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# CORPORATE

## INFORMATION

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### Corporate Identity Number (CIN)

U50100TN2010PLC074572

### BOARD OF DIRECTORS

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#### Chairman (Non – Executive)

Mr. S. Lakshminarayanan (Independent)

#### CEO & Whole time Director

Mr. Sameer Malhotra

#### Directors

Mr. Umesh Revankar  
(w.e.f. October 25, 2016)

Mrs. Kishori Udeshi (Independent)

Mr. D.V. Ravi  
(upto August 05, 2016)

Mr. Jasmit Singh Gujral  
(upto October 25, 2016)

Mr. Ramakrishnan Subramanian  
(upto February 17, 2017)

Mr. Gaurav Trehan  
(upto April 25, 2017)

### COMPANY SECRETARY

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Mr. Nitin Lokhande

### AUDITORS

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M/s. G. D. Apte & Co.  
Chartered Accountants

### REGISTERED OFFICE

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Mookambika Complex, 3rd Floor,  
No. 4, Lady Desika Road,  
Mylapore, Chennai – 600 004,  
Tel: +91 44 2499 0356, Fax: +91 44 2499 3272

### CORPORATE OFFICE

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2nd Floor, Best Sky Tower,  
Netaji Subhash Place,  
Pitampura, Delhi – 110034  
Tel: +91 1141414444, Fax: +91 114241 4444

To the Members of  
**Shriram Automall India Limited**

Your Directors have pleasure in presenting their Eighth Annual Report and the Audited Statements of Accounts for the financial year ended March 31, 2017.

## FINANCIAL HIGHLIGHTS

Particulars	(Rs. in lacs)	
	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Profit Before Depreciation and Taxation</b>	<b>1,508.99</b>	<b>917.28</b>
Less: Depreciation	96.57	132.55
<b>Profit Before Tax</b>	<b>1,412.42</b>	<b>784.73</b>
Less: Provision for Taxation	583.27	242.66
<b>Profit After Tax</b>	<b>829.15</b>	<b>542.07</b>
Add: Balance brought forward from previous year	2,110.04	1,567.97
<b>Surplus carried to Balance Sheet</b>	<b>2,939.19</b>	<b>2,110.04</b>

## DIVIDEND

The Directors do not recommend payment of dividend for the Financial year 2016-17.

## OPERATIONS & COMPANY'S PERFORMANCE

During the year under review, the Company's total income from operations was Rs. 8,030.53 lacs as against Rs. 7,452.95 lacs in the previous year 2015-16. The Company made operating profit of Rs. 1,508.99 lacs as against Rs. 917.28 lacs in the previous year. The Company has earned Net Profit of Rs. 829.15 lacs during the Financial Year 2016-17 as against net profit of Rs. 542.07 lacs in the previous year.

## UNFURLING NATIONALLY

The Shriram Automall India Limited (SAMIL) has further widened its physical presence across the nation by inaugurating 11 new well-structured Automalls in major cities including Latur, Solapur, Bijapur, Dhanbad, Mangalore, Indore, Dhule, Saharanpur, Coimbatore, Agra and Akola during 2016-17. Till date, the Company has successfully established 67 well-structured Automalls which has extended it reach to over 6,50,000 customers PAN India. The Company has been working towards establishment of 80 Automalls by the end of 2017-18.

## TECHNOLOGY DRIVEN ORGANIZATION

Going hand in hand with the latest technological developments, the Company offers My SAMIL App, Desktop Live Bidding and SMS Bidding for our customers to participate in bidding events from anywhere, at their convenience. Online Payment Gateway and Card Swiping Machine have also been deployed for easy and convenient payment system. In addition, CRM Application, BI and MIS Portal, Online Event Calendar Planner, Team SAMIL Portal and SMS and Call scheduling Module have also been in use to bring positive outcome in both sales and business process.

## NEW INITIATIVES

The Company has always encouraged new initiatives that really help the Company in setting new benchmarks for others to follow. Foundation Day celebration has become a new success metric of the Company. On 5th Foundation Day celebration in 2016, the Company created a national record for conducting 'Highest Number (45) of Physical Bidding Events in a Single Day' for acquisition and disposal of pre-owned vehicles and equipment and entered Limca Book of Records. The 6th Foundation Day celebration became bigger than the previous one as the Company conducted 66 bidding events which helped to make it the Biggest Business Day ever in the Company's history. During 2016-17, the Company specially focused on tractor, passenger cars and two wheelers segments by organizing client and segment specific bidding events.

## CLIENT AND CUSTOMER ENGAGEMENT

SAMIL family includes Public sector and Private sector Banks, Non-Banking Finance Companies (NBFC), Insurance Companies, Original Equipment Manufacturers, Dealership and Contractors, Transporters, Intermediaries, Rental Companies, Vehicle Aggregators and Individuals/End Users, and growing day by day. Over the time, we have tied up with over 120 corporates and at the same time, we have also been working with hundreds of dealerships. We also conducted 5 Corporate Client Meets across 5 different cities to reinstate and further develop the relationship with clients with an aim to churn out more business from them during the year.

Over 6,50,000 registered bidders are taking benefit of SAMIL professional services and the numbers are increasing every day. We acknowledge the long-term association of our valued customers through Driving Your Trust (DYT) program by distributing privileged cards among customers for easier and quicker participation process in the bidding event. We have

also felicitated our prime customers with gifts during our anniversary and special events. The vision of our development takes utmost care of our customers' growth.

As our customers belong to the transport fraternity, education sometimes takes a back seat for them, however we at SAMIL realize the value of good education and offers a scholarship program for their children to help them in continuing education without any hurdles.

### BUSINESS DIVERSIFICATION

The Company has been the market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment. During last six years, it has maintained its legacy and pledge to put maximum effort to continue the same. Its Online Bidding platform - **bids.samil.in** has also emerged out to be one of the most prominent bidding platforms in India. Thus, Limca Book of Records has titled SAMIL as 'The Largest Platform for Acquisition and Disposal of Pre-owned Vehicles and Equipment' for its extraordinary performance in pre-owned Automobile industry. The Company took another step forward to expand the business by entering new businesses like Gold Auction and Housing Auction. User Friendly and Highly Interactive Web Portal – **gold.samil.in** has become already a popular name for gold Auction. Moreover, the Company has also developed a new web portal – **property.samil.in**, which conducts online bidding events, specifically catering to immovable properties. The Company has also enhanced One Stop Kiosks' application for easy access and started rebranding of all Kiosks for further visibility. The Company is likely to launch a dedicated classified web portal and a mobile application for transacting pre-owned commercial vehicles in a handy manner.

### SHARE CAPITAL

There was no change in the paid up Equity Share Capital during the year under consideration.

### EMPLOYEES STOCK OPTION SCHEME, 2013

Disclosure regarding Employee Stock Options (ESOP) pursuant to Rule 12 of Chapter IV of the Companies (Share Capital and Debentures) Rules, 2014 are as under :

Particulars	SAIL Employees Stock Option Scheme, 2013
(a) options granted	100000 (Face Value of Rs. 10/- each)
(b) options vested	20000
(c) options exercised (as at March 31, 2017)	Nil
(d) The Total no. of shares arising as a result of exercise of option	Nil

(e) options lapsed (as at March 31, 2017)	Nil
(f) the exercised price	Rs. 10/- per option
(g) variation of terms of options	Nil
(h) money realized by exercise of options	Nil
(i) total number of options in force	100000 (Face Value of Rs. 10/- each)
(j) Employee wise details of options granted to:	
(i) Key Managerial Personnel – Whole Time Director	100000 (Face Value of Rs. 10/- each)
(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	None
(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None

### BOARD OF DIRECTORS

#### Director retiring by rotation

Mr. Sameer Malhotra will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment as Director.

#### Change in Directors

- As an Additional director, Mr. Umesh Revankar will hold office upto 8th Annual General Meeting.
- Mr. Jasmit Singh Gujral was appointed as an additional Director on August 05, 2016. He resigned from the directorship of the Company on October 25, 2016.
- Mr. D. V. Ravi has resigned from the directorship of the Company on August 05, 2016.
- Mr. Ramakrishnan Subramanian was appointed as an Additional Director on August 05, 2016. He resigned from the directorship of the Company on February 17, 2017.
- Mr. Gaurav Trehan has resigned from the directorship of the Company on April 25, 2017.

None of the Key Managerial Personnel has resigned or appointed during the year under review.

## NUMBER OF MEETINGS OF THE BOARD

During the year four meetings of the Board of Directors were held on April 28, 2016, August 05, 2016, October 25, 2016 and January 30, 2017.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013 (the 'Act') the Directors confirm that, to the best of their knowledge and belief:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- That such accounting policies as mentioned in note 1.3 of the Financial Statements have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Annual Accounts have been prepared on a going concern basis.
- The Company had followed the internal financial controls laid down by the directors and that such internal financial controls are adequate and were operating effectively.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to the requirement under Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014:

- The Company has no major activity involving conservation of energy
- The Company has no major activity involving technology absorption.
- The Company does not have any Foreign Exchange Earnings.
- The Company does not have any Outgo under Foreign Exchange.

## RISK MANAGEMENT

During the year under review, the Company has identified and evaluated elements of business risk. The risk management framework defines the risk management approach of the Company and includes periodic review of such risk and mitigating and reporting mechanism of such risks. The Audit Committee and senior management team currently assess the operations and operating environment to identify potential risks and take necessary mitigation actions.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Report for the financial year 2016-17 is annexed to this report as Annexure A. The CSR Policy is uploaded on the Company's website at the Company's weblink: <http://www.samil.in/investors>.

## DISCLOSURE AS PER THE SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(5) OF THE COMPANIES (ACCOUNTS) RULES, 2014

### Extract of Annual Return

The extract of the annual return in the form MGT 9 is annexed to this report as Annexure B.

### Declaration by Independent Directors

The Board has received the declaration from both Independent Directors as per the Section 149(7) of the Act and the Board is satisfied that all the Independent Directors meet the criterion of independence as mentioned in Section 149(6) of the Act.

### Company's Policy on Director's appointment and Remuneration

The Nomination and Remuneration Committee (NRC Committee) has constituted in line with provisions of Section 178 of the Act. The NRC Committee has put in a place the policy on board diversity for appointment of directors taking into consideration qualification and wide experience of the directors in the fields of banking, finance, regulatory, administration, commercial vehicle segment etc. The Company has laid down remuneration criteria for Non-executive Directors. The Policy on Board Diversity is annexed to this report as Annexure C and is also uploaded on the Company's weblink: <http://www.samil.in/investors>.

### Composition of Nomination and Remuneration Committee:

Name of the Members	Category
Mrs. Kishori Udeshi-Chairperson	Non-Executive Independent
Mr. S. Lakshminarayanan	Non-Executive Independent
Mr. Umesh Revankar	Non-Executive Non-Independent

## Board Evaluation

The Board has carried out the performance evaluation pursuant to the provisions of section 134(3)(p) of the Act of all directors including independent directors and non-independent directors, Whole Time Director and CEO of the Company, Chairman of the Board, and Board as a whole i.e. self-evaluation through a structured evaluation process covering various aspects of the functioning of the Board, frequency of meetings of the Board and Committees and individual director's role and level of participation at the meetings, independence of judgment, performance of their duties and obligations and implementation of good Corporate Governance Practices, enhancing long term shareholder value etc. The directors further assessed the quality, quantity and time lines of flow of information between the Company, management and the Board. The back-up papers including criteria for evaluation were already circulated to all the directors and their feedback was taken at the meeting, based on the discussion and deliberations at the Board meeting, a report was prepared. The Board expressed its satisfaction on functioning of Board and Committees, the performance of individual directors, Chairman of the Board, performance of the Board and Committees.

### Meeting of Independent Directors

The Company's Independent Directors met on January 30, 2017 without the presence of Executive Director or members of management. In the meeting, the Independent Directors reviewed performance of Non-Independent Directors, the Board as a whole, Chairman and of Independent Directors.

The Directors were evaluated on parameters such as attendance, level of engagement and contribution, independence of judgments, safeguarding the interest of the Company and its stakeholders. They assessed the quality, quantity and time lines of flow of information between the Company management and the Board.

### Loans, guarantee or investments

During the year under review the Company has invested surplus funds in subordinate debt in the ordinary course of business, the details of the current investment of the Company are furnished under note 14 forming part of the Financial Statements for the year ended March 31, 2017.

**The amounts carried to reserves:** Nil

### Contracts or Arrangements with Related Parties

The Related Party Transactions (RPTs) were entered in ordinary course of business on arm's length basis and were in compliance with the provisions of the Act. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act along with the justification for entering into such contract or arrangement in Form AOC-2 does not form part of the report. The statement of RPTs was reviewed by the Audit

Committee and the Board on quarterly basis. Omnibus approval was obtained for the RPTs of repetitive nature. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees to Independent Directors. For details of the transactions with Related Party refer to the note 25 to the financial statements.

### Financial summary/highlights

- The details are spread over in the Annual Report as well as are provided in the beginning of this report.
- Change in the nature of business, if any: - Nil
- Material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company and the date of the Directors' report : Nil

### Subsidiaries, Joint Ventures or Associate Companies

No Company has become or ceased to be a subsidiary, joint venture or associate of the Company during the financial year.

### Details relating to Deposits covered under Chapter V of the Act: - Nil

- (a) Accepted during the year;- Nil.
- (b) remained unpaid or unclaimed as at the end of the year; - Nil.
- (c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:
  - i. at the beginning of the year - Nil.
  - ii. maximum during the year - Nil.
  - iii. at the end of the year - Nil.

### Significant and Material Orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### Internal Financial Controls

The Company's well defined organisational structure, documented policy guidelines, defined authority matrix and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations. Moreover, the Company continuously upgrades its systems and undertakes review of policies. The internal financial control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. The Audit Committee of the Board reviews internal audit reports given along with management comments. The Audit Committee also monitors the implemented suggestions. The Company has a policy on prevention Sexual harassment at workplace. There was no case on sexual harassment reported during the year under review.



## Audit Committee

The Audit Committee is constituted in line with provisions of Section 177 of the Act.

### Composition of Audit Committee

Name of the Members	Category
Mrs. Kishori Udeshi - Chairperson	Non-Executive Independent
Mr. S. Lakshminarayanan	Non-Executive Independent
Mr. Umesh Revankar	Non-Executive Non-Independent

### Payment of Remuneration to CEO and Whole Time Director

In view of inadequate profit for the Financial year 2016-2017, the Nomination and Remuneration Committee (NRC Committee) in its meeting held on April 26, 2017 considered the remuneration paid to the CEO and Whole Time Director, during the year 2016- 17 and recommended to the Board of Directors that the said remuneration be approved, confirmed and ratified subject to approval of Shareholders as per the provision of sections 197, 198 of the Act read with Schedule V of the Act. The Board of Directors in its meeting held on April 26, 2017 has accepted the recommendation of NRC Committee and has approved, confirmed and ratified payment of remuneration subject to approval of the shareholders in its ensuing General Meeting.

### Details of Disclosures as per Part II Section II point IV of the schedule V of the Act is as below:

Particulars	Amount in (Rs.) p.a.
<b>(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors</b>	
Basic salary	2,970,000
Housing Rent Allowance	1,680,000
Other Allowance	972,840
Leave Encashment	99,000
Employer Contribution to PF	356,400
ESOP	428,072
<b>(ii) Details of fixed component and performance linked incentives along with the performance criteria;</b>	1,403,459
<b>(iii) Services contract, Notice period, Severance fees</b>	01/09/2016 to 31/08/2019, 90 days, No
<b>(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which Exercisable</b>	100000 option granted (Face Value of Rs.10/- each)
<b>Total</b>	<b>7,909,771</b>

### PARTICULARS OF EMPLOYEES

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



## **AUDITORS**

M/s. G. D. Apte and Co., Chartered Accountants, Mumbai (ICAI Firm Registration No. 100515W), Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Certificates have been received from them to the effect that their re-appointment as Auditors of the Company in terms of provisions of Section 139 and 141 of the Act. The members are requested to consider their re-appointment.

## **WAY FORWARD**

This journey of incredible achievements was never possible without the hard work and perseverance of our pool of brains and support of our customers. At times, when the road was loaded with hurdles after demonetization; our employees' determination worked on it with utmost passion and discovered new ways of success. With various Automalls launches scheduled for the next fiscal, the road is full of new opportunities for us. The objective at present is to capitalize every opportunity towards building a successful tomorrow.

## **CERTIFICATIONS, AWARDS AND RECORDS**

The Company won two prestigious awards titled as 'Most Promising Brand' and 'Best Online Market Place' in Pre-owned Automobile Industry at BAM Awards 2016. SAMIL added two more feathers in its hat by winning awards i.e. 'Excellence in Customer Experience' and 'Fleet Enabler of the Year' at the Transportation Leadership Awards 2016. In addition the Company had been conferred with another award titled 'Best Disruptive Innovation of the Year – Automotive' at Disruptive and Tech Innovation Awards 2016. The SAMIL also entered in the Limca Book of Records (2017 Edition) for being 'The Largest Platform for Acquisition and Disposal of Pre-owned Vehicles and Equipment' and for conducting 'Highest Number of Physical Bidding Events in a Single Day.' It has also been awarded as 'India's Most Trusted Brand in Pre-owned Automobile Industry' at BAM Awards 2017. With ISO 9001:2008 certified Company states an AA+ rating from CRISIL, the SAMIL has become India's No. 1 platform to buy and sell used vehicles and equipment within short span of time.

## **ACKNOWLEDGEMENT**

The Board takes this opportunity to express their sincere appreciation for the excellent patronage received from Holding Company and Customers and for the dedicated efforts of the executives and employees of the Company at all levels. The Board of Directors also thank to the Government Authorities.

**For and on behalf of the Board of Directors**

Place : Mumbai

Date : April 26, 2017

**S. Lakshminarayanan**

**Chairman**

(DIN: 02808698)

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

**1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. :**

The object of CSR Policy of the Company is to contribute towards social welfare projects for benefits of 'AamAadmi' focusing on providing education, vocational training, promoting health care facilities to economically weaker and underprivileged section of the Society and to do such other activities as may be permissible under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

**2. The Composition of CSR Committee consist of following members**

Name of the Members	Category
Mr. Sameer Malhotra	Chairman
Mr. S. Lakshminarayanan	Member
Mr. Umesh Revankar	Member

**3. Average net profit of the company for last three financial years: Rs. 1071.69 lacs**

**4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): Rs. 21.43 lacs**

**5. Details of CSR spent during the financial year:**

(a) Total amount to be spent for the financial year: Rs. 1.50 lacs

(b) Amount unspent, if any: Rs. 19.93 lacs

**(c) Manner in which the amount spent during the financial year is detailed below:**

(Amount in lacs)

S. No	CSR project or activity identified.	Sector in which the project is covered	Projects or programs(1) Local area or other (2) Specify the State and district where projects or Programs Was undertaken	Amount outlay (budget) project or wise	Amount spent on the projects or programs Sub heads: (1)Direct expenditure on projects or programs. (2) Overheads:	Cumulative - expenditure up to to the reporting period -	Amount spent: Direct or through implementing agency
1	Educational scholarship	Education	Latur (Maharashtra) Davangere (Karnataka) Visakhapatnam, (Andhra Pradesh) Hyderabad (Telangana)	21.43	1.50	1.50	*Implementing Agency

\* Implementing agency is Shriram Foundation

**6. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report :**

The CSR Committee had recommended budget of Rs. 21.43 lacs for spending on various project for the financial year 2016-17. However actual CSR spending fell short of the targeted spending as per the said Budget due to dropout of students, challenges in identification of competent implementing agency. The Company will endeavor to achieve the targeted spending on CSR in coming years.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company. :**

The CSR Committee is responsible for formulating the CSR Policy and its review from time to time and also for monitoring that the CSR activities of the Company are implemented in line with the CSR regulation.

**For and on behalf of the Board of Directors**

**Sameer Malhotra**

CEO & Whole Time Director  
(Chairman of CSR Committee)

(DIN: 01029645)

Place : Mumbai

Date : April 26, 2017

# ANNEXURE - B

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2016]

#### 1. REGISTRATION AND OTHER DETAILS

a. CIN	U50100TN2010PLC074572
b. Registration Date	February 11, 2010
c. Name of the Company	Shriram Automall India Limited
d. Category/Sub-Category of the Company	Commercial and Industrial
e. Address of the Registered office and contact details	Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu – 600004, Telephone No.: 044-24990356
f. Whether listed company Yes / No	NO
g. Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

#### 2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company As per Attachment (I)

#### 3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

As per Attachment (II)

#### 4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

a. Category-wise Share Holding	As per Attachment (III)
b. Share holding of Promoters	As per Attachment (IV)
c. Change in Promoters' Share holding (please specify, if there is no change)	As per Attachment (V)
d. Share holding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment (VI)
e. Share holding of Directors and Key Managerial Personnel	As per Attachment (VII)

#### 5. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment As per Attachment (VIII)

#### 6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment (IX)
b. Remuneration to Other Directors:	As per Attachment (X)
c. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD	As per Attachment (XI)

#### 7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

As per Attachment (XII)

## ATTACHMENT (I)

### 2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company are given below:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	VEHICLES	8706	91.29%

## ATTACHMENT (II)

### 3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and address of the Company	Address of the company	CIN/GLN	Holding/Subsidiary /Associate	No. of shares held (%)	Applicable section
1	Shriram Transport Finance Company Limited	Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore,	L65191TN1979P LC007874	HOLDING	100.00 (*)	2(46) of the Companies Act, 2013

(\*) Includes 60 fully paid Equity Shares of Rs. 10/- each held by six nominees of Company each holding 10 equity shares of Rs. 10/- each fully paid up on behalf and for the benefit of Shriram Transport Finance Company Limited.

## ATTACHMENT (III)

### 4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

#### a) Category-wise Share Holding

Category of Shareholder	No. of shares held at the beginning of the year (01/04/2016)				No. of shares held at the end of the year (31/03/2017)				% Change during the year		
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares			
<b>A</b>	<b>PROMOTERS</b>										
<b>1</b>	<b>Indian</b>										
	a	Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
	b	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
	c	State Governments	0	0	0	0.00	0	0	0	0.00	0.00
	d	Bodies Corporate (*)	0	30000000	30000000	100.00	0	30000000	30000000	100.00	0.00
	e	Banks / FIs	0	0	0	0.00	0	0	0	0.00	0.00
	f	Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total A(1)</b>		<b>0</b>	<b>30000000</b>	<b>30000000</b>	<b>100.00</b>	<b>0</b>	<b>30000000</b>	<b>30000000</b>	<b>100.00</b>	<b>0.00</b>
<b>2</b>	<b>Foreign</b>										
	a	NRI - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	b	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	c	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	d	Banks / Fis	0	0	0	0.00	0	0	0	0.00	0.00
	e	Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total A(2)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>		<b>0</b>	<b>30000000</b>	<b>30000000</b>	<b>100.00</b>	<b>0</b>	<b>30000000</b>	<b>30000000</b>	<b>100.00</b>	<b>0.00</b>
<b>B</b>	<b>PUBLIC SHAREHOLDING</b>										
<b>1</b>	<b>Institutions</b>										
	a	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
	b	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
	c	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
	d	State Governments	0	0	0	0.00	0	0	0	0.00	0.00
	e	Venture capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	f	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
	g	FIs	0	0	0	0.00	0	0	0	0.00	0.00
	h	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
	i	Any other (Specify)									
	<b>Sub Total B(1)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>2</b>	<b>Non-Institutions</b>										
	a	Bodies Corporate									
	(i)	Indian	0	0	0	0.00	0	0	0	0.00	0.00
	(ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
	b	Individuals									
	(i)	Individual Shareholders holding Nominal Share Capital upto Rs.1 Lakh	0	0	0	0.00	0	0	0	0.00	0.00
	(ii)	Individual Shareholders holding Nominal Share Capital in excess of Rs.1 Lakh	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholder	No. of shares held at the beginning of the year (01/04/2016)				No. of shares held at the end of the year (31/03/2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total B(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Public Share holding (B)= (B) (1)+(B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
C Shares held by Custodians for GDRs and ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A) + (B) + (C)	0	30000000	30000000	100.00 (*)	0	30000000	30000000	100.00 (*)	0.00

(\*) Includes 60 fully paid Equity Shares of Rs. 10/- each held by six nominees of Company each holding 10 equity shares of Rs. 10/- each fully paid up on behalf and for the benefit of Shriram Transport Finance Company Limited.

#### ATTACHMENT (IV)

#### 4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### b) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year (as on 01/04/2016)			Shareholding at the end of the year (as on 31/03/2017)			% change in share holding during the year (01/04/2016 to 31/03/2017)
		No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shriram Transport Finance Company Limited	30000000	100 (*)	N.A	30000000	100 (*)	N.A	0.00
	<b>Total</b>	<b>30000000</b>	<b>100</b>	<b>N.A</b>	<b>30000000</b>	<b>100</b>	<b>N.A</b>	<b>0.00</b>

(\*) Includes 60 fully paid Equity Shares of Rs. 10/- each held by six nominees of Company each holding 10 equity shares of Rs. 10/- each fully paid up on behalf and for the benefit of Shriram Transport Finance Company Limited

#### ATTACHMENT (V)

#### 4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### c) Change in Promoters' Shareholding ( please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year (as on 01/04/2016)		Cumulative Shareholding during the year (01/04/2016 to 31/03/2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	30000000	100	30000000	100
2	Date wise Increase / Decrease in Promoters Shareholding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat Equity etc)	0	0.00	0	0.00
3	<b>At the end of the year</b>	<b>30000000</b>	<b>100</b>	<b>30000000</b>	<b>100</b>

Note : There is no change in the shareholding of promoters from April 01, 2016 to March 31, 2017.

#### ATTACHMENT (VI)

#### 4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### d) Shareholding Pattern of top ten Shareholders (other than Directors Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year (as on 01/04/2016)		Date	Increase / Decrease in Share holding	% of Increase / Decrease in Share holding	Reason	Cumulative Shareholding during the year (01/04/2016 to 31/03/2017)	
		No. of Shares	% of total shares of the Company					No. of Shares	% of total shares of the Company
1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

## ATTACHMENT (VII)

### 4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

#### e) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the Year (as on 01/04/2016)		Date	Increase / Decrease in Share holding	% of Increase / Decrease in Share holding	Reason	Cumulative Shareholding during the year (01/04/2016 to 31/03/2017)	
		No. of Shares	% of total shares of the Company					No. of shares	% of total shares of the company
<b>A</b>	<b>Directors</b>								
	----	--	--	--	--	--	--	--	--
<b>B</b>	<b>Key Managerial Personnel</b>								
1	Nitin Lokhande (Company Secretary)	10 (*)	0.00	-	-	-	-	10	0.00

(\*) 10 fully paid Equity Shares held on behalf of Shriram Transport Finance Company Limited.

## ATTACHMENT (VIII)

### 5. INDEBTEDNESS

#### Indebtedness of the Company including interest outstanding/accrued but not due for payment as on March 31, 2017

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (Rs.)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	903,805.10	NIL	NIL	<b>903,805.10</b>
ii) Interest due but not paid(unclaimed)				
iii) Interest accrued but not due	NIL	NIL	NIL	<b>NIL</b>
<b>Total (i+ii+iii)</b>	<b>903,805.10</b>	<b>NIL</b>	<b>NIL</b>	<b>903,805.10</b>
<b>Change in Indebtedness during the financial year</b>				
•Addition *	NIL	NIL	NIL	<b>NIL</b>
•Reduction *	903,805.10	NIL	NIL	<b>903,805.10</b>
<b>Net Change</b>	<b>903,805.10</b>	<b>NIL</b>	<b>NIL</b>	<b>903,805.10</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	NIL	NIL	NIL	<b>NIL</b>
ii) Interest due but not paid(unclaimed)				
iii) Interest accrued but not due	NIL	NIL	NIL	<b>NIL</b>
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

\* Addition and reduction includes Interest

## ATTACHMENT (IX)

### 6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### a) Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager* Sameer Malhotra – CEO and Whole-time Director*	Total Amount (Rs.)
<b>1</b>	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,065,299.00	7,065,299.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	60,000.00	60,000.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
<b>2</b>	<b>Stock Option</b>	428,072.00	428,072.00
<b>3</b>	<b>Sweat Equity</b>	-	-
<b>4</b>	<b>Commission</b>	-	-
	- as % of profit		
	- others, specify		
<b>5</b>	<b>Others, please specify</b>		
	PF Contribution	356,400.00	356,400.00
	NPS Contribution	-	-
	<b>Total (A)</b>	<b>7,909,771.00</b>	<b>7,909,771.00</b>
	Ceiling as per the Act	7,061,700.00	-

\*please refer paragraph titled “ Payment of Remuneration to CEO and Whole Time Director” on page no.6

ATTACHMENT (X)

b) Remuneration to Other Directors

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount (Rs.)
		Mr. Lakshminarayanan	Mrs. KishoriUdeshi	
1	<b>Independent Directors</b>			
	• Fee for attending Board/ Committee meetings	150,000	150,000	300,000
	• Commission			
	• Others, please specify			
	<b>Total (1)</b>	<b>150,000</b>	<b>150,000</b>	<b>300,000</b>
2	<b>Other Non-Executive Directors</b>			
	• Fee for attending Board Committee meetings		N.A.	
	• Commission			
	• Others, please specify			
	<b>Total (2)</b>		0	
	<b>Total (B)=(1+2)</b>	<b>150,000</b>	<b>150,000</b>	<b>300,000</b>
	<b>Total Managerial remuneration</b>	<b>150,000</b>	<b>150,000</b>	<b>300,000</b>

**Note:** The Ceiling on remuneration to Director other than Managing Director, Whole time Director and/or Managing Rs.1,412,340.00 is 1% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013.

ATTACHMENT (XI)

C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD.

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (Rs.)
		Company Secretary	CFO	
		Nitin Lokhande	Harshita Phophalia	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	678,399.00	649,705.00	1,328,104.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	18,980.00	18,980.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	<b>Stock Option</b>	-	-	-
3	<b>Sweat Equity</b>	-	-	-
4	<b>Commission</b>	-	-	-
	- as % of profit			
	- others, specify...			
5	<b>Others, please specify</b>			
	PF Contribution	21,600.00	19,751.00	41,351.00
	<b>Total</b>	<b>699,999.00</b>	<b>688,436.00</b>	<b>1,388,435.00</b>

ATTACHMENT (XII)

7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL



## POLICY ON BOARD DIVERSITY

### 1. Purpose

The Company has framed a formal policy on Board diversity which sets out a framework to promote diversity on Company's Board of directors (the 'Board').

### 2. Vision

The Company recognizes the importance and benefits of having the diverse Board to enhance quality of its performance.

### 3. Policy Statement

The Company believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing the different skills, qualification, professional experience, gender, knowledge etc. of the members of the Board, necessary for achieving sustainable and balanced development. For appointments of persons to office of directors and deciding composition of the Board, the Nomination and Remuneration Committee (NRC Committee) and the Board shall also have due regard to this policy on Board diversity. In this process the NRC Committee /Board will take into consideration qualification and wide experience of the directors in the fields of banking, finance, regulatory, administration, legal, commercial vehicle segment apart from compliance of legal and contractual requirements of the Company.

The total number of directors constituting the Board shall be in accordance with the Articles of Association of the Company. The Board of directors of the Company shall have an optimum combination of executive and non-executive directors with at least one woman Director and the composition of the Board shall be in accordance with the requirement of Articles of Association of the Company, Companies Act, 2013 and statutory, regulatory and contractual obligations of the Company.

### 4. Remuneration of Whole Time Director, Key Managerial Personnel and Senior Persons

#### Remuneration of Whole Time Director

The NRC Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to determination on their behalf and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration package for Whole Time Director including pension rights and any compensation payment. The following shall be the principal recurring processes of the NRC Committee in carrying out its responsibilities relating to Whole Time Director's Compensation. The processes are set forth as a guideline with the understanding that the NRC Committee may supplement them as appropriate.

1. Provide independent oversight of and consult with Company management regarding the Company's compensation, bonus, pension and other benefit plans, policies and practices applicable to the Company.
2. Develop guidelines for and annually review and approve (a) the annual basic salary, (b) the annual incentive and bonus, including the specific goals and amount, and (c) equity compensation for the Whole Time Director.
3. Review and approve (a) employment agreements, severance arrangements, and change in control agreements / provisions and (b) any other benefits, compensation or arrangements for the Whole Time Director.
4. Prepare an annual report regarding Whole Time Director's compensation for inclusion in the Company's financial statements as required under any Applicable Rules.
5. In consultation with outside consultants, evaluate and recommend the form and amount of compensation to the director and make recommendations to the Board.

#### Remuneration of Independent Directors:

The Company is being benefited from the expertise, advise and inputs provided by the Independent Directors. The Independent Directors devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time. Non-Executive Independent Directors of the company are paid following remuneration:

#### Sitting Fees

Rs. 15,000/- for every meeting of Board and Rs. 10,000/- for every Committee meeting attended by them.

### 5. Employee Stock Option Scheme (ESOS):

The NRC Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to ESOS including, administration of the Company's stock incentive plans, and other similar incentive plans and interpret and adopt rules for the operation thereof. Establish guidelines for and approve the granting of stock options to key employees, officers and directors of the Company, including determination of the number of shares to be covered by each option, whether the option will be an incentive stock option or otherwise and the vesting schedule for each option.

- formulation of the detailed terms and conditions of the ESOS.
- the quantum of options to be granted under the ESOS per employee and in aggregate.

- the conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
- the exercise period within which the employee should exercise the options and the lapse of such options on failure to exercise them within the exercise period;
- the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
- the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as right issues, bonus issues, merger, sale of division and others.
- in this regard following shall be taken into consideration by the NRC Committee:
  - the number and the price of ESOS shall be adjusted in a manner such that total value of the ESOS remains the same after the corporate action.
  - for this purpose best practices in this area shall be considered.
  - the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.
  - the grant, vest and exercise of options in case of employees who are on long leave.
  - the procedure for cashless exercise of options, if any

**6. Review of Policy**

The NRC Committee will review the policy from time to time and make recommendations on any required changes to Board for consideration and approval.

**7. Disclosure of the Policy**

The necessary disclosure about the policy will also be made as per requirements of the Companies Act, 2013.

To the Members of  
**Shriram Automall India Limited**

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Shriram Automall India Limited ('the Company'), which comprise the balance sheet as at March 31, 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **OPINION**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its profit and its cash flows for the year ended on that date.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and except for the matter referred to in para g (iv) below, 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 and the cash flow statement dealt with by this Report are in agreement with the books of account;

- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) on the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B” to this report; and
  - (g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements;
    - ii. the Company did not have any long term contracts including derivative contract for which there were any material foreseeable losses;
- iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv. The Company has provided disclosures in Note 30 in the financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 9, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including those in Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management. However, as stated in Note 30 in the financial statements, the customers of the Company have directly deposited cash in the Company’s bank accounts and we report that we were not made available sufficient and appropriate audit evidence to report on the matter of denomination wise details of such deposits, the details of which, as represented to us, are not available with the Company.

For **G.D. Apte & Co.**  
Chartered Accountants  
Firm Registration Number 100 515W

**Ameya D. Tambekar**  
Membership No.: 128355  
Mumbai, April 26, 2017.

**ANNEXURE - A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2017.**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company does not hold any inventory during the year accordingly, the provisions of paragraph 3(ii) of the Order, are not applicable to the Company.
- (iii) As per the books of accounts and records examined and the information and explanations given to us, the Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans to its directors or any other persons in whom the director is interested or given any guarantee or provided any security in connection any loan taken by director or such other person accordingly the provisions of section 185 of the Act are not applicable to the Company. The Company has complied with the provisions of section 186 of the Act, with respect to the investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, and other undisputed statutory dues, as applicable, have been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, value added tax, duty of customs, duty of excise and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax and other statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us there are no dues in respect of sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute. In respect of income tax details of disputed dues not deposited are as under:

Nature of Statute	Nature of Dues	Amount (Rs. In Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demands	19.84	AY 2014-15	CIT (A)
UP Value Added Tax	Sales Tax Demand	10.5	AY 2014-15	Additional Commissioner - Grade II (Appeal)
Maharashtra Value Added Tax	Sales Tax Demand	176.55	FY 2011-12 to 2013- 14	Deputy Commissioner of Sales Tax (Appeal)
Finance Act, 1994	Service Tax demand	48.64	AY 2011-12, 2012-13	Under process for Appeal before CESTAT

- (viii) The Company has not defaulted in repayment of dues to bank. Further, the Company has not borrowed any funds from financial institutions, government or debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **G.D. Apte & Co.**

Chartered Accountants

Firm Registration Number 100 515W

**Ameya D. Tambekar**

Membership No.: 128355

Mumbai, April 26, 2017.



**ANNEXURE - B REFERRED TO IN PARAGRAPH 2 (F) UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2017.**

We have audited the internal financial controls over financial reporting of Shriram Automall India Limited ("the Company") as of March 31, 2017 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**

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

**Auditors' Responsibility**

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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform

the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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**

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



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**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 **G.D. Apte & Co.**

Chartered Accountants

Firm Registration Number 100 515W

**Ameya D. Tambekar**

Membership No.: 128355

Mumbai, April 26, 2017.

Particulars	Note No	(Rs. in lacs)	
		As at March 31, 2017	As at March 31, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders funds</b>			
(a) Share capital	2	3,000.00	3,000.00
(b) Reserves and surplus	3	2,970.33	2,136.90
		<b>5,970.33</b>	<b>5,136.90</b>
<b>(2) Current liabilities</b>			
(a) Short-term borrowings	7	-	9.04
(b) Trade payables	4		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,735.23	2,704.61
(c) Other current liabilities	5	82.33	172.86
(d) Short-term provisions	6	376.72	259.00
		<b>4,194.28</b>	<b>3,145.51</b>
<b>Total</b>		<b>10,164.61</b>	<b>8,282.41</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	8		
(i) Property, plant and equipment		5,029.39	5,091.78
(ii) Intangible assets		15.76	13.14
(b) Non-current investments	9	247.65	104.42
(c) Deferred tax assets (net)	10	120.64	116.87
(d) Long-term loans and advances	11	315.68	307.68
(e) Other non-current assets	12	7.11	2.20
		<b>5,736.23</b>	<b>5,636.09</b>
<b>(2) Current assets</b>			
(a) Trade receivables	13	867.85	1,009.48
(b) Current investments	14	10.22	1,310.67
(c) Cash and bank balances	15	462.62	169.34
(d) Short-term loans and advances	11	3,010.90	150.59
(e) Other current assets	12	76.79	6.24
		<b>4,428.38</b>	<b>2,646.32</b>
<b>Total</b>		<b>10,164.61</b>	<b>8,282.41</b>
Significant accounting policies	1.3		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date  
**For G.D. Apte & Co.**  
 ICAI Firm Registration No. 100515W  
 Chartered Accountants

**Ameya D. Tambekar**  
 Partner  
 Membership No : 128355

Mumbai  
 April 26, 2017

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

**S. Lakshminarayanan**  
 Chairman  
 DIN: 02808698

**Nitin Lokhande**  
 Company Secretary

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

**Harshita Phophalia**  
 Chief Financial Officer

STATEMENT OF **PROFIT AND LOSS**  
FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note No	(Rs. in lacs)	
		Year ended March 31, 2017	Year ended March 31, 2016
<b>INCOME</b>			
Revenue from operations	16	8,030.53	7,452.95
Other income	17	253.33	118.30
<b>Total</b>		<b>8,283.86</b>	<b>7,571.25</b>
<b>EXPENDITURE</b>			
Employees benefit expenses	18	3,497.75	3,466.23
Finance cost	19	4.01	5.14
Depreciation and amortisation	8	96.57	132.55
Other expenses	20	3,273.11	3,182.60
<b>Total</b>		<b>6,871.44</b>	<b>6,786.52</b>
<b>Profit before taxation</b>		<b>1,412.42</b>	<b>784.73</b>
<b>Provision for taxation</b>			
Current tax (including Rs. 84.41 lacs short provision of previous financial years)		587.03	229.66
Deferred tax		(3.76)	13.00
<b>Total tax expense/(income)</b>		<b>583.27</b>	<b>242.66</b>
<b>Profit after tax from continuing operations</b>		<b>829.15</b>	<b>542.07</b>
<b>Earnings per share</b>	27		
Basic (Rs.)		2.76	1.81
Diluted (Rs.)		2.76	1.80
Nominal value of equity share (Rs.)		<b>10.00</b>	<b>10.00</b>
Significant accounting policies	1.3		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

**For G.D. Apte & Co.**

ICAI Firm Registration No. 100515W

Chartered Accountants

**Ameya D. Tambekar**

Partner

Membership No : 128355

Mumbai

April 26, 2017

For and on behalf of the Board of Directors of

**Shriram Automall India Limited**

**S. Lakshminarayanan**

Chairman

DIN: 02808698

**Nitin Lokhande**

Company Secretary

**Sameer Malhotra**

CEO and Whole Time Director

DIN: 01029645

**Harshita Phophalia**

Chief Financial Officer

# CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

Particulars	(Rs. in lacs)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxes	1,412.42	784.73
Depreciation and amortisation	96.57	132.55
(Profit)/loss on sale of assets (net)	(0.08)	1.15
Profit on sale of investments	(29.45)	(67.30)
Employees stock option compensation cost	4.28	9.07
Interest income	(208.08)	(38.35)
Provision for doubtful advance	6.03	-
Provision for gratuity	23.37	-
Provision for leave encashment	(4.97)	16.80
<b>Operating profit before working capital changes</b>	<b>1,300.09</b>	<b>838.65</b>
<b>Movements in working capital:</b>		
Increase/(decrease) in other current liabilities	(90.53)	49.68
Increase/(decrease) in trade payables	1,030.62	160.08
Decrease/(increase) in investments	1,157.22	(1,415.09)
Decrease/(increase) in trade receivables	141.63	(710.61)
Decrease/(increase) in loans and advances	(2,868.16)	40.66
<b>Cash generated from operations</b>	<b>670.87</b>	<b>(1,036.63)</b>
Direct taxes paid for earlier year (net of refunds)	(23.35)	(130.37)
Direct taxes paid for current year (net of refunds)	(464.36)	(228.48)
<b>Net cash from/(used in) operating activities (A)</b>	<b>183.16</b>	<b>(1,395.48)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in bank deposits (having original maturity of more than three months)	(300.10)	3.73
Purchase of fixed, including intangible assets	(37.15)	(64.76)
Proceeds from sale of fixed assets	0.43	19.81
Profit on sale of investments	29.45	67.30
Interest on fixed deposits/inter-corporate/subordinated debt	126.20	47.11
<b>Net cash from/(used in) investing activities (B)</b>	<b>(181.17)</b>	<b>73.19</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in short-term borrowing (net)	(9.04)	(581.99)
<b>Net cash from/(used in) financing activities (C)</b>	<b>(9.04)</b>	<b>(581.99)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(7.05)</b>	<b>(1,904.28)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>167.63</b>	<b>2,071.91</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>160.58</b>	<b>167.63</b>

Components of cash and cash equivalents	(Rs. in lacs)	
	As at March 31, 2017	As at March 31, 2016
<b>Cash and cash equivalents at the end of the year</b>		
i) Cash on hand	45.03	44.25
ii) Balances with scheduled banks in:		
Current accounts	115.55	123.38
<b>Total cash and cash equivalents (note 15)</b>	<b>160.58</b>	<b>167.63</b>

Significant accounting policies **1.3**  
The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For G.D. Apte & Co.**  
ICAI Firm Registration No. 100515W  
Chartered Accountants

**Ameya D. Tambekar**  
Partner  
Membership No : 128355

Mumbai  
April 26, 2017

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

**S. Lakshminarayanan**  
Chairman  
DIN: 02808698

**Nitin Lokhande**  
Company Secretary

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

**Harshita Phophalia**  
Chief Financial Officer

### 1.1 CORPORATE INFORMATION

Shriram Automall India Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in facilitating the buyers/sellers to sell their trucks and commercial vehicles. It provides refurbishment of pre-owned vehicles, automalls and electronic truck bazaars. The Company operates as a wholly owned subsidiary of Shriram Transport Finance Company Limited.

### 1.2 BASIS OF PREPARATION

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules 2016. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year. The complete financial statements have been prepared along with all disclosures.

### 1.3 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Current/non-current classification of assets/liabilities

The Company has classified all its assets/liabilities into current/non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised/settled within 12 months from the date of financial statements are classified as current and other assets/liabilities are classified as non-current.

#### (b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognised prospectively in the current and future years.

#### (c) Fixed assets, depreciation/amortisation and impairment

##### Property, plant and equipment

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

##### Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is provided on Straight Line method ('SLM') using the rates arrived at based on the useful lives estimated by the management. The Company has used the following useful life to provide depreciation on its fixed assets:

Asset	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by company
Building	60 years	60 years
Building - fence	5 years	5 years
Carpeted road	10 years	10 years
Plant and equipment	15 years	15 years
Computers - server & network	6 years	6 years
Computers - laptop, desktop	3 years	3 years
Furniture and fixtures	10 years	10 years
Vehicles	10 years	10 years
Office equipments	5 years	5 years

Leasehold improvement is amortised over the lease term subject to a maximum of 60 months except the Leasehold civil work, which is amortised over the lease term.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss till the date of acquisition/sale.

### Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Amortisation is provided on Straight Line Method ('SLM'), which reflect the management's estimate of the useful life of the intangible asset.

Particulars	Rates (SLM)
Computer Software	33.33%
Trademarks	10.00%

Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss till the date of acquisition/sale.

### Impairment of assets

The carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

#### (d) **Investments**

Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

#### (e) **Leases**

##### Where the Company is the lessor

Leases (lease agreements to use lands) in which company does not transfer substantially all the risks and benefits of ownership of the asset are classified as Operating leases. Assets given on operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight line basis over the lease term except lease agreements for use of land where income is recognised as per the terms of the lease agreement on accrual basis. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

##### Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

#### (f) **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from buyer/seller facilitation fees/income from services are recognised as per the terms of the contract on an accrual basis. Service tax on fees is collected by the Company as an intermediary and accordingly revenue is presented on net basis.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend is recognised as income when right to receive payment is established by the date of Balance Sheet.

Profit/loss on the sale of investments is computed on the basis of weighted average cost of investments and recognised at the time of actual sale/redemption.

#### (g) **Retirement and other employee benefits**

##### Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. All the employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and

the Company contribute monthly at a stipulated rate. The Company has no liability for future provident fund benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

#### **Gratuity**

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet Date using the Projected Unit Credit Method. The Company fully contributes all ascertained liabilities to The Trustees- Shriram Automall India Limited Employees Group Gratuity Assurance Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with AS-15 'Employee Benefits'. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise.

#### **Leave Encashment**

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected Unit Credit Method at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

#### **(h) Borrowing cost**

Borrowing costs relating to acquisition of fixed asset in the nature of 'qualifying assets,' which take substantial period of time to get ready for its intended use are capitalised as a part of the cost of such assets, upto the date when such assets are ready for their intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

#### **(i) Income tax**

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The un-recognised deferred tax assets are re-assessed by the Company at each Balance Sheet date and are recognised to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying cost of the deferred tax assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the



Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for credit available in respect of MAT under the Income tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as “MAT credit entitlement”. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**(j) Segment reporting policies**

**Identification of segments**

The Company’s operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

**Unallocated corporate items:**

Unallocated corporate items include income, expenses, assets and liabilities which are not allocated to any business segment.

**Segment Policies :**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**(k) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(l) Provisions**

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**(m) Cash and cash equivalents**

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, cheques on hand, remittances in transit and short-term investments with an original maturity of three months or less.

**(n) Employee stock compensation costs**

In accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India, the Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

**(o) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

**NOTES** FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017 (Contd.)

		(Rs. in lacs)	
		As at March 31, 2017	As at March 31, 2016
<b>2</b>	<b>SHARE CAPITAL</b>		
<b>Authorised</b>			
100,000,000 (March 31, 2016: 100,000,000) Equity Shares of Rs. 10/- each		10,000.00	10,000.00
		<b>10,000.00</b>	<b>10,000.00</b>
<b>Issued, subscribed and fully paid up</b>			
<b>Equity shares</b>			
30,000,000 (March 31, 2016: 30,000,000) equity shares of Rs. 10/- each (All the above shares are held by the holding company, Shriram Transport Finance Company Limited and its nominees)		3,000.00	3,000.00
<b>Total</b>		<b>3,000.00</b>	<b>3,000.00</b>

	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Rs. in lacs	Number of shares	Rs. in lacs
<b>a) Reconciliation of the equity shares outstanding at the beginning and at end of reporting period</b>				
Shares outstanding at the beginning of the year	30,000,000	3,000.00	30,000,000	3,000.00
Movement during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>30,000,000</b>	<b>3,000.00</b>	<b>30,000,000</b>	<b>3,000.00</b>

**b) Terms/Rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Shares reserved for issue under options**

The Company has reserved 100,000 (March 31, 2016 -100,000) equity shares for issue under the employee stock option scheme 2013. The 100,000 (March 31, 2016 - 100,000) equity shares are unvested as of March 31, 2017.

**d) There are no equity shares allotted as fully paid up bonus shares or pursuant to contracts without payment being received in cash. No equity shares have been bought back.**

**e) Details of shareholders holding more than 5% shares in the company**

Details of shareholding	As at March 31, 2017		As at March 31, 2016	
	Number of shares	% holding in the class	Number of shares	% holding in the class
<b>Holding company</b>				
Shriram Transport Finance Company Limited and its nominees	30,000,000	100%	30,000,000	100%

		(Rs. in lacs)	
		As at March 31, 2017	As at March 31, 2016
<b>3</b>	<b>RESERVES AND SURPLUS</b>		
	<b>Stock option outstanding</b>		
	Employee stock option outstanding	31.14	31.14
	Less : Deferred employee compensation outstanding	-	(4.28)
	<b>Closing balance</b>	<b>31.14</b>	<b>26.86</b>
	<b>Surplus in the Statement of Profit and Loss</b>		
	Balance as per last account	2,110.04	1,567.97
	Add: Profit for the current year	829.15	542.07
	<b>Net surplus in Statement of Profit and Loss</b>	<b>2,939.19</b>	<b>2,110.04</b>
	<b>Total</b>	<b>2,970.33</b>	<b>2,136.90</b>

		(Rs. in lacs)	
		As at March 31, 2017	As at March 31, 2016
<b>4</b>	<b>TRADE PAYABLES</b>		
	<b>Sundry creditors other than micro, small and medium enterprises</b>		
	- for expenses	1,282.53	715.89
	- for others #	2,452.70	1,988.72
	<b>Total</b>	<b>3,735.23</b>	<b>2,704.61</b>

# includes dues to Holding Company of Rs. 15.53 lacs (March 31, 2016: Rs. 183.97 lacs)

		(Rs. in lacs)	
		As at March 31, 2017	As at March 31, 2016
<b>5</b>	<b>OTHER CURRENT LIABILITIES</b>		
	<b>Sundry creditors other than micro, small and medium enterprises</b>		
	- for fixed assets	0.86	1.82
	Temporary credit balance in bank accounts	11.05	28.58
	Other liabilities		
	- Income tax deducted at source	25.56	21.07
	- Service tax payable	17.07	93.92
	- Works contract tax payable	-	0.02
	- Statutory dues pertaining to employees	27.79	27.45
	<b>Total</b>	<b>82.33</b>	<b>172.86</b>

**NOTES** FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017 (Contd.)

(Rs. in lacs)

	As at March 31, 2017		As at March 31, 2016	
	Long- term	Short- term	Long- term	Short- term
<b>6 PROVISIONS</b>				
<b>For employee benefits</b>				
For gratuity (Refer Note No 21)	-	23.37	-	-
For leave encashment and availment	-	112.24	-	117.21
<b>For others</b>				
For income tax [net of advance for income tax of Rs. 1,028.35 lacs (March 31, 2016: Rs. 540.64 lacs)]	-	241.11	-	141.79
<b>Total</b>	-	<b>376.72</b>	-	<b>259.00</b>

(Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
<b>7 SHORT TERM BORROWINGS</b>		
<b>From Bank - secured</b>		
Loan repayment on demand		
Cash credit from bank *	-	9.04
<b>Total</b>	-	<b>9.04</b>

\* Cash credit from bank [sanctioned limit as at March 31, 2017 Rs. 500.00 lacs and March 31, 2016 Rs. 500.00 lacs] is secured by first charge on the entire current assets of the Company.

(Rs.in lacs)

Particulars	Property, plant and equipment								Intangible assets		
	Land - Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold Improvement	Total property, plant and equipment	Computer software	Trade-marks	Total Intangible Assets
<b>8 FIXED ASSETS</b>											
Gross Block											
As at April 1, 2015	4,445.38	256.93	549.97	149.52	3.64	51.30	421.35	5,878.09	181.81	4.64	186.45
Additions	-	1.14	51.12	2.97	-	7.82	-	63.05	1.71	-	1.71
Deletions	-	-	13.41	16.29	-	9.57	57.05	96.32	-	-	-
As at March 31, 2016	4,445.38	258.07	587.68	136.20	3.64	49.55	364.30	5,844.82	183.52	4.64	188.16
Additions	13.30	-	15.87	0.16	-	2.93	-	32.26	4.89	-	4.89
Deletions	-	-	0.95	-	-	0.18	-	1.13	-	-	-
As at March 31, 2017	4,458.68	258.07	602.60	136.36	3.64	52.30	364.30	5,875.95	188.41	4.64	193.05
<b>Depreciation</b>											
As at April 1, 2015	-	-	367.39	61.34	2.72	23.54	237.46	698.66	170.09	2.12	172.21
Charge for the year	-	4.74	58.22	11.69	0.68	12.25	42.16	129.74	2.35	0.46	2.81
Deletions	-	-	9.04	9.35	-	7.46	49.51	75.36	-	-	-
As at March 31, 2016	-	10.95	416.57	63.68	3.40	28.33	230.11	753.04	172.44	2.58	175.02
Charge for the year	-	4.90	49.96	10.68	0.05	7.49	21.22	94.30	1.80	0.46	2.26
Deletions	-	-	0.74	-	-	0.04	-	0.78	-	-	-
As at March 31, 2017	-	15.85	465.79	74.36	3.45	35.78	251.33	846.56	174.24	3.04	177.28
<b>Net Block</b>											
As at March 31, 2016	4,445.38	247.12	171.11	72.52	0.24	21.22	134.19	5,091.78	11.08	2.06	13.14
As at March 31, 2017	4,458.68	242.22	136.81	62.00	0.19	16.52	112.97	5,029.39	14.17	1.60	15.76

(Rs.in lacs)

Depreciation and amortisation	Year Ended	
	March 31, 2017	March 31, 2016
on property, plant and equipment	94.30	129.74
on intangible assets	2.26	2.81
<b>Total</b>	<b>96.56</b>	<b>132.55</b>

**NOTES** FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017 (Contd.)

		(Rs. in lacs)	
		As at March 31, 2017	As at March 31, 2016
<b>9</b>	<b>NON-CURRENT INVESTMENTS</b>		
	Investment in subordinated debts #	247.65	104.42
	<b>Total</b>	<b>247.65</b>	<b>104.42</b>

# Includes as on March 31, 2017 Rs. 168.77 lacs issued by Holding Company (March 31, 2016 Rs. 70.24 lacs).

					(Rs. in lacs)	
Particulars	Face value	Quantity		Amount		
		As at March 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2016	
<b>NON TRADE (VALUED AT COST UNLESS STATED OTHERWISE)</b>						
<b>Non trade (valued at cost unless stated otherwise)</b>						
<b>Unquoted: Investment in subordinated debts</b>						
Shriram Transport Finance Company Limited	1,000	15,706	168.77	6,764	70.24	
Shriram City Union Finance Limited	1,000	7,259	78.88	2,920	34.18	
<b>Total</b>			<b>247.65</b>		<b>104.42</b>	
<b>Aggregate value of unquoted investments</b>						
Cost of acquisition			251.36		105.24	

		(Rs. in lacs)	
		As at March 31, 2017	As at March 31, 2016
<b>The breakup of deferred tax asset is as under:-</b>			
<b>10</b>	<b>DEFERRED TAX ASSETS (NET)</b>		
	<b>Deferred tax asset</b>		
	Timing difference on account of :		
	Fixed asset: Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting period	63.18	72.14
	Expenses disallowed under Income Tax Act, 1961	57.46	44.73
	<b>Gross deferred tax assets (A)</b>	<b>120.64</b>	<b>116.87</b>
	<b>Gross deferred tax liabilities (B)</b>	-	-
	<b>Deferred tax assets (A-B)</b>	<b>120.64</b>	<b>116.87</b>

					(Rs. in lacs)			
					As at March 31, 2017		As at March 31, 2016	
					Non-current portion	Current portion	Non-current portion	Current portion
<b>11</b>	<b>LOANS AND ADVANCES</b>							
	<b>Unsecured, considered good</b>							
	Capital Advances	-	-	15.04	-	-	-	-
	Security deposits	144.57	1.75	143.49	3.40	-	-	-
	<b>Advances recoverable in cash or in kind or for value to be received</b>							
	Unsecured, considered good	29.22	73.55	7.70	127.52	-	-	-
	Unsecured, considered doubtful	-	6.24	-	0.21	-	-	-
		29.22	79.79	7.70	127.73	-	-	-
	Less: Provision for doubtful advances	-	(6.24)	-	(0.21)	-	-	-
		29.22	73.55	7.70	127.52	-	-	-
	<b>Other Loans and Advances - Unsecured, considered good</b>							
	Inter-corporate deposit paid to holding company	-	2,890.00	-	-	-	-	-
	Advance income tax (net of provision for taxation) [ net of provision for income tax of Rs. 503.54 lacs (March 31, 2016: Rs. 503.54 lacs)]	141.45	-	141.45	-	-	-	-
	Service tax credit	-	1.33	-	1.31	-	-	-
	Prepaid expenses	0.44	44.27	-	18.36	-	-	-
	<b>Total</b>	<b>315.68</b>	<b>3,010.90</b>	<b>307.68</b>	<b>150.59</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Rs. in lacs)

	As at March 31, 2017		As at March 31, 2016	
	Non-current portion	Current portion	Non-current portion	Current portion
<b>12 OTHER ASSETS</b>				
<b>Unsecured, considered good</b>				
Fixed deposit with banks (Refer Note no.15)	-	-	0.25	-
Interest accrued on fixed deposits with banks	-	19.52	0.02	0.07
Interest accrued on subordinated debt	7.11	0.77	1.93	-
Interest accrued on Inter-corporate deposit	-	56.50	-	-
Plan asset - gratuity (net of provision for gratuity of Rs. Nil (March 31, 2016 : Rs. 5.40 lacs )	-	-	-	6.17
<b>Total</b>	<b>7.11</b>	<b>76.79</b>	<b>2.20</b>	<b>6.24</b>

(Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
	Current portion	Current portion
<b>13 TRADE RECEIVABLES</b>		
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
<b>Other receivables (unsecured, considered good)</b>		
Other receivables	867.85	1,009.48
<b>Total</b>	<b>867.85</b>	<b>1,009.48</b>

(Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
	As at March 31, 2017	As at March 31, 2016
<b>14 CURRENT INVESTMENTS</b>		
Investment in Subordinated Debts #	10.22	12.00
Investment in Mutual funds	-	1,298.67
<b>Total</b>	<b>10.22</b>	<b>1,310.67</b>

# Includes as on March 31, 2017 Rs 5.94 lacs issued by Holding Company (March 31, 2016 Rs 11.00 lacs).

(Rs. in lacs)

PARTICULARS	Face value	Quantity	Amount	Quantity	Amount
		As at March 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2016
<b>1 Current portion of long-term investments (valued at cost unless otherwise mentioned)</b>					
<b>Unquoted: Investment in subordinated debts</b>					
Shriram Transport Finance Company Limited	1,000	355	5.94	1,100	11.00
Shriram City Union Finance Limited	1,000	265	4.28	100	1.00
<b>2 Current investments (at lower of cost and fair value)</b>					
<b>Unquoted: Investment in mutual funds</b>					
Axis Liquid Fund - Direct Growth (sold during the year)	1,000	-	-	77,414.21	1,298.67
<b>Total</b>			<b>10.22</b>		<b>1,310.67</b>
<b>Aggregate value of unquoted investments</b>					
Cost of acquisition			10.26		1,310.67
Market Value *			-		1,300.12

\* Market value of Investment in units of unquoted mutual fund represents the repurchase price of units issued by mutual fund.



**NOTES** FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017 (Contd.)

(Rs. in lacs)

	As at March 31, 2017		As at March 31, 2016	
	Non-current portion	Current portion	Non-current portion	Current portion
<b>15 CASH AND BANK BALANCES</b>				
<b>Cash and cash equivalents</b>				
i) Balances with scheduled banks in:				
Current accounts	-	115.55	-	123.38
ii) Cash on hand	-	45.03	-	44.25
	-	<b>160.58</b>	-	<b>167.63</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months	-	300.25	0.25	-
Deposits with original maturity for more than 3 months but less than 12 months #	-	1.79	-	1.71
	-	<b>302.04</b>	<b>0.25</b>	<b>1.71</b>
<b>Amount disclosed under other assets (Refer Note 12)</b>	-	-	<b>(0.25)</b>	-
<b>Total</b>	-	<b>462.62</b>	-	<b>169.34</b>

# Includes deposits of Rs 0.71 lacs (March 31, 2016 - Rs 0.71 lacs) pledged with VAT authorities.

(Rs. in lacs)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>16 REVENUE FROM OPERATIONS</b>		
Buyer/seller facilitation fees	7,561.99	7,002.90
Rental income	468.54	450.05
<b>Total</b>	<b>8,030.53</b>	<b>7,452.95</b>

(Rs. in lacs)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>17 OTHER INCOME</b>		
Interest on deposits with bank	21.11	24.27
Profit on sale of long-term investments	0.11	-
Profit on sale of current investments	29.45	67.30
Interest on inter-corporate deposit	161.91	-
Interest on long-term investments	21.21	7.99
Interest on loan to employees	3.85	6.09
Profit on sale of assets (net)	0.08	1.01
Miscellaneous income	15.61	11.64
<b>Total</b>	<b>253.33</b>	<b>118.30</b>

(Rs. in lacs)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>18 EMPLOYEES BENEFIT EXPENSES</b>		
Salaries, allowances and bonus	3,211.89	3,158.91
Gratuity expenses (Refer Note No 21)	49.41	45.55
Contribution to provident and other funds	161.92	180.12
Expense on Employee Stock Option Scheme	4.28	9.07
Staff welfare expenses	70.25	72.58
<b>Total</b>	<b>3,497.75</b>	<b>3,466.23</b>

		(Rs. in lacs)	
		Year ended March 31, 2017	Year ended March 31, 2016
<b>19</b>	<b>FINANCE COST</b>		
	<b>Interest expense</b>		
	Interest on Loan from Bank	0.57	1.84
	Interest - others	3.44	3.30
	<b>Total</b>	<b>4.01</b>	<b>5.14</b>

		(Rs. in lacs)	
		Year ended March 31, 2017	Year ended March 31, 2016
<b>20</b>	<b>OTHER EXPENSES</b>		
	Lease rent for office premises, computers, furnitures and plant and machinery (Refer Note No 24)	122.11	78.69
	Lease rent for parking yards	345.01	323.07
	Electricity expenses	99.64	96.62
	Royalty paid	74.73	41.52
	Buyer/seller facilitation expenses	757.70	789.80
	Security charges	135.32	78.97
	Repairs and maintenance		
	- Plant	14.59	37.74
	- Others	74.49	74.24
	Rates and taxes	5.27	35.51
	Printing and stationery	60.93	101.87
	Travelling and conveyance	621.51	722.49
	Bank charges	51.64	43.88
	Advertisement	3.83	1.51
	Business promotion	66.45	68.18
	Corporate social responsibility expenses	1.50	-
	Directors sitting fees	3.03	2.19
	Insurance	36.41	29.48
	Communication expenses	173.79	195.39
	Payment to auditor's		
	As Auditor		
	- Audit fees	9.57	9.53
	- Tax Audit fees	4.03	3.51
	- Out of pocket	0.48	0.82
	In any other manner		
	- Certification	2.01	-
	Legal and professional charges	342.83	337.38
	Miscellaneous expenses	266.24	110.21
	<b>Total</b>	<b>3,273.11</b>	<b>3,182.60</b>

**NOTES** FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017 (Contd.)

**21 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS:**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

During the year the company has funded Rs. Nil (March 31, 2016 - Rs. 17.57 lacs) for gratuity being defined benefit obligation.

Consequent to the adoption of revised AS 15 'Employee Benefits' issued under the Companies (Accounts) Rules, 2014, as amended, the following disclosures have been made as required by the standard:

**Statement of Profit and Loss**

Net employee benefit expense (recognized in statement of Profit and loss)

Particulars	Gratuity	
	March 31, 2017	March 31, 2016
Current service cost	24.72	23.35
Interest cost on benefit obligation	17.85	12.81
Expected return on plan assets	(15.77)	(12.96)
Net actuarial (gain)/loss recognized in the year	(15.21)	22.34
Past service cost	NIL	NIL
<b>Net benefit expense</b>	<b>11.59*</b>	<b>45.55</b>
Actual return on plan assets	14.72	15.73

\* Net benefit expense is net off benefit obligation of Rs. 37.65 lacs and short provision of Rs. 0.17 lacs of relieved employees.

**Balance sheet**

Benefits assets / (liability)

Particulars	Gratuity	
	March 31, 2017	March 31, 2016
Present value of defined benefit obligation	233.45	223.42
Fair value of plan assets	212.06	197.34
Surplus/(deficit)	(21.39)	(26.08)
Less : Unrecognised past serviced cost	-	-
<b>Plan asset/(liability)*</b>	<b>(21.39)</b>	<b>(26.08)</b>

\*Gratuity liability for the year ended March 31, 2017 disclosed under note 6 - Provisions includes Rs. 1.98 lacs being gratuity transferred from other Company. Gratuity liability for the year ended March 31, 2016 disclosed under note 12 includes gratuity provision on account of relieved/transferred employees Rs. 5.40 lacs and defined obligation of Rs. 37.65 lacs of relieved employees paid to trust.

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

Particulars	Gratuity	
	March 31, 2017	March 31, 2016
Opening defined benefit obligation	223.42	162.14
Interest cost	17.85	12.81
Current service cost	24.72	23.35
Benefits paid	(16.28)	-
Actuarial (gains)/losses on obligation	(16.26)	25.12
<b>Closing defined benefit obligation</b>	<b>233.45</b>	<b>223.42</b>

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

Particulars	Gratuity	
	March 31, 2017	March 31, 2016
Opening fair value of plan assets	197.34	164.03
Expected return	15.77	12.96
Contributions by employer	16.28	17.57
Benefits paid from the Fund	(16.28)	-
Actuarial gains/(losses)	(1.05)	2.78
<b>Closing fair value of plan assets</b>	<b>212.06</b>	<b>197.34</b>

The Company's best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet date, towards gratuity is Rs. 47.73 lacs (March 31, 2016: Rs. 50.79 lacs).

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

Particulars	Gratuity	
	March 31, 2017	March 31, 2016
Investment with Insurer	100%	100%

**21 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (Contd.)**

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below :

Particulars	Gratuity	
	March 31, 2017	March 31, 2016
Discount Rate	7.26%	7.90%
Increase in compensation cost	5.00%	5.00%
Employee turnover	5.00% and 10.00% *	5.00% and 10.00% *
Expected rate of return on assets	7.26%	7.90%

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

\*5.00% in case of employees with service period of 5 years and above and 10.00% for all other employees.

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

Amounts for the current year and previous four years are as follows : (Rs. in lacs)

Particulars	Gratuity				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Defined benefit obligation	233.45	223.42	162.14	126.55	124.32
Plan assets	212.06	197.34	164.03	126.68	N.A.
Surplus/(deficit)	(21.39)	(26.08)	1.89	0.13	(124.32)
Experience adjustments on plan liabilities (gains)/ losses	(30.78)	27.31	(14.77)	(1.87)	15.69
Experience adjustments on plan assets (losses)/Gains	(1.05)	2.78	3.46	3.13	N.A.

**22 EMPLOYEE STOCK OPTION PLAN**

	Series I
<b>Date of grant</b>	<b>January 28, 2014</b>
Date of Board/Committee Approval	May 6, 2013
Date of Shareholder's approval	November 11, 2013
Number of options granted	100,000
Method of Settlement (Cash/Equity)	Equity
<b>Graded Vesting Period</b>	
After 1 year of grant date	20% of options granted
After 2 years of grant date	30% of options granted
After 3 years of grant date	50% of options granted
Exercisable period	10 years from vesting date
Vesting Conditions	on achievement of pre-determined targets

The details of Series I have been summarized below:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	Weighted Average Exercise Price(Rs.)	Number of Shares	Weighted Average Exercise Price(Rs.)
Outstanding at the beginning of the period	100,000	10.00	100,000	10.00
Add: Granted during the period	-	-	-	-
Less: Forfeited during the period	-	-	-	-
Less: Exercised during the period	-	-	-	-
Less: Expired during the period	-	-	-	-
Outstanding at the end of the period	100,000	10.00	100,000	10.00
Exercisable at the end of the period	-	-	-	-
Weighted average remaining contractual life (in years)	-	3.84	-	4.84
Weighted average fair value of options granted	-	27.40	-	27.40

The share price is Rs. 33.51 as per the share valuation derived by Black Scholes Model as on March 31, 2017

The details of exercise price for stock options outstanding for Series I at the end of the year are:

As at	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
March 31, 2017	Rs. 10/-	100,000	3.84	Rs. 10/-
March 31, 2016	Rs. 10/-	100,000	4.84	Rs. 10/-

**22 EMPLOYEE STOCK OPTION PLAN (Contd.)**

**Stock Options granted**

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

<b>Particulars</b>	(Rs. in lacs)	
	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Total compensation cost pertaining to employee share-based payment plan (entirely equity-settled)	4.28	9.07
Liability for employee stock options outstanding as at year end	31.14	31.14
Deferred compensation cost	-	4.28

**Since the enterprise used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method is as follows:**

In March 2005, ICAI has issued a guidance note on “Accounting for Employees Share Based Payments” applicable to employee based share plan the grant date in respect of which falls on or after April 1, 2005. The said guidance note requires that the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

<b>Particulars</b>	(Rs. in lacs)	
	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Profit as reported (Rs. in lacs)	829.15	542.07
Add: Employee stock compensation under intrinsic value method (Rs. in lacs)	4.28	9.07
Less: Employee stock compensation under fair value method (Rs. in lacs)	3.81	8.08
Proforma profit (Rs. in lacs)	829.62	543.06
Less Preference Dividend	-	-
Proforma Net Profit for Equity Shareholders	829.62	543.06
<b>Earnings per share</b>		
<b>Basic (Rs.)</b>		
- As reported	2.76	1.81
- Proforma	2.77	1.81
<b>Diluted (Rs.)</b>		
- As reported	2.76	1.80
- Proforma	2.76	1.81
Nominal Value (Rs)	10.00	10.00

**23 SEGMENT REPORTING**

The Company operates in a single reportable segment, which has similar risks and returns for the purpose of AS-17 on “Segment Reporting” specified under the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Amendments Rules, 2016. The Company operates in single geographical segment i.e. domestic.

**24 LEASES**

**In case of assets taken on lease**

The Company has taken various office premises, furniture and fixtures, computers and plant and equipment under operating lease. All these lease payment are cancellable in nature and are renewable by mutual consent on mutually agreed terms. The lease payments recognised in the Statement of Profit and Loss are Rs. 122.11 lacs (March 31, 2016: Rs. 78.69 lacs). Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. There are no restrictions imposed by lease arrangements.

**25 RELATED PARTY DISCLOSURE**

**Related party where control exists**

<b>Holding company</b>	Shriram Transport Finance Company Limited (STFCL) (From the inception i.e. February 11, 2010)
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**Other Related parties**

Enterprises having significant influence over the Company	Shriram Capital Limited Shriram Ownership Trust Shriram Financial Ventures (Chennai) Private Limited Piramal Enterprises Limited
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**Related parties as per AS 18 with whom transactions have taken place during the year**

Key management personnel	Mr. Sameer Malhotra, Whole Time Director
Relatives of key management personnel	Mrs. Kamini Malhotra (spouse)

**Related parties as per Companies Act, 2013 with whom transactions have taken place during the year**

Key management personnel	Mr. Nitin Lokhande, Company Secretary Mrs. Harshita Phophalia, Chief Financial Officer
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25 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	(Rs. in lacs)										
	Holding Company		Enterprises having significant influence over the Company		Key Management personnel (Managing Director, Whole time director, manager and other management personnel)		Relative of Key Management Personnel		Total		
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	
<b>Payments/expenses</b>											
Employee benefits for key management personnel \$	-	-	-	-	-	103.69	92.98	-	-	-	103.69
Car hire charges	-	-	-	-	-	-	-	4.08	4.08	-	4.08
Unsecured loan and advances paid	531.75	267.29	-	-	-	-	-	-	-	-	531.75
Inter-corporate deposit paid	2,890.00	-	-	-	-	-	-	-	-	-	2,890.00
Administrative expenses #	133.83	125.99	-	-	-	-	-	-	-	-	133.83
Rent paid #	249.88	209.33	-	-	-	-	-	-	-	-	249.88
Royalty to Shriram Ownership Trust	-	-	74.73	41.52	-	-	-	-	-	-	74.73
<b>Receipts/Income</b>											
Amount received											
- Reimbursement of rent	108.00	113.76	-	-	-	-	-	-	-	-	108.00
- Reimbursement of other administrative expenses	78.63	85.28	-	-	-	-	-	-	-	-	78.63
- Reimbursement of yard rent	291.09	286.12	-	-	-	-	-	-	-	-	291.09
- Reimbursement of lease rent	0.13	0.53	-	-	-	-	-	-	-	-	0.13
- Receipts of commission on business mobilisation services	227.79	222.17	-	-	-	-	-	-	-	-	227.79
Interest on inter-corporate deposit paid	161.91	-	-	-	-	-	-	-	-	-	161.91
Interest on subordinated debt	13.61	5.37	-	-	-	-	-	-	-	-	13.61
Subordinated debt matured	45.83	-	-	-	-	-	-	-	-	-	45.83
<b>Balance outstanding</b>											
Equity share capital	3,000.00	3,000.00	-	-	-	-	-	-	-	-	3,000.00
Unsecured loans and advances payable	15.53	183.97	-	-	-	-	-	-	-	-	15.53
Royalty payable to Shriram Ownership Trust	-	-	78.08	43.17	-	-	-	-	-	-	78.08
<b>Amount recoverable</b>											
Inter-corporate deposit	2,890.00	-	-	-	-	-	-	-	-	-	2,890.00
Interest receivable on inter-corporate deposit	56.50	-	-	-	-	-	-	-	-	-	56.50
Investment in subordinated debt	160.61	78.64	-	-	-	-	-	-	-	-	160.61
Interest receivable on subordinated debt	21.98	3.74	-	-	-	-	-	-	-	-	21.98
<b>Guarantees given by the Holding Company</b>											
	200.00	200.00	-	-	-	-	-	-	-	-	200.00

\$ As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the Chief Executive Officer are not included above.

# Denotes expenses including service tax

**NOTES** FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017 (Contd.)

		(Rs. in lacs)	
Particulars	As at March 31, 2017	As at March 31, 2016	
<b>26</b>	<b>CONTINGENT LIABILITIES NOT PROVIDED FOR</b>		
Disputed Income tax demand on account of Royalty and interest as per assessment order	19.84	1.52	
Disputed Service tax demand where the company is in the process of filing appeal before CESTAT. The amount of interest on the said demand is yet to be determined by the department.	48.64	-	
VAT demand where the Company has filed appeal before Deputy Commissioner of Sales Tax (Appeals)	187.05	176.55	

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operation.

The Company has received show cause notice demanding service tax on income from refurbishment of vehicles for the periods April 2011 upto June 2012 amounting to Rs. 39.28 lacs, irregular availment of input tax credit amounting to Rs. 25.80 lacs for the period April 2011 to March 2015, service tax on reimbursement expenses received amounting to Rs. 4.83 lacs for the period April 2013 to May 2014 and the same is contested by the Company. The Company has provided for service tax demands on refurbishment income and reimbursement of expenses including interest thereon. The Management believes that the ultimate outcome of this proceeding will not have a material effect on the Company's financial position and results of operations.

		(Rs. in lacs)	
Commitments not provided for	As at March 31, 2017	As at March 31, 2016	
Estimated amount of contracts remaining to be executed on capital account	0.58	1.80	

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	
<b>27</b>	<b>EARNINGS PER SHARE</b>		
Net Profit after tax as per Statement of Profit and Loss (Rs. in lacs) (A)	829.15	542.07	
Weighted average number of equity shares for calculating basic EPS (in lacs) (B)	300.00	300.00	
Weighted average number of equity shares for calculating diluted EPS (in lacs) (C)	300.76	300.65	
Basic earnings per equity share (in Rupees) (nominal value Rs. 10 per share) (A)/(B)	2.76	1.81	
Diluted earnings per equity share (in Rupees) (nominal value Rs. 10 per share) (A)/(C)	2.76	1.80	



- 28** Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under “The Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006”. Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(Rs. in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
The principal amount remaining unpaid to supplier as at the end of the year.	-	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointment day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

(Rs. in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>29</b> <b>DETAILS OF CSR EXPENSES</b>		
a) <b>Gross amount required to be spent by the Company during the year</b>	21.43	25.75
b) <b>Amount spent during the year</b>		
- On purposes other than construction/acquisition of any asset		
Paid in cash	1.50	-
Yet to be paid in cash	-	-
<b>Total</b>	<b>1.50</b>	<b>-</b>

- 30** The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 as provided in the Table below:-

(Rs. in lacs)

Particulars	SBNs	Other denomination notes	Total
<b>Closing cash in hand as on 08.11.2016</b>	118.43	2.42	120.85
(+) Permitted receipts	-	990.83	990.83
(-) Permitted payments	-	466.82	466.82
(-) Amount deposited in Banks	118.43	500.89	619.32
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>25.54</b>	<b>25.54</b>

In the ordinary course of business, customers of the Company have directly deposited cash as part of their dues in the bank accounts of the Company with various banks, aggregating to Rs. 89.89 lacs during the period November 9, 2016 to December 30, 2016 the denomination wise details of which are currently not available with the Company and hence not included in the above table.

Explanation : For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

**31** **PREVIOUS YEAR COMPARATIVES**

The figures for the previous year have been regrouped and reclassified, wherever necessary to conform to current year’s classification.

As per our report of even date  
**For G.D. Apte & Co.**  
ICAI Firm Registration No. 100515W  
Chartered Accountants

**Ameya D. Tambekar**  
Partner  
Membership No : 128355

Mumbai  
April 26, 2017

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

**S. Lakshminarayanan**  
Chairman  
DIN: 02808698

**Nitin Lokhande**  
Company Secretary

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

**Harshita Phophalia**  
Chief Financial Officer









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