Changes in Equity for the year ended 31st March, 2019

A. Equity Share Capital

₹ lakhs

Balance at the beginning of Mar 31, 2017	Changes in equity share capital during the year	Balance at the beginning of Mar 31, 2018	Changes in equity share capital during the year	Balance at the end of Mar 31, 2019
2,969.99	-	2,969.99	-	2,969.99

B. Other Equity

₹ lakhs

Particulars	Reserves and Surplus	
	Retained Earnings	Total
Balance at the beginning of April 1, 2017	(110.65)	(110.65)
Profit/(Loss) for the year	242.04	242.04
Other comprehensive income	(4.77)	(4.77)
Total Comprehensive Income for the year	237.27	237.27
Balance at the beginning of April 1, 2018	126.62	126.62
Profit/(Loss) for the year	2,669.77	2,669.77
Other comprehensive income	17.52	17.52
Total Comprehensive Income for the year	2,687.29	2,687.29
Balance at the end of Mar 31, 2019	2,813.91	2,813.91

The accompanying notes form an integral part of standalone financial statements

This is the statement of changes in equity referred to in our Report of even date

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

For and behalf of the Board

M.S. Murali
Partner
Membership No: 26453

Anuj Kathuria
Chairman
DIN: 05164333

Sandeep Agrawal
Manager and Director
DIN: 08148276

Date: May 10, 2019
Place : Chennai

PR Alagusundaram
Chief Financial Officer

Ramachandran V
Company Secretary

1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

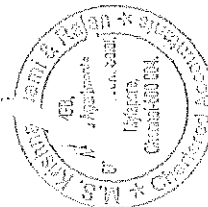
(2018-19 - ₹ Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT					DEPRECIATION / AMORTISATION					NET CARRYING AMOUNT	
	01.04.2018	Additions	Adjustments	Disposals	3/31/2019	Upto 01.04.2018	Charge during the year	Disposals	Adjustments	Upto 3/31/2019		3/31/2019
PROPERTY, PLANT AND EQUIPMENT												
Freehold Land	112.51	-	-	24.41	88.10	-	-	-	-	-	88.10	
Buildings	553.31	32.73	-	128.48	457.56	17.34	24.47	12.87	-	28.94	428.62	
Plant and equipment	405.67	72.13	-	9.43	468.37	61.57	32.19	3.53	-	90.23	378.14	
Furniture and Fixtures	254.50	30.51	-	4.20	280.81	49.44	22.91	1.78	-	70.57	210.24	
Vehicles	184.20	27.10	-	54.57	156.73	37.28	26.40	9.00	-	54.68	102.05	
Office Equipments - Computer	58.60	6.01	-	0.65	63.96	42.30	18.00	0.63	-	59.67	4.29	
TOTAL	1,568.79	168.48	-	221.74	1,515.53	207.93	123.97	27.81	-	304.09	1,211.44	

Capital Work in Progress 140.67

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.



1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

(2017-18 - ₹ Lakhs)

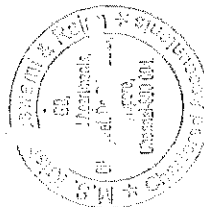
DESCRIPTION	GROSS CARRYING AMOUNT						DEPRECIATION / AMORTISATION					NET CARRYING AMOUNT
	01.04.2017	Additions	Adjustments	Disposals	31-03-2018		Upto 01.04.2017	Charge during the year	Disposals	Adjustments	Upto 31-03-2018	
PROPERTY, PLANT AND EQUIPMENT												
Freehold Land	147.16	-	-	34.65	112.51	-	-	-	-	-	-	112.51
Buildings	755.83	33.96	-	236.48	553.31	-	52.84	64.87	-	-	17.34	535.97
Plant and equipment	438.40	46.43	(0.24)	78.92	405.67		53.65	25.94	0.01	0.01	61.57	344.10
Furniture and Fixtures	283.13	27.04	(0.68)	54.99	254.50		45.47	25.00	(0.03)	(0.03)	49.44	205.06
Vehicles	181.15	37.49	-	34.44	184.20		29.85	20.92	-	-	37.28	146.92
Office Equipments - Computer	68.83	8.77	0.92	17.92	58.60		35.15	12.74	0.02	0.02	42.30	16.30
TOTAL	1,872.50	153.69	-	457.40	1,568.79		216.96	149.47	-	-	207.93	1,360.86

Capital Work in Progress

7.52

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
- 3 Adjustments represents reclassifications made during the year.



1.2 NON-CURRENT INVESTMENTS

DESCRIPTION	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
Investment in unquoted Equity Instruments				
Joint Ventures				
Equity Shares of Rs. 10 each				
Ashok Leyland John Deere Construction Equipment Company Private Limited	16,064,853	1.61	232,518,140	23.25
Total Investment in Equity Instruments (Net)		1.61		23.25

Note:

- (a) Aggregate amount of unquoted investment
(b) The movement in number of shares and carrying value of investment during the year is pursuant to share capital reduced effected by the investee and the consequent return of monies.
(c) Ashok Leyland John Deere Construction equipment Company Private Limited is under liquidation

1.3 OTHER NON-CURRENT FINANCIAL ASSETS
(Unsecured, considered good)

	As at Mar 31, 2019 ₹ Lakhs	As at Mar 31, 2018 ₹ Lakhs
a) Security Deposits	321.47	333.89
b) Receivable on sale of Property, Plant and Equipment	25.00	50.00
	346.47	383.89

1.4 DEFERRED TAX ASSET (NET)

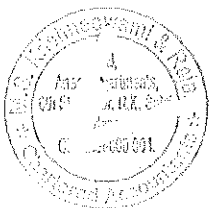
	As at Mar 31, 2019 ₹ Lakhs	As at Mar 31, 2018 ₹ Lakhs
a) Deferred tax liabilities	(67.47)	(73.17)
b) Deferred tax assets	99.44	117.54
	31.97	44.37
c) MAT Credit entitlement	0.03	0.03
	32.00	44.40

Deferred tax (liability) / assets in relation to:

(1) Property, plant and equipment (including Intangible assets)	(67.47)	(73.17)
(2) Provisions for doubtful debts	65.69	42.77
(3) Defined benefit obligation		
- Expenses allowed only upon payments	22.34	18.41
(4) Other temporary differences (income tax disallowance, loan raising expenses etc)	11.41	56.36
Total	31.97	44.37

1.5 NON-CURRENT TAX ASSETS (NET)
(Unsecured, considered good)

	As at Mar 31, 2019 ₹ Lakhs	As at Mar 31, 2018 ₹ Lakhs
Advance income tax (net of provision)	127.11	160.01
	127.11	160.01



Gulf Ashley Motor Limited

Notes annexed to and forming part of the Financial Statements

1.9 CASH AND CASH EQUIVALENTS	As at Mar 31, 2019 ₹ Lakhs	As at Mar 31, 2018 ₹ Lakhs
i) Balances with Banks- in Current account	1,118.77	1,925.62
- in Deposit accounts*	2,620.12	-
ii) Cash and stamps on hand	12.57	17.90
	3,751.46	1,943.52

* deposits with original maturity of less than 3 months.

1.10 OTHER CURRENT FINANCIAL ASSETS (Unsecured, Considered Good unless otherwise stated)	As at Mar 31, 2019 ₹ Lakhs	As at Mar 31, 2018 ₹ Lakhs
a) Employee advances	8.82	9.94
b) Unbilled Revenue	-	60.07
c) Receivable on sale of Property, Plant and Equipment	25.00	25.00
d) Insurance Claim receivable	-	13.43
e) Earnest Money Deposit	-	0.09
f) Other receivables - Considered doubtful	31.30	19.50
	65.12	128.03
Less : Provision for doubtful receivable	31.30	-
	33.82	128.03

1.11 OTHER CURRENT ASSETS (Unsecured, Considered Good)	As at Mar 31, 2019 ₹ Lakhs	As at Mar 31, 2018 ₹ Lakhs
a) Material advances	-	10.52
b) Balances with Government Authorities	723.69	1,159.32
c) Others	17.67	19.40
	741.36	1,189.24

Others include:

- Prepaid expenses	17.67	19.28
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Gulf Ashley Motor Limited

Notes annexed to and forming part of the Financial Statements

1.12 EQUITY SHARE CAPITAL

As at Mar 31, 2019 As at Mar 31, 2018
₹ Lakhs ₹ Lakhs

Authorised			
40,00,000 (2018: 40,00,000) Equity shares of Rs.100 each	4,000.00	4,000.00	4,000.00
Issued			
29,69,999 (2018: 29,69,999) Equity shares of Rs.100 each	2,969.99	2,969.99	2,969.99
Subscribed and fully paid up			
29,69,999 (2018: 29,69,999) Equity shares of Rs.100 each	2,969.99	2,969.99	2,969.99
	2,969.99	2,969.99	2,969.99

Notes:

1. Reconciliation of number of Equity shares issued, subscribed and fully paid up

Balance as at the beginning of the year
Add: Issued during the year
Balance as at the end of the year

	As at Mar 31, 2019		As at Mar 31, 2018	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
Balance as at the beginning of the year	29,69,999	2,969.99	29,69,999	2,969.99
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	29,69,999	2,969.99	29,69,999	2,969.99

2. Shares issued in preceding 5 years

Aggregate number and class of shares allotted for consideration other than cash, bonus etc., in the five years immediately preceding the balance sheet date as on March 31, 2019 is NIL (2018: NIL)

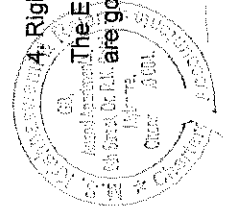
3. Shares held by

Ashok Leyland Limited - Holding Company
Gulf Oil Lubricants India Limited

	As at Mar 31, 2019		As at Mar 31, 2018	
	No. of shares	%	No. of shares	%
Ashok Leyland Limited - Holding Company	27,61,428	92.98%	27,61,428	92.98%
Gulf Oil Lubricants India Limited	2,03,571	6.85%	2,03,571	6.85%

4. Rights, Preferences and restrictions in respect of equity shares issued by the Company

The Equity share holders are entitled to received dividend as and when declared, right to vote in proportion of holding etc., and their rights, preferences and restrictions are governed by or in terms of their issue and provisions of Companies' Act, 2013



Gulf Ashley Motor Limited

Notes annexed to and forming part of the Financial Statements

1.13 OTHER EQUITY

	As at Mar 31, 2019 ₹ Lakhs	As at Mar 31, 2018 ₹ Lakhs
Retained Earnings (Surplus in Statement of Profit and Loss)		
Balance as at the beginning of the year	126.62	(110.65)
Add: Current year profit	2,669.77	242.04
Add:/Less: Other Comprehensive Income arising from remeasurement of defined benefit obligation net of Income Tax	17.52	(4.77)
Balance as at the end of the year	<u>2,813.91</u>	<u>126.62</u>

Refer " Statement of changes in Equity for addition or deletion in reserves

1.14 NON-CURRENT PROVISIONS

	As at Mar 31, 2019 ₹ Lakhs	As at Mar 31, 2018 ₹ Lakhs
Provision for Employee Benefits -Compensated absences	47.55	39.15
	<u>47.55</u>	<u>39.15</u>

1.15 CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at Mar 31, 2019 ₹ Lakhs	As at Mar 31, 2018 ₹ Lakhs
Secured Borrowings at amortised cost		
Loans from Banks (Includes Cash Credit, Working capital demand loans, Packing credit, etc)	7,385.14	14,476.07
Loans from NBFC - Related party (Refer Note 5.5)	695.03	9.19
	<u>8,080.17</u>	<u>14,485.26</u>

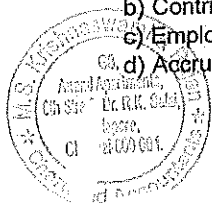
Refer Note 5.8 for details of security and other terms and conditions

1.16 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at Mar 31, 2019 ₹ Lakhs	As at Mar 31, 2018 ₹ Lakhs
Trade payables		
i. Micro small and medium enterprises (Refer Note 5.9)	-	-
ii. Other Trade Payables	6,826.11	1,430.75
	<u>6,826.11</u>	<u>1,430.75</u>

1.17 CURRENT FINANCIAL LIABILITIES - OTHERS

	As at Mar 31, 2019 ₹ Lakhs	As at Mar 31, 2018 ₹ Lakhs
a) Interest accrued and due on borrowings	-	4.43
b) Contribution to Gratuity Fund	-	52.06
c) Employee Benefits	206.01	223.62
d) Accrued Expenses	147.99	121.40
	<u>354.00</u>	<u>401.51</u>



Gulf Ashley Motor Limited

Notes annexed to and forming part of the Financial Statements

1.18	OTHER CURRENT LIABILITIES	As at Mar 31, 2019 ₹ Lakhs	As at Mar 31, 2018 ₹ Lakhs
	a) Advance from Customers	895.62	894.91
	b) Statutory Liabilities	130.07	204.93
		<u>1,025.69</u>	<u>1,099.84</u>

1.19	CURRENT - PROVISIONS	As at Mar 31, 2019 ₹ Lakhs	As at Mar 31, 2018 ₹ Lakhs
	Provision for employee benefits		
	Compensated absences	19.36	15.98
		<u>19.36</u>	<u>15.98</u>

Notes:

Compensated absences (Refer Note 1.14 and 1.19) is as under

	55.13	52.32
Opening	11.78	2.81
Additions	66.91	55.13
Closing		



Gulf Ashley Motor Limited

Notes annexed to and forming part of the Financial Statements

2.1 REVENUE FROM OPERATIONS

	Year ended March 31, 2019	Year ended March 31, 2018
	₹ Lakhs	₹ Lakhs
a) Sale of products		
- Commercial Vehicles Traded	93,253.12	82,800.96
- Spare parts and others	4,781.80	3,966.14
(A)	98,034.92	86,767.10
b) Revenue from services	1,131.51	1,006.32
c) Other operating revenues		
- Commission	46.57	149.42
- Incentives	581.34	712.36
- Scrap sales	18.56	24.38
(C)	646.47	886.16
(A+B+C)	99,812.90	88,659.58
Less: Commission, rebate and discounts	4,491.30	3,749.63
	95,321.60	84,909.95

2.2 OTHER INCOME

	Year ended March 31, 2019	Year ended March 31, 2018
	₹ Lakhs	₹ Lakhs
a) Interest income from		
i. Fixed Deposit	118.55	-
ii. Income Tax Refund	-	0.57
	118.55	0.57
b) Other non-operating income		
i. Insurance Claim	0.70	9.07
ii. Profit on Sale of Property, Plant and Equipment - Net	112.17	0.68
iii. Net gain/(loss) arising on financial asset mandatorily measured as at FVTPL	7.17	6.44
iv. Others (including Unclaimed balances written back)	19.52	45.42
	139.56	61.61
	258.11	62.18



Gulf Ashley Motor Limited

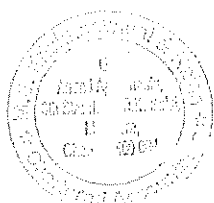
Notes annexed to and forming part of the Financial Statements

2.3 PURCHASES OF STOCK-IN-TRADE - TRADED GOODS	Year ended March 31, 2019 ₹ Lakhs	Year ended March 31, 2018 ₹ Lakhs
a) Commercial Vehicles	88,051.61	82,974.32
b) Spare parts	3,415.26	3,340.30
Less: Cash discount earned	(1.82)	(46.98)
	91,465.05	86,267.64

2.4 CHANGES IN INVENTORIES OF STOCK-IN-TRADE	Year ended March 31, 2019 ₹ Lakhs	Year ended March 31, 2018 ₹ Lakhs
- Finished / Traded goods		
i) Vehicles	(1,880.04)	(6,231.00)
ii) Parts and Lubricants	624.61	234.39
Net change	(1,255.43)	(5,996.61)

2.5 EMPLOYEE BENEFITS EXPENSE	Year ended March 31, 2019 ₹ Lakhs	Year ended March 31, 2018 ₹ Lakhs
a) Salaries, wages and bonus	1,524.85	1,592.80
b) Contribution to provident, gratuity and other funds	114.55	160.28
c) Welfare expenses	254.60	93.70
	1,894.00	1,846.78

2.6 FINANCE COSTS	Year ended March 31, 2019 ₹ Lakhs	Year ended March 31, 2018 ₹ Lakhs
Interest Expense on Borrowings	956.27	634.76
	956.27	634.76



Gulf Ashley Motor Limited

Notes annexed to and forming part of the Financial Statements

2.7 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2019 ₹ Lakhs	Year ended March 31, 2018 ₹ Lakhs
Property, Plant and Equipment		
(i) Buildings	24.47	29.37
(ii) Plant and equipment	32.19	33.85
(iii) Furniture and Fixtures	22.91	29.00
(iv) Vehicles	26.40	28.35
(v) Office Equipments - Computer	18.00	19.87
	123.97	140.44

2.8 OTHER EXPENSES

	Year ended March 31, 2019 ₹ Lakhs	Year ended March 31, 2018 ₹ Lakhs
(a) Power and fuel	105.67	68.14
(b) Rent	557.59	488.11
(c) Repairs and maintenance	73.95	96.11
(d) Security Charges	121.53	116.83
(e) Diesel for Service Van	26.01	23.08
(f) Selling and distribution expenses - net	83.89	45.14
(g) Consultancy Charges	48.65	56.98
(h) Administration Expenses	263.40	298.86
(i) Bank Charges	12.36	15.12
(j) Transportation, Loading and unloading charges	414.68	446.34
(k) Audit Fees (Refer Note 5.10)	5.00	4.00
(l) Packing and forwarding charges	17.92	12.94
(m) Outside Service Expenses	294.24	239.54
(o) Provision for doubtful debts	49.16	121.22
(p) Provision for doubtful receivables	19.50	-
	2,093.55	2,032.41

2.9 EXCEPTIONAL ITEMS

	Year ended March 31, 2019 ₹ Lakhs	Year ended March 31, 2018 ₹ Lakhs
a) Profit/ (loss) on disposal of property, plant and equipment	-	305.50
b) Compensation paid to employees upon termination	-	(52.84)
c) Income upon capital reduction*	3,138.57	-
	3,138.57	252.66

*Refer Note 1.2(b)



Gulf Ashley Motor Limited

Notes to the Financial Statements for the year ended March 31, 2019

A. 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.

B. Significant Accounting Policies

3.1 Compliance with Ind AS

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements were approved for issue by the board of directors on 10th May 2019.

3.2 Basis of Preparation and Presentation

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

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.

Recent accounting pronouncements

The Company applied Ind AS 115 for the first time. The Indian Accounting Standard (Ind AS) 116, Lease is applicable from FY 2019-20, the management believes that the adoption of Ind AS 116 does not have any significant impact on the financial statements. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.



3.3 Revenue recognition

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

3.3.1 Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 is applicable from FY 2018-19 and it replaces Ind AS 18. It applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The company has adopted the modified retrospective method of applying Ind AS 115 Revenue from Contract with customers in its initial year of application.

3.3.2 Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally when the product is sold to the customer and when the collectability of the resulting receivable is reasonably assured. With respect to revenue from sale of vehicles and sale of spares, the Company operates predominantly on cash and carry basis.

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.

3.3.3 Rendering of services

Revenue from services is recognised when the services are rendered in accordance with the specific terms of contract with the customer and when the collectability of the resulting receivable is reasonably assured.

3.3.4 Other Operating Revenues

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

3.3.5 Revenue in excess of invoicing (referred to also as unbilled revenue) are classified as Contract Assets while invoicing in excess of revenues (referred to also as unearned revenue) are classified as Contract liabilities.



3.3.6 Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the 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).

3.4 **Employee benefits**

3.4.1 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.

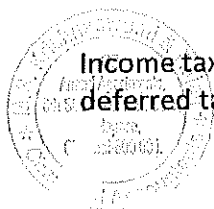
A liability for a termination benefits like expenditure on Voluntary Retirement Scheme is recognised at the earlier of when the Company can no longer withdraw the offer of termination benefit or when the Company recognises any related restructuring costs.

3.4.2 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.

3.5 **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.

3.5.1 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.

3.5.2 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. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits 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.

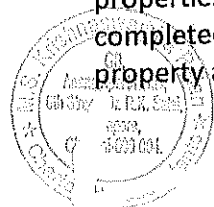
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.



Fixtures, plant and equipment (including patterns and dies) where the cost exceeds Rs.10,000 and the estimated useful life is two years or more, 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 profit or loss.

Estimated useful life of the assets, which are different in one case from that prescribed in Schedule II to the Act is

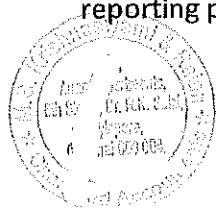
Class of Property, Plant and Equipment	Useful Life (years)
Vehicle (Demo)	5

3.7 Intangible assets

Intangible assets with finite useful lives that are acquired separately, where the cost exceeds Rs.10,000 and the estimated useful life is two years or more, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3.8 Impairment of assets:

Plant, Property and Equipment and intangible assets 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 other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



3.9 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.

3.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

3.11 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 obsolete/ slow moving inventories are adequately provided for.

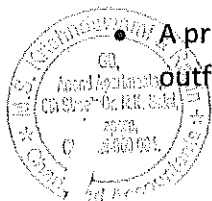
3.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that 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.

3.13 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.

3.14 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:

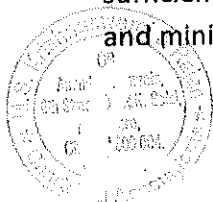
- In the principal market for the asset or liability,
- or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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.

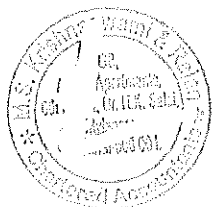
3.15 Financial instruments:

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.

3.16 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.



3.16.1 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 has 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.

3.16.2 Impairment of financial assets

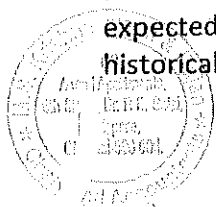
The Company applies expected credit loss model for recognising impairment loss on financial assets not designated as at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

- a. the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b. full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring the lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.



3.16.3 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.

3.17 Financial liabilities and equity instruments

3.17.1 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.

3.17.2 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.

3.17.3 Financial liabilities

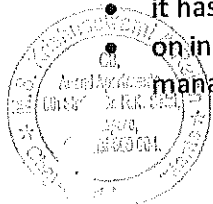
All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

3.17.3.1 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.

3.17.3.2 Financial liabilities subsequently measured at amortised cost

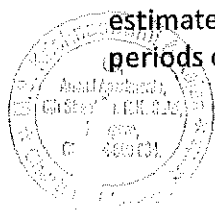
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest 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.

4. 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.

4.1 Taxation

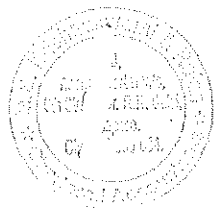
Determining of income tax liabilities using tax rates and tax laws that have been enacted or substantially enacted requires the Management to estimate the level of tax that will be payable based upon the Company's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an 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.

4.2 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.



5.1 Income taxes relating to continuing operations

a) Income tax recognised in profit or loss

	March 31, 2019	March 31, 2018
	₹ Lakhs	₹ Lakhs
Current tax		
In respect of the current year	758.69	67.18
	<u>758.69</u>	<u>67.18</u>
Deferred tax		
In respect of the current year	12.41	(9.84)
	<u>12.41</u>	<u>(9.84)</u>
Total income tax expense recognised in the current year relating to continuing operations	<u>771.10</u>	<u>57.34</u>

b) Income tax recognised in other comprehensive income

	March 31, 2019	March 31, 2018
	₹ Lakhs	₹ Lakhs
Current tax	9.41	0.81
Total income tax recognised in other comprehensive income	<u>9.41</u>	<u>0.81</u>

c) The income tax expense for the year can be reconciled to the accounting profit as follows:

	March 31, 2019	March 31, 2018
	₹ Lakhs	₹ Lakhs
Profit/(loss) before tax from continuing operations and OCI	3,440.87	299.37
Income tax expense calculated at 34.944% (2017-18: 33.063%)	1,202.38	98.98
Effect of income that is exempt from taxation	(2.51)	(2.13)
Effect of expenses that are not deductible in determining taxable profit	(388.48)	(42.41)
Others	(30.88)	3.71
Income tax expense recognised in profit or loss (relating to continuing operations)	<u>780.51</u>	<u>58.15</u>

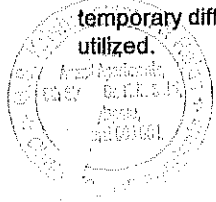
The tax rate used for the reconciliations above is the corporate tax rate of 34.944% (for the year 2018-19) and 33.063% (for the year 2017-18) payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

d) Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

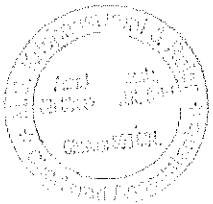
	March 31, 2019	March 31, 2018
	₹ Lakhs	₹ Lakhs
Deferred tax assets	99.47	117.57
(Deferred tax liabilities)	(67.47)	(73.17)
Deferred tax assets - Net	<u>32.00</u>	<u>44.40</u>

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.



Movement of deferred tax expense during the year ended March 2018-19 (₹ Lakhs)			
	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax (liabilities)/assets in relation to:			
Property, plant, and equipment and Intangible Assets	(73.17)	5.70	(67.47)
Unused tax losses (including unabsorbed depreciation)	56.37	(56.37)	-
Provision for compensated absences	18.41	3.93	22.34
Other temporary differences	42.77	34.33	77.10
	44.37	(12.40)	31.97
Movement of deferred tax expense during the year ended March 2017-18 (₹ Lakhs)			
	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax (liabilities)/assets in relation to:			
Property, plant, and equipment and Intangible Assets	(94.49)	21.32	(73.17)
Unused tax losses (including unabsorbed depreciation)	99.78	(43.41)	56.37
Provision for compensated absences	21.31	(2.90)	18.41
Other temporary differences	7.70	35.06	42.76
	34.29	10.07	44.37

e) Unrecognised deductible temporary differences, unused tax losses and unused tax credits-nil



Gratuity

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

	March 31, 2019	March 31, 2018
Discount rate(s)	7.48%	7.49%
Expected rate(s) of salary increase	5.00%	6.00%

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, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Current service cost	22.89	23.57
Net interest expense	1.95	1.71
Components of defined benefit costs recognised in profit or loss	24.84	25.28
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses arising from changes in demographic assumptions	(1.08)	11.78
Actuarial (gains)/losses arising from changes in financial assumptions	(8.08)	11.28
Actuarial (gains)/losses arising from experience adjustments	7.10	(19.10)
Return on plan assets (excluding amounts included in net interest expense)	(24.87)	-
Components of defined benefit costs recognised in other comprehensive income	(26.93)	3.95
Total	(2.09)	29.24

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 follows:

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Present value of defined benefit obligation	107.36	84.37
Fair value of plan assets	109.45	32.31
Net liability arising from defined benefit obligation	(2.09)	52.06
Funded	(2.09)	52.06
Unfunded	-	-
Total	(2.09)	52.06

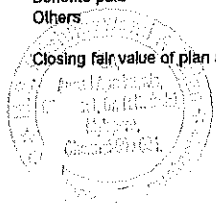
The above provisions are reflected under 'Current Financial Liabilities - Others [Refer notes 1.17].

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

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Opening defined benefit obligation	84.37	73.62
Current service cost	22.89	23.57
Interest cost	6.16	4.71
Actuarial (gains)/losses arising from changes in demographic assumptions	(1.08)	11.78
Actuarial (gains)/losses arising from changes in financial assumptions	(8.08)	11.28
Actuarial (gains)/losses arising from experience adjustments	7.10	(19.10)
Benefits paid	(4.00)	(21.49)
Closing defined benefit obligation	107.36	84.37

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

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Opening fair value of plan assets	32.31	50.80
Interest income	-	-
Return on plan assets (excluding amounts included in net interest expense)	4.21	3.00
Contributions	52.06	-
Benefits paid	(4.00)	(21.49)
Others	24.87	-
Closing fair value of plan assets	109.45	32.31



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.29.08 lakhs (2017-18: Rs.3.00 lakhs).

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.7.62 lakhs [as at March 31, 2018: decrease by Rs.5.07 lakhs]

If the expected salary increases (decreases) by 1%, the defined benefit obligation would increase by Rs.8.40 lakhs [as at March 31, 2018: increase by Rs.5.17 lakhs]

If the life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by Rs.0.04 lakhs [as at March 31, 2018: increase by Rs.0.03 lakhs]

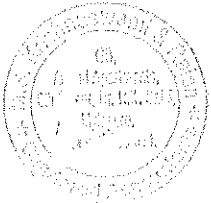
The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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 a NIL contribution (as at March 31, 2018: Rs.52,06,149) to the defined benefit plans during the next financial year.

The average duration of the benefit obligation as at March 31, 2019 is 8.74 years (as at March 31, 2018: 6.93 years).



Compensated Balances

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

	March 31, 2019	March 31, 2018
Discount rate(s)	7.48%	7.49%
Expected rate(s) of salary increase	5.00%	6.00%

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, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Current service cost	9.26	8.55
Net interest expense	3.87	3.92
Components of defined benefit costs recognised in profit or loss	13.13	12.47
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses arising from changes in demographic assumptions	0.65	13.28
Actuarial (gains)/losses arising from changes in financial assumptions	(3.11)	6.52
Actuarial (gains)/losses arising from experience adjustments	7.90	(29.46)
Return on plan assets (excluding amounts included in net interest expense)	-	-
Components of defined benefit costs recognised in profit or loss	5.44	(9.66)
Total	18.57	2.81

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

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Present value of defined benefit obligation	66.91	55.13
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	66.91	55.13
Funded	-	-
Unfunded	66.91	55.13
Total	66.91	55.13

The above provisions are reflected under 'Provisions' [Refer notes 1.14 and 1.19].

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

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Opening defined benefit obligation	55.13	52.32
Current service cost	9.26	8.55
Interest cost	3.87	3.92
Actuarial (gains)/losses arising from changes in demographic assumptions	0.65	13.28
Actuarial (gains)/losses arising from changes in financial assumptions	(3.11)	6.52
Actuarial (gains)/losses arising from experience adjustments	7.90	(29.46)
Benefits paid	(6.79)	-
Closing defined benefit obligation	66.91	55.13

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

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ 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.2.98 lakhs [as at March 31, 2018: decrease by Rs.2.88 lakhs].

If the expected salary increases (decreases) by 1%, the defined benefit obligation would increase by Rs.1.70 lakhs [as at March 31, 2018: increase by Rs.1.55 lakhs].

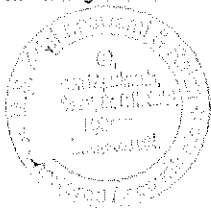
If the life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by Rs.0.02 lakhs [as at March 31, 2018: decrease by Rs.0.02 lakhs].

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 average duration of the benefit obligation as at March 31, 2019 is 6.93 years (as at March 31, 2018: 8.74 years).



5.2 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.111.95 lakhs (for the year ended March 31, 2018: Rs.106.28 lakhs) out of which Rs.9.85 lakhs (for the year ended March 31, 2018 : Rs.8.78 lakhs) represents payable by the Company.

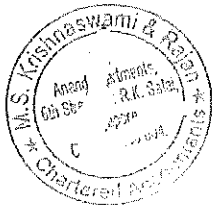
Defined benefit plans

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.

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.



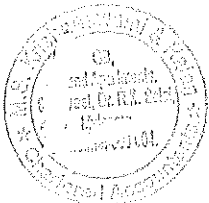
5.3 Earnings per share

	Year ended March 31, 2019	Year ended March 31, 2018
	Rs.	Rs.
Basic earnings per share		
From continuing operations	89.89	8.15
Total basic earnings per share	89.89	8.15
Diluted earnings per share		
From continuing operations	89.89	8.15
Total diluted earnings per share	89.89	8.15

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 March 31, 2019 ₹ Lakhs	Year ended March 31, 2018 ₹ Lakhs
Profit/(loss) for the year attributable to owners of the Company	2,669.77	242.03
Adjustments	-	-
Earnings used in the calculation of basic earnings per share	2,669.77	242.03
	Year ended March 31, 2019 Nos.	Year ended March 31, 2018 Nos.
Weighted average number of ordinary shares for the purposes of basic earnings per share	2,969,999	2,969,999
	As At March 31, 2019 Nos.	As At March 31, 2018 Nos.
Weighted average number of ordinary shares used in the calculation of basic earnings per share	2,969,999	2,969,999
Adjustments	-	-
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	2,969,999	2,969,999



5.4 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.

<u>Gearing Ratio:</u>	₹ Lakhs	
	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Debt	8,080.17	14,485.26
Total equity	5,782.77	3,096.62
Net debt to total equity ratio	1.40	4.68

<u>Categories of Financial Instruments:</u>	₹ Lakhs	
	<u>March 31, 2019</u>	<u>March 31, 2018</u>
<i>Financial assets</i>		
<u>a. Measured at amortised cost:</u>		
Cash and bank balances	3,751.46	1,943.52
Trade Receivables	6,476.46	7,234.06
Others	33.82	128.03
<u>b. Mandatorily measured at fair value through profit or loss (FVTPL):</u>		
Investments-Joint venture	1.61	23.25

Financial liabilities

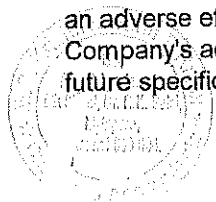
<u>a. Measured at amortised cost:</u>		
Borrowings	8,080.17	14,485.25
Trade Payables	6,826.11	1,430.75
Others	354.00	401.51

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 companys borrowings to interest rate changes at the end of the reporting period are as follows:

	March 31, 2019	March 31, 2018
	₹ Lakhs	₹ Lakhs
Variable rate Borrowings	7,385.14	14,476.07
Fixed rate Borrowings	695.03	9.19

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, 2019 would decrease/increase by Rs.343 lakhs (March 31, 2018: decrease/increase by Rs.428 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. (Contituting more than 5% & 10% of receivable value for 31st Mar 2019 and 31st Mar 2018)

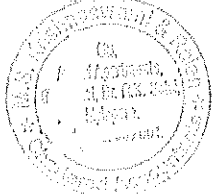
Period	Parties who constitute more than 5% of receivable
As on 31st Mar'19	Ashok Leyland Limited
As on 31st Mar'18	Ashok Leyland Limited

	₹ Lakhs	
Age of receivables	March 31 2019	March 31 2018
Outstanding less than 30 days	5,407.43	6,043.74
31-60 days outstanding	382.14	360.49
61-90 days outstanding	221.59	212.79
More than 90 days outstanding	465.29	617.04
Total	6,476.46	7,234.06

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 and non-fund based working capital lines from various banks. The Company has obtained fund and non-fund based working capital lines from 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, 2019.

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

Particulars	₹ lakhs	
	March 31, 2019	March 31, 2018
Expiring within one year (bank overdraft and other facilities)	-	-
Secured	7,114.86	23.93
UnSecured	-	-
Total	7,114.86	23.93

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

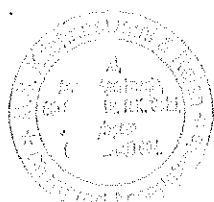
Liquidity tables:

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
March 31, 2019				
Trade payables	6,826.11	-	-	6,826.11
Other financial liabilities	354.00	-	-	354.00
Borrowings (including interest accrued thereon upto the reporting date)	8,080.17	-	-	8,080.17
	15,260.28	-	-	15,260.28
March 31, 2018				
Trade payables	1,430.75	-	-	1,430.75
Other financial liabilities	401.52	-	-	401.52
Borrowings (including interest accrued thereon upto the reporting date)	14,485.25	-	-	14,485.25
	16,317.52	-	-	16,317.52

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

Management consider that the carrying all amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

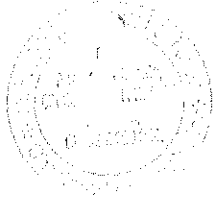


5.5 Related party disclosure

c) Details of Transactions with Related Parties :

₹ Lakhs

Name of Related Party	Nature of Transaction	2018-19	2017-18
Ashok Leyland Limited	Purchase of Traded Goods (Net of Discount)	87,495.78	84,663.91
	Management Service Expense	13.17	26.99
	Sales and Services (net of excise duties)	1,983.35	1,536.44
	Other Operating Income	658.01	1,089.39
	Trade Receivables	299.15	3,243.44
	Unbilled Revenue	-	28.45
	Contract Assets	65.76	-
	Trade and Other payables	6,483.90	604.78
Gulf Oil Lubricants Limited	Purchase of Traded Goods (Net of Discount)	506.11	397.14
	Trade and Other payables	13.52	4.34
Hinduja Leyland Finance Limited	Interest paid on borrowings	-	14.35
	Trade and Other payables	-	10.19
	Borrowings (Trade Advance)	695.03	9.19
Hinduja Tech Limited	Consultancy Service	4.36	-



5.6 Operating lease arrangements

Company as lessee

Leasing arrangements

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

Payments recognised as an expense

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
	₹ Lakhs	₹ Lakhs
Rent Expense	557.59	488.11
	<u>557.59</u>	<u>488.11</u>

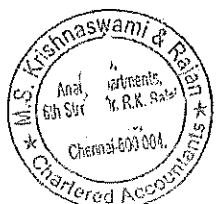
Non-cancellable operating lease commitments	31-Mar-19	31-Mar-18
	₹ Lakhs	₹ Lakhs
Not later than 1 year	55.00	0.98
Later than 1 year but not later than 5 years	30.00	85.00
Later than 5 years	-	-

5.7 Contingent liabilities and contingent assets

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
	₹ Lakhs	₹ Lakhs
Contingent liabilities		
Claims against the Company not acknowledged as debts (net)		
Sales tax / VAT	-	1,572.75
These have been disputed by the Company on account of issues of applicability and classification.		
	<u>-</u>	<u>1,572.75</u>

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

The Supreme Court, in a recent decision and the related circular issued by the Employees' Provident Fund Organisation dated March 20, 2019 deal with non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In this connection, it is clarified that the Company has complied with the law applicable and therefore, believes that the above decision/Circular is not likely to have a significant impact on the these Financial Statements.



5.8 Details of Short Term Borrowings	March 31, 2019	Particulars of Borrowing	March 31, 2018
	₹ Lakhs		₹ Lakhs
- HDFC	3,100.00	Working Capital Demand Loan repayable on demand carry interest rates varying between 8.05% p.a. to 8.45% p.a.	9,000.00
- Federal	1,785.14	Cash Credit Facility - Repayable on demand	5,476.07
- Standard Chartered Bank	2,500.00	Packing credit facility repayable on demand carry interest rates varying between 7.68% p.a. to 8.67% p.a.	-
	7,385.14		14,476.07

The above loans are secured by way of hypothecation of inventories aggregating to Rs.9,349.29 lakhs (2018: Rs.8,093.86 lakhs), Bills receivable, Book Debts and all other movables both present and future of the Company to the extent of Rs.6,476.46 lakhs (2018: Rs.7,234.06 lakhs). The weighted average rate of interest of these loans is around 8.21%.

Details of Short Term Borrowings	March 31, 2019	Particulars of Borrowing	March 31, 2018
	₹ Lakhs		₹ Lakhs
Unsecured Borrowings			
- HLFL	695.03	Trade Advance - carrying interest rate of 12% per annum from the date of disbursement, if not repaid/adjusted with Delivery Order within 15 days of disbursement.	9.19
	695.03		9.19

5.9 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.

5.10 Auditor's Remuneration:	Rs. Lakhs	
	2019	2018
PARTICULARS		
1. for Statutory audit	3.00	1.75
2. for Taxation matters	1.50	1.25
3. for Other services	0.50	1.00

5.11 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.

5.12 Net debt reconciliation

Net debt reconciliation:	₹ Lakhs	
	As at March 31, 2019	As at March 31, 2018
1. Cash and cash equivalents	3,751.46	1,943.52
2. Current borrowings	(8,080.17)	(14,485.25)
Net debt	(4,328.71)	(12,541.73)

	Other assets	Liabilities from financing activities	Total
	cash and bank overdraft	Current borrowings	
Net debt as at March 31, 2018	1,943.52	(14,485.25)	(12,541.73)
Cash flows	1,807.94	6,405.08	8,213.02
Interest expense		956.27	956.27
Interest paid		(956.27)	(956.27)
Net debt as at March 31, 2019	3,751.46	(8,080.17)	(4,328.71)



5.13 Revenue from contracts with customers:

(a) Disaggregated revenue information

₹ Lakhs
March 31, 2019*

Particulars	₹ Lakhs
Type of goods and service	
a) Sale of products	
- Commercial Vehicles	93,253.12
- Spare parts	4,781.80
b) Revenue from services	1,131.51
c) Other operating revenues	
- Commission	46.57
- Incentives	581.34
- Scrap sales	18.56
Less: Commission, rebate and discounts	4,491.30

Total revenue from contract with customers

95,321.60

India

95,321.60

Outside India

-

Total revenue from contract with customers

95,321.60

Timing of revenue recognition

Particulars

March 31, 2019*
At a point in time Over a period of time
₹ lakhs ₹ lakhs

- Sale of products and other operating income	98,034.92
- Revenue from Services	1,131.51
- Other operating revenue	646.47
Less: Rebates and discounts	4,491.30
Total revenue from contract with customers	95,321.60

(b) Trade receivables are non-interest bearing and are generally on terms of "Cash and Carry".



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

	<u>March 31, 2019</u>
Particulars	₹ lakhs
Revenue as per contracted price	99,812.89
Adjustments	4,491.30
Rebates and discounts	
Revenue from contract with customers	<u>95,321.60</u>

* Pursuant to the transitional provision in IND AS 115, the relevant disclosures for the comparative period are not furnished.

(d) There are no performance obligations remaining unsatisfied as at March 31, 2019.

(e) Changes in accounting policy - on account of adoption of IND AS 115

The Company applied Ind AS 115 for the first time by using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the Company recognised the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings as at 1 April 2018. Comparative prior period has not been adjusted. The Company has applied the revenue standard only to contracts that are not completed as at the date of initial application. The impact of applying the erstwhile Ind AS 18 Revenue instead of Ind AS 115 Revenue from Contracts with customers on the financial results of the Company for the year ended March 31, 2019 and other adjustments as at March 31, 2019 on account of adoption of Ind AS 115 is the nil.

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

For and behalf of the Board

PR Alagundaram
Chief Financial Officer

Date: May 10, 2019
Place : Chennai

Ramachandran V
Company Secretary

Anuj Kathuria
Chairman
DIN: 05164333

Sandeep Agrawal
Manager and Director
DIN: 08148276

