

Popular Auto Dealers Private Limited, Ernakulam
Balance Sheet as at 31 March 2021
(All amounts in INR millions)

	Note	As at 31 March 2021	As at 31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	2	31.77	27.47
Goodwill	3	11.52	-
Right-of-Use Asset	17	53.83	55.72
Financial assets			
Investments	4	3.88	1.24
Loans	5	18.22	16.84
Deferred tax assets (net)	26	5.43	5.92
Income tax assets (net)	26	2.85	4.81
Other non-current assets	6	2.27	1.63
Total non-current assets		129.77	113.63
Current assets			
Inventories	7	196.25	203.61
Financial assets			
Trade receivables	8	182.26	212.75
Cash and cash equivalents	9	22.71	8.67
Bank balances	10	11.64	11.06
Other current assets	6	7.97	10.50
Total current assets		420.83	446.59
Total assets		550.60	560.22
Equity and liabilities			
Equity			
Equity share capital	11	5.10	5.10
Other equity		199.74	147.74
Equity attributable to owners of company		204.84	152.84
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liability	17	46.88	49.29
Borrowings	12	9.02	8.02
Provisions	14	1.50	2.96
Total non-current liabilities		57.40	60.27
Current liabilities			
Financial liabilities			
Lease Liability	17	15.95	14.32
Borrowings	12	138.76	211.76
Trade payables	16	111.38	108.22
Other financial liabilities	13	14.96	9.50
Provisions	14	0.47	0.25
Other current liabilities	15	6.84	3.06
Total current liabilities		288.36	347.11
Total equity and liabilities		550.60	560.22
Significant accounting policies	1		
Notes forming part of financial statements	2-35		
As per report of even date attached			

A. S. NARAYANAMOORTHY B.Com FCA
CHARTERED ACCOUNTANT
M. No. 13980

Place : Kochi
Date : 28.5.2021

for and on behalf of the Board of Directors of
Popular Auto Dealers Private Limited
CIN : U50101KL2005PTC018670

Naveen Philip
Director
DIN: 00018827

John K Paul
Director
DIN: 00016513

Popular Auto Dealers Private Limited, Ernakulam
Statement of Profit and Loss for the year ended 31 March 2021
(All amounts in INR millions)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	18	1,440.64	1,474.94
Other income	19	7.05	1.62
Total income		1,447.69	1,476.56
Expenses			
Purchases of Stock in Trade	20	1,190.13	1,344.86
Changes in inventory of stock-in-trade	21	20.11	(65.47)
Employee benefits expense	22	67.25	62.51
Finance costs	23	17.68	26.95
Depreciation and amortisation expense	24	23.62	23.46
Other expenses	25	61.12	62.83
Total expenses		1,379.91	1,455.14
Profit before exceptional item and tax		67.78	21.42
Exceptional item		-	-
Profit before tax		67.78	21.42
Income tax expense			
Current tax	26	16.34	7.85
Deferred tax charge /(benefit)	26	0.23	(2.76)
Profit for the year attributable to owners of the Company		51.21	16.33
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit liability/ (asset)., net of tax		1.06	(0.81)
Income Tax relating to item that will not be reclassified to profit or loss		(0.27)	0.20
Total comprehensive income for the year attributable to owners of the Company		52.00	15.72
Profit per share (equity share of face value of INR 100 each)			
Basic	28	1,019	308
Diluted	28	1,019	308
Significant accounting policies			
Notes forming part of financial statements	1		
Notes forming part of financial statements	2-35		

As per report of even date attached

A. S. NARAYANAMOORTHY B.Com FCA
CHARTERED ACCOUNTANT
M. No. 13980

for and on behalf of the Board of Directors of
Popular Auto Dealers Private Limited
CIN : U50101KL2005PTC018670

Naveen Philip
Director
DIN: 00018827

John K Paul
Director
DIN: 00016513

Place : Kochi

Date : 28.5.2021

Popular Auto Dealers Private Limited, Ernakulam
Cash Flow Statement as at 31 March 2021
(All amounts in INR millions)

	As at 31 March 2021	As at 31 March 2020
Cash flows from operating activities		
Profit before tax	67.78	21.42
<i>Adjustments for</i>		
Finance costs	11.35	28.30
Interest on shortfall in payment of advance tax	0.50	-
Interest exp on lease liability	5.83	6.19
Interest income (IND AS 109)	(0.65)	(0.59)
Lease Liability Written Back	(0.31)	-
Lease concession	(0.90)	-
Interest income	(0.86)	(1.35)
Provision for doubtful debts written back	(2.29)	-
Gain on sale of property, plant and equipment (net)	(0.31)	(0.07)
Depreciation and amortisation	23.62	23.46
Operating profit before working capital changes	103.76	77.36
(Increase) / Decrease in Trade receivables	32.78	(98.27)
(Increase) / Decrease in Inventories	7.36	(0.86)
(Increase) / Decrease in Loans and Advances	1.20	(6.45)
Increase / (Decrease) in Long Term Provisions	(0.40)	0.38
Increase / (Decrease) in Other current liabilities	12.62	(1.96)
Cash generated from/ (used) in operations	157.32	(29.80)
Taxes paid, net of refund received	(14.88)	(10.14)
Net cash generated from/ (used) in operating activities (A)	142.44	(39.94)
Cash flows from investing activities		
Investments	(2.64)	(0.69)
Long term advance	(0.73)	(2.15)
Interest received	0.86	1.35
Purchase of property, plant and equipment	(21.65)	(10.46)
Proceeds from sale of property, plant and equipment	0.91	0.07
Net cash used in investing activities (B)	(23.25)	(11.88)
Cash flows from financing activities		
Interest paid	(11.35)	(28.30)
Secured loans availed, net	(72.00)	99.78
Payment of lease liabilities	(21.22)	(20.51)
Net cash generated from financing activities (C)	(104.57)	50.97
Net increase in cash and cash equivalents (A+B+C)	14.62	(0.85)
Cash and cash equivalents at the beginning of the year	19.73	20.58
Cash and cash equivalents at the end of the year	34.35	19.73

(refer to note 9 & 10- Cash and bank balances)

The notes referred to above form an integral part of the financial statements
As per report of even date attached


A. S. NARAYANAM DORTHY B.Com FCA
CHARTERED ACCOUNTANT
M. No. 13980


Place : Kochi

Date : 28.5.2021

for and on behalf of the Board of Directors of
Popular Auto Dealers Private Limited
CIN : U50101KL2005PTC018670


Naveen Philip
Director

DIN: 00018827


John K Paul
Director

DIN: 00016513

Popular Auto Dealers Private Limited, Ernakulam
Statement of changes in Equity
 (All amounts in INR millions)

A. Equity Share capital	Amount
As at 1 April 2019	5.10
Changes in Equity share capital	-
As at 31 March 2020	5.10
Changes in Equity share capital	-
As at 31 March 2021	5.10

Particulars	Reserves and surplus		Items of other Comprehensive Income	Total other Equity attributable to Equity holders of the Company
	Securities premium	Retained earnings	Remeasurement of net defined benefit liability/ (asset), net of tax	
Balance as at 31 March 2019	37.45	99.48	(0.04)	136.89
Ind As Adjustment on account of lease		4.88		4.88
Total comprehensive income for the year				
Profit for the year		16.33		16.33
Other comprehensive income	-	-	(0.60)	(0.60)
Total comprehensive income	-	16.33	(0.60)	15.73
Balance as at 31 March 2020	37.45	110.93	(0.64)	147.74
Balance as at 31 March 2020	37.45	110.93	(0.64)	147.74
Ind As Adjustment on account of lease				-
Total comprehensive income for the year				
Profit for the year		51.21		51.21
Other comprehensive income	-	-	0.79	0.79
Total comprehensive income	-	51.21	0.79	52.00
Balance as at 31 March 2021	37.45	162.14	0.15	199.74

The description of the nature and purpose of each reserve within equity is as follows:

1 Securities Premium

Represents premium arising out of issue of 14,704 Equity shares of Rs.100/- each at a premium of Rs.2,547 during the FY 2018-19.

2 Retained earnings

Represents accumulation of retained earnings of earlier years.

As per report of even date attached

A. S. NARAYANAMOORTHY B.Com FCA
 CHARTERED ACCOUNTANT
 M. No. 13980

Place : Kochi

Date : 28.5.2021

for and on behalf of the Board of Directors of
Popular Auto Dealers Private Limited
 CIN : U50101KL2005PTC018670

Naveen Philip
 Director
 DIN: 00018827

John K Paul
 Director
 DIN: 00016513

Popular Auto Dealers Private Limited
Notes to the financial statements (continued)
(All amounts in INR millions)

1.1 Company overview

Popular Auto Dealers Private Limited ('the Company') was incorporated in 2005 as a Private Limited Company. The Company is engaged in the business of sale of automobile spare parts and accessories and canvassing of auto loans and insurance policies. The Company is headquartered in Kochi, India and has operations in Kerala and Karnataka.

1.2 Basis of preparation

A. Statement of compliance

The Company is a subsidiary of Popular Vehicles and Services Limited whose financial statements are prepared in accordance with Companies (Indian Accounting Standard) Rules 2015 notified under section 133 of the Companies Act 2013 (the Act), as amended and other relevant provisions of the Act. Consequently, these financial statements are prepared in accordance with Companies (Indian Accounting Standard) Rules 2015. Further, being a subsidiary of an unlisted public company, this Company is also deemed to be an unlisted public company.

Details of Company's accounting policies are included in Note 1.3.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are presented in Indian Rupees in millions, unless otherwise stated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for cases wherever fair value is applicable.

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements. Basis of preparation (continued)

1.3 Significant accounting policies

1.3.1. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, road tax after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the



Popular Auto Dealers Private Limited
Notes to the financial statements (continued)

(All amounts in INR millions)

item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under other non-current assets. The cost of fixed assets not ready for its intended use at each balance sheet date are disclosed as capital work-in-progress.

Borrowing costs directly attributable to the acquisition, construction or production of those fixed assets that necessarily take a substantial period to get ready for their intended use, are capitalized. Other borrowing costs are accounted as an expense in the statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognized in the profit or loss. Leasehold improvements are amortized over the useful lives of assets.

The estimated useful lives of items of property, plant and equipment are as follows:

Class of Assets	Previous Life	Revised Life
Building	60	60
Plant and Machinery	15	15
Electrical Equipments	10	10
Office Equipments	5	5
Computer and Accessories	3	3
Motor Car	8	8
Motor Cycle	10	10
Furniture and Fittings	10	10
Software	3	3
Tools & Equipments	15	15

1.3.2 Intangible assets:

Intangibles assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use and is included in amortization in profit or loss. The estimated useful lives are as follows:

Class of assets	Years
Software	3
Goodwill	5

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.



Popular Auto Dealers Private Limited
Notes to the financial statements (continued)

(All amounts in INR millions)

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

1.3.3 Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed Contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payment is available.

The company is covered under the Group Gratuity Scheme of Life Insurance Corporation of India for future payments of Gratuity as determined on actuarial basis by LIC of India. The contribution is debited to gratuity payable.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized in other comprehensive income (OCI). The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

Other long term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Re-measurement gains or losses are recognized in profit or loss in the period in which they arise.



Popular Auto Dealers Private Limited
Notes to the financial statements (continued)
(All amounts in INR millions)

1.3.4 Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

1.3.5 Revenue

Revenue on sale of vehicles, spare parts and accessories is recognized when the risk and rewards are transferred to the customer and is accounted net of GST and trade discounts, if any.

Commission income is recognized when services are rendered and in accordance with the commission agreements.

Discounts and incentive income is recognized when the services are rendered and as per the relevant scheme/arrangement with the service receiver. Trade discounts from principal/manufacture are also grouped under discounts/incentives. In respect of other heads of income, the Company follows the practice of recognizing income on an accrual basis.

Ind-AS 115 was effective from 1 April 2018. The effect of adoption of this standard is insignificant.

1.3.6 Inventories

Inventories are valued on the basis of cost or net realizable value, whichever is less.

Cost for this purpose is arrived at as follows:

- Maruti Spares & Accessories, Akzo Nobel products and Ashok Leyland Spare parts are valued at Cost on FIFO basis.
- TATA Spares, Axalta products, Shell products are valued at Weighted Average basis.

1.3.7 Impairment

i) Impairment of financial instruments

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.



Popular Auto Dealers Private Limited
Notes to the financial statements (continued)
(All amounts in INR millions)

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off

ii) Impairment of non- financial assets

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

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

In respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized

1.3.8 Ind AS 116 – Leases

Ind AS 116 has replaced existing leases standard with effect from 01.04.2019, Ind AS 17 Leases (Ind AS 17) and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognizes present value of the lease payment (discounted using incremental borrowing rate) as right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments and lease rent expense will be replaced with the amortization of right-of use-asset and interest accrued on lease liability. The standard also contains enhanced disclosure requirements for lessees and will have consequential impact on cash flows categories as well. The new standard substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company has applied the provisions of this standard only in respect of those lease agreements other than short



Popular Auto Dealers Private Limited
Notes to the financial statements (continued)
(All amounts in INR millions)

term leases. Where the non-cancellable period in the lease agreements entered into by the Company are for a period of less than one year, such leases fall within the meaning of short term lease as per the standard and thus qualifies for exemption as per para 5 to 8 of Ind AS 116. Accordingly, this standard is not applied for short term leases.

1.3.9 Recognition of interest income or interest expense

Interest income other than received from banks is recognized on effective interest rate basis and Interest Income from banks are based on statement received from banks.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

1.3.10 Income tax

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the profit or loss. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.



Popular Auto Dealers Private Limited
Notes to the financial statements (continued)
(All amounts in INR millions)

1.3.11 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.3.12 Earnings/loss per share

The basic earnings/loss per share is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

1.3.13 Cash-flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

1.3.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value

1.3.15 Prior Period Items

Expenses/income less than Rs. 10,00,000, if any, are not treated as prior period items as they are not material considering the scale of operations of the company. Further, expense / income relating to earlier years which crystallised during the year are not treated as prior period items.



Popular Auto Dealers Private Limited, Ernakulam
Notes to the financial statements (continued)
(All amounts in INR millions)

2 Property, plant and equipment

Particulars	Buildings	Furniture and fixtures	Plant and Equipment	Computer Equipment	Office equipment	Motor Vehicles	Total
Gross carrying value							
Balance at 1 April 2018	1.37	12.22	0.22	1.35	0.14	9.41	24.71
Additions/(transfers)		4.83		0.78	0.24	1.43	7.28
Disposals						0.04	0.04
Balance at 31 March 2019	1.37	17.05	0.22	2.13	0.38	10.79	31.95
Balance at 1 April 2019	1.37	17.05	0.22	2.13	0.38	10.80	31.95
Additions/(transfers)		5.40		1.13	0.07	3.86	10.46
Disposals						0.01	0.01
Balance at 31 March 2020	1.37	22.45	0.22	3.26	0.45	14.65	42.40
Balance at 1 April 2020	1.37	22.45	0.22	3.26	0.45	14.65	42.40
Additions/(transfers)		8.17	0.16	0.70	0.01	0.81	9.85
Disposals						1.33	1.33
Balance at 31 March 2021	1.37	30.62	0.38	3.96	0.46	14.13	50.92
Accumulated Depreciation							
Balance at 1 April 2018	0.05	3.01	0.02	0.55	0.08	1.88	5.59
Depreciation for the year	0.02	1.75	0.02	0.53	0.07	1.48	3.88
Disposals						0.02	0.02
Balance at 31 March 2019	0.07	4.76	0.04	1.08	0.15	3.34	9.45
Balance at 1 April 2019	0.07	4.76	0.04	1.08	0.15	3.34	9.45
Depreciation for the year	0.02	2.56	0.02	0.97	0.09	1.84	5.50
Disposals						0.01	0.01
Balance at 31 March 2020	0.09	7.32	0.06	2.05	0.24	5.17	14.94
Balance at 1 April 2020	0.09	7.32	0.06	2.05	0.24	5.17	14.94
Depreciation for the year	0.02	2.55	0.02	0.64	0.06	1.66	4.95
Disposals						0.73	0.73
Balance at 31 March 2021	0.11	9.87	0.08	2.69	0.30	6.10	19.16
Carrying amounts (net)							
At 31 March 2021	1.26	20.75	0.30	1.27	0.16	8.03	31.77
At 31 March 2020	1.28	15.13	0.16	1.21	0.21	9.48	27.47
At 31 March 2019	1.30	12.29	0.19	1.05	0.23	7.44	22.51

3 Intangible Assets

Particulars	Goodwill
Gross carrying value	
Balance at 1 April 2020	-
Additions/(transfers)	11.80
Disposals	-
Balance at 31 March 2021	11.80
Accumulated Depreciation	
Balance at 1 April 2020	-
Depreciation for the year	0.28
Disposals	-
Balance at 31 March 2021	0.28
Carrying amounts (net)	
At 31 March 2021	11.52



Popular Auto Dealers Private Limited, Ernakulam
Notes to the financial statements (continued)
(All amounts in INR millions)

	As at 31 March 2021	As at 31 March 2020		
4 Investments				
Non-current investments, unquoted				
<i>Investments in equity instruments of subsidiaries(at cost)</i>				
Investment in subsidiaries				
Kuttukaran Green Private Limited	0.10	0.10		
(Formerly known as Kuttukaran Pre Owned Cars Private Limited)				
(10,000 equity shares of Rs. 10 each)				
Less: Provision for diminution in value of investment	(0.10)	(0.10)		
Investment in Mutual Funds	3.88	1.24		
	<u>3.88</u>	<u>1.24</u>		
Note 1: Details of Investments in mutual fund units				
The balances held in mutual fund as on March 31, 2021 and March 31, 2020 is as follows				
Particulars	As at 31 March 2021		As at 31 March 2020	
	Units	Amount	Units	Amount
Nippon India Small Cap-408207774587	17928	1.06	10452	0.28
ICICI Prudential mutual fund-12578573	17296	0.93	10294	0.33
Canara Robeco Mutual Fund-10814884323	7362	0.95	4354	0.33
Aditya Birla Sun life Mutual Fund -1038149498	1734	0.94	1007	0.30
Total investments in Mutual Fund Units	44320	3.88	26107	1.24
5 Loans				
Non Current				
Rent and other deposits	18.22	16.84		
Dues from related party	0.10	0.10		
Less: Provision for doubtful advance	(0.10)	(0.10)		
	<u>18.22</u>	<u>16.84</u>		
6 Other assets				
Non-current				
Prepayments	1.60	1.62		
Advance for Capital Goods	0.62			
Disputed Taxes	0.05	0.01		
	<u>2.27</u>	<u>1.63</u>		
Current				
Prepayments	1.66	1.65		
Balance with statutory / government authorities	-	4.43		
Advance to staff	0.14	0.06		
Payment to vendors for supply of goods and services	6.17	4.36		
	<u>7.97</u>	<u>10.50</u>		
	<u>10.24</u>	<u>12.13</u>		
7 Inventories				
(Valued at lower of cost and realisable value)				
Spares and lubricants	170.11	190.22		
Goods in Transit- Spare	26.14	13.39		
	<u>196.25</u>	<u>203.61</u>		
8 Trade receivables				
Current				
Considered good - Secured	-	-		
Considered good - Unsecured				
(a) Which have significant increase in Credit Risk	14.30	47.77		
(b) Credit impaired	9.06	11.36		
Less: Allowance for expected credit loss	(9.06)	(11.36)		
(c) Others	167.96	164.98		
Net trade receivables	<u>182.26</u>	<u>212.75</u>		
9 Cash and cash equivalents				
Balance with banks				
- in current accounts	20.64	6.70		
- in deposit accounts	0.08	0.08		
Cash on hand	1.99	1.89		
Cheques In Hand	-	-		
Cash and cash equivalents in balance sheet	<u>22.71</u>	<u>8.67</u>		
Book overdrafts used for cash management purposes	-	-		
Cash and cash equivalents in the statement of cash flows	<u>22.71</u>	<u>8.67</u>		
10 Bank balances				
Balance in banks as margin money	11.64	11.06		
	<u>11.64</u>	<u>11.06</u>		



Popular Auto Dealers Private Limited, Ernakulam
Notes to the financial statements (continued)

(All amounts in INR millions)

11 Share capital	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares	0.060	6.00	0.060	6.00
Redeemable Preference Shares of Rs 100 each	0.005	0.50	0.005	0.50
	<u>0.065</u>	<u>6.50</u>	<u>0.065</u>	<u>6.50</u>
Issued, subscribed and paid-up				
Equity shares	0.051	5.10	0.051	5.10
Add: issued during the year	-	-	-	-
	<u>0.051</u>	<u>5.10</u>	<u>0.051</u>	<u>5.10</u>
Reconciliation of shares outstanding at the beginning and at the end of the reporting period				
<i>Equity shares of INR.100 each fully paid-up</i>				
At the beginning of the year	0.051	5.10	0.051	5.10
Add: issued during the year	-	-	-	-
At the end of the year	<u>0.051</u>	<u>5.10</u>	<u>0.051</u>	<u>5.10</u>
Total	<u>0.051</u>	<u>5.10</u>	<u>0.051</u>	<u>5.10</u>

Details of shareholders holding more than 5% shares of the Company

Equity shares of Rs. 100 each fully paid up held by	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding in the class	Number of shares	% holding in the class
a) Popular Vehicles and Services Ltd	0.051033	99.99%	0.0385	76%
b) Popular Mega Motors India Pvt Ltd	-	-	0.0125	24%
C) Naveen Philip (Nominee of Popular Vehicles & Services Ltd)	0.000001	0.01%	-	-



Popular Auto Dealers Private Limited, Ernakulam
Notes to the financial statements (continued)
(All amounts in INR millions)

	As at 31 March 2021	As at 31 March 2020
12 Borrowings		
Non-current		
Secured loans		
Term loans from banks	7.84	7.76
Term loans from financial institutions	<u>1.18</u>	<u>0.26</u>
	<u>9.02</u>	<u>8.02</u>
Current		
Secured loans		
Cash credit and overdraft facilities from banks	136.22	135.43
Short term loan from financial institution	2.54	36.33
Current maturities of long-term borrowings	3.57	4.10
Unsecured loans		
Loan from Directors	-	30.00
Intercompany loans	-	10.00
	<u>142.33</u>	<u>215.86</u>
Amount included under 'other financial liabilities'	<u>3.57</u>	<u>4.10</u>
	<u>138.76</u>	<u>211.76</u>
	<u>147.78</u>	<u>219.78</u>

Note 1: Term Loan and Cash Credit from Kotak Mahindra Bank Ltd is secured by first charge on all current assets paripassu with South Indian Bank excluding spares stock funded by Standard Chartered Bank, Tata Capital Financial Services Limited & Axis Bank Limited and paripassu charge on movable assets of the company with South Indian Bank, Equitable mortgage of the immovable properties of the firms in which promoters are interested held as common collateral for the group and personal guarantees of the promoter directors and their spouses, corporate guarantee of the firms in which promoters are interested. Term loan is to be repaid in 60 monthly installments ranging from Rs80,000 to Rs 1,15,000.

Note 2: Channel Finance from Tata Capital Financial Services Limited is secured by irrevocable and unconditional corporate guarantee of holding company and personal guarantees of all the promoter directors of the company. A credit period of 120 days provided for repayment.

Note 3: Inventory Funding from Axis Bank is secured by Hypothecation of current assets funded by Axis Bank both present and future and personal guarantees by all promoter Directors. Working Capital Term Loan under ECLG scheme from Axis Bank Ltd is secured by an extension of charge on primary securities available for existing facilities on a second rank basis. The principal amount is to be repaid in 36 monthly installments of Rs.90,000 post moratorium period of 1 year from the date of first disbursement.

Note 4: Cash Credit account from South Indian Bank is secured by paripassu charge over stock, book debts and all other available current assets of the company, mortgage over immovable property of the Holding company, Corporate guarantee of Holding Company and personal guarantees of all the promoter directors of the company

Note 5: Aggregate amount of borrowings guaranteed by directors Rs. 143.51 Millions

Note 6: Vehicle loans are secured by hypothecation of the vehicle financed repayable in installment ranging from 12 to 36 months

Note 7: Channel Finance from Standard chartered Bank is secured on all existing book debts, Inventory, Corporate guarantee of Holding Company and personal guarantees of all the promoter directors of the company

Note 8: Loan from directors are Interest free

Note 9: Unsecured Loan from Popular Auto Works Private Limited was sanctioned upto a limit of Rs. 4 Crores at an annual Interest rate of 9.65%



Popular Auto Dealers Private Limited, Ernakulam
Notes to the financial statements (continued)
 (All amounts in INR millions)

	As at 31 March 2021	As at 31 March 2020
13 Other financial liabilities		
Current		
Current maturities of long-term borrowings	3.57	4.10
Dues to related parties	-	1.24
Dues to creditors for expenses and others	11.39	4.16
	<u>14.96</u>	<u>9.50</u>
14 Provisions		
Non-current		
Compensated absences	1.38	0.79
Provision for Gratuity	0.12	2.17
	<u>1.50</u>	<u>2.96</u>
Current		
Compensated absences	0.47	0.25
	<u>0.47</u>	<u>0.25</u>
	<u>1.97</u>	<u>3.21</u>
15 Other liabilities		
Current		
Advance from customers	1.30	1.99
Statutory dues payable	5.54	1.07
	<u>6.84</u>	<u>3.06</u>
16 Trade payables		
Dues to micro and small enterprises	-	-
Dues to others	111.38	108.22
	<u>111.38</u>	<u>108.22</u>

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:

The principal amount remaining unpaid to any supplier as at the end of the year

- -

The interest due on the principal remaining outstanding as at the end of the year

- -

The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year

- -

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act

- -

The amount of interest accrued 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 the Act

- -



Popular Auto Dealers Private Limited, Ernakulam
Notes to the financial statements (continued)
 (All amounts in INR millions)

17 Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS replaces Ind AS 17 - Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in the retained earnings at April 1, 2019. As a result, the comparative information has not been restated.

On transition to Ind AS 116, the Company recognised right-of-use asset amounting to Rs.7,30,47,505 (Gross block amounting to Rs.9,84,27,313/- less related accumulated depreciation amounting to Rs.2,53,79,808), Lease liabilities amounting to Rs.7,79,27,886 and Rs.48,80,381.00 (Debit) in retained earnings as at April 1, 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019 for measuring the lease liability.

Following are the changes in the carrying value of right of use assets for the period ended March 31st 2021.

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as of April 1	55.71	73.05
Additions	17.50	-
Less: Depreciation	17.71	17.33
Less : ROU Asset on terminated agreements	1.67	-
Balance as on March 31	53.83	55.72

The aggregate depreciation expense on ROU asset is included under depreciation and amortisation expense in the Statement of Profit and Loss

The following is the breakup of current and non-current lease liabilities as at March 31, 2021

Particulars	As at 31 March 2021	As at 31 March 2020
Current lease liabilities	15.95	14.32
Non-current lease liabilities	46.88	49.29
Total	62.83	63.61

The following is the movement in lease liabilities during the period ended March 31, 2021

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as on April 1	63.61	77.93
Additions	17.50	-
Add: Finance Cost accrued during the period as per IND AS 116	5.83	6.19
Less: Lease liability for the period as per rent agreement	22.12	20.51
Less : Lease Liability on terminated agreements	1.98	-
Balance as on March 31	62.83	63.61



Popular Auto Dealers Private Limited, Ernakulam
Notes to the financial statements (continued)
(All amounts in INR millions)

	Year ended 31 March 2021	Year ended 31 March 2020
18 Revenue from operations		
Sales spares and accessories	1,344.13	1,379.37
Income from schemes and incentives	96.51	95.57
	<u>1,440.64</u>	<u>1,474.94</u>
19 Other income		
Interest on Fixed deposits with banks	0.71	0.76
Interest on Income Tax	0.15	-
Interest on Rent deposits	0.65	0.59
Provision for doubtful debts written back	2.29	-
Gain on sale of property, plant and equipment (net)	0.31	0.07
Lease Liability Written Back	0.31	-
Lease concession	0.90	-
Other Non Operating Income	1.73	0.20
	<u>7.05</u>	<u>1.62</u>
20 Purchases of stock-in-trade		
Spares and accessories	1,190.13	1,344.86
	<u>1,190.13</u>	<u>1,344.86</u>
21 Change in inventories of stock-in-trade		
Opening stock	190.22	124.75
Closing stock	170.11	190.22
	<u>20.11</u>	<u>(65.47)</u>
22 Employee benefits expense		
Salaries and allowances	58.25	54.03
Remuneration to Director	-	0.15
Contribution to provident and other funds	4.65	4.12
Provision for Gratuity	1.08	0.92
Provision for leave encashment	0.55	0.27
Staff welfare expense	2.72	3.02
	<u>67.25</u>	<u>62.51</u>
23 Finance cost		
Interest on bank borrowings	7.99	16.32
Interest on Inter Corporate Loan	0.01	1.37
Corporate Guarantee Commission	0.64	0.32
Interest on Shortfall in payment of advance tax	0.50	-
Other borrowing costs	2.71	2.75
Interest Expense on Lease Liability	5.83	6.19
	<u>17.68</u>	<u>26.95</u>
24 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	4.95	5.50
Depreciation on Goodwill	0.28	-
Depreciation on Right-of-use Asset	18.39	17.96
	<u>23.62</u>	<u>23.46</u>



Popular Auto Dealers Private Limited, Ernakulam
Notes to the financial statements (continued)
(All amounts in INR millions)

	Year ended 31 March 2021	Year ended 31 March 2020
25 Other expenses		
Rent	2.94	4.31
Discount	27.11	19.16
Transportation charges	9.57	10.98
Power, water and fuel	1.03	1.06
Insurance	1.27	1.14
Repairs and maintenance		
Building	0.56	0.66
Computer	1.03	0.89
Vehicle	1.50	1.77
Others	1.73	2.00
Communication	1.21	1.45
Advertising and sales promotion	0.39	2.01
Rates and taxes	0.34	0.76
Legal and professional	0.69	0.79
Travelling and conveyance	2.62	4.17
Housekeeping and security	1.00	0.98
Donation and charity	-	0.01
Office expenses	2.12	2.90
Allowances for expected credit loss, net	-	5.16
Bank charges	2.22	1.89
Share of loss from LLP	0.05	0.02
Provision for doubtful advances	-	0.10
Provision for diminution in value of investment	-	0.10
Miscellaneous expenses	3.74	0.52
	<u>61.12</u>	<u>62.83</u>



Popular Auto Dealers Private Limited, Ernakulam
Notes to the financial statements (continued)
(All amounts in INR millions)

	As at 31 March 2021	As at 31 March 2020
26 Income taxes		
Income tax assets/(liability)		
Income tax assets (less provisions)	2.85	4.81
Net income tax assets/(liability) at the end	2.85	4.81
Deferred tax assets/(liabilities)		
Deferred income tax assets		
Trade receivables	2.28	2.88
Property, plant and equipment and computer software	1.01	1.01
Preliminary Expenses	0.002	0.002
Ind AS 116 adjustment	2.27	1.99
Provision for leave encashment	0.14	-
Provision for Gratuity	(0.27)	0.04
Total deferred income tax assets	5.43	5.92
Deferred income tax assets after set off (Refer Note below)	5.43	5.92

Deferred tax assets and deferred tax liabilities have been offset wherever the management has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the realizability of deferred tax assets, the management considers the extent to which, it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible.

Deferred tax asset in respect of unused tax have not been recognized on account of historical losses and unfavourable cashflow for a prolonged period by the Company.

	As at 31 March 2021	As at 31 March 2020
Income Tax expense recognised in Profit and Loss		
Current tax	16.34	7.85
Deferred tax	0.23	(2.76)
	16.57	5.09
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	67.78	21.42
Income tax expense		
Current tax	16.34	7.85
Deferred tax	0.23	(2.76)
Profit after tax	51.21	16.34
Income tax rates	25.168%	25.17%
Income Tax expense	17.06	4.11
Admissible Expenses	(2.61)	(2.08)
Inadmissible Expenses	1.81	4.95
Ind AS Adjustments	0.08	0.873
Income tax expense recognised in profit or loss	16.34	7.85



Popular Auto Dealers Private Limited, Ernakulam
Notes to the financial statements (continued)
(All amounts in INR millions)

27 Contingent liabilities and commitments

Particulars	As at 31 March 2021	As at 31 March 2020
Contingent liabilities		
Claims against the Company not acknowledged as debts		
Disputed KVAT	0.59	-
Disputed Income Tax	0.04	0.04
Claims by Principal Parties	-	1.18
Bank Guarantees	100.50	100.50
Capital contribution committed by the company	7.35	7.35
Total	108.48	109.07
Corporate guarantees		
Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-



Popular Auto Dealers Private Limited, Ernakulam
Notes to the financial statements (continued)
(All amounts in INR millions)

28 Earnings/(loss) per share (Amount in INR)

A. Basic earnings/(loss) per share

The calculation of profit/loss attributable to equity share holders and weighted average number of equity shares outstanding for the purpose of basic earnings per share calculations are as follows:

i) Net profit attributable to equity share holders (basic)

Particulars	As at 31 March 2021	As at 31 March 2020
Profit for the year, attributable to the equity share holders	5,20,02,226	1,57,27,679
ii) Weighted average number of equity shares (basic)		
Opening balance	51,034	51,034
Effect of fresh issue of shares for consideration other than cash		81
Weighted average number of equity shares of INR 100 each for the year	51,034	51,115
Earnings / (loss) per share, basic	1,019	308

B. Diluted earnings/(loss) per share

The calculation of profit/loss attributable to equity share holders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares is as follows:

i) Net profit/(loss) attributable to equity share holders diluted

Particulars	As at 31 March 2021	As at 31 March 2020
Net profit for the year, attributable to the equity share holders	5,20,02,226	1,57,27,679
Interest expense of compulsorily convertible preference share	-	-
Net Profit for the year, attributable to the equity share holders	5,20,02,226	1,57,27,679

ii) Weighted average number of equity shares (basic)

Weighted average number of equity shares of INR 100 each for the year (basic)	51,034	51,115
Weighted average number of equity shares of INR 100 each for the year (diluted)	51,034	51,115
Earnings / (loss) per share, diluted	1,019	308

29 Auditors' remuneration (included under legal and professional charges, net of tax)

Particulars	As at 31 March 2021	As at 31 March 2020
As Auditor		
Statutory audit	0.16	0.16
Tax audit	0.03	0.03
In other capacity		
Other matters	0.16	0.18
	0.35	0.37

30 In assessing the recoverability / impairment of investments, receivables and other advances which are outstanding as on the date of Balance Sheet, the Company has considered internal and external information upto the date of approval of these financial statements including credit reports and economic forecasts. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. Further, the Company does not anticipate any additional liabilities than what is disclosed in the Balance Sheet upto the date of approval of these financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

31 Note on business takeover

In terms of agreement dated 09.01.2021, the Company had taken over the business as wholesale distributor of spare parts/accessories of Tata Motors division for the state of Karnataka from Prerana Motors Private Limited, Bangalore for a consolidated value. The excess over value of fixed assets and stock taken over amounting to Rs. 1,18,00,000 is considered as Goodwill and capitalized as Intangible Assets in the books and amortized as per the Accounting Policy of the Company.



Popular Auto Dealers Private Limited, Ernakulam
Notes to the financial statements (continued)
(All amounts in INR millions)

32 Employee benefits

A Defined contribution plan

The company makes contributions, determined specified percentage of employees salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The company has no obligation other than to make specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

B Defined Benefit Plan

The company operates certain post-employment defined benefit plan which is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The company accrues gratuity as per the provisions of the Payment of Gratuity Act, 1972 ('Gratuity Act')

Based on an actuarial valuation obtained in this respect, following table sets out the status of the benefit plan and the amounts recognised in the company's standalone financial statements as at balance sheet date.

Reconciliation of the projected Defined benefit plan

Particulars	As at 31 March 2021	As at 31 March 2020
Defined Benefit Plan	9.16	6.44
Plan Assets	9.04	4.28
Net Defined benefit liability/(Asset)	0.12	2.16
Liability for compensated absences	1.85	1.04
Total employee benefit liability	1.97	3.20
Non-current defined benefit liability	1.50	2.95
Current defined benefit liability	0.47	0.25
Other current assets (Balance with Life Insurance Corporation - Gratuity Fund (Net))	-	-

C Reconciliation of net defined benefit (assets)/liability

i) Reconciliation of present values of defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset)/Liability and its components

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Defined benefit obligation as at the beginning of the year	6.44	5.01
Current service cost	1.06	0.92
Past service cost	-	-
Interest cost	0.34	0.32
Benefits paid	(0.18)	(0.08)
Liabilities assumed/(settled)*	1.86	-
Re-measurements		
Actuarial Gain/(loss) recognised in other comprehensive income		
- changes in financial assumptions	(0.05)	(0.62)
- changes in Demographic assumptions	-	(0.19)
- changes in experience over the past period	(0.32)	1.08
Defined benefit obligation as at the end of the year	9.15	6.44

* On account of transfer of employees from sister company

ii) Reconciliation of present value of plan assets

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Plan assets at the beginning of the year	4.28	3.84
Contributions paid into the plan	2.15	0.76
Benefits paid	(0.18)	(0.08)
Interest income	0.24	0.29
Assets acquired/(settled)*	1.86	-
Re-measurements		
- changes in demographic assumptions		
- return on plan asset	0.69	(0.53)
Balance at the end of the year	9.04	4.28
Net defined benefit liability	0.11	2.16

* On account of transfer of employees from sister company



Popular Auto Dealers Private Limited, Ernakulam

Notes to the financial statements (continued)

(All amounts in INR millions)

33 Employee benefits (continued)

D Expenses recognised in the standalone statement of profit and loss

(i) Expenses recognised in the standalone statement of profit and loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	1.06	0.92
Past service cost	-	-
Net interest on net defined liability	0.10	0.04
Employer Contribution	(2.15)	(0.76)
Net gratuity cost	(0.99)	0.20

(ii) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Actuarial (gain)/ loss on defined benefit obligation	(1.06)	0.81
Return on plan asset excluding interest income	-	-
Net gratuity cost	(1.06)	0.81

E Plan Asset

Plan asset comprises of the following:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Funds managed by Life Insurance Corporation of India	9.04	4.28

The Company makes annual contribution to the Life Insurance Corporation of India ('LIC') of an amount advised by LIC. The Company was not informed by LIC of the investments made by them or the break up of the plan assets into various type of investments.

F Defined Benefit Obligation

(i) Actuarial Assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted average):

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate	5.55%	6.40%
Salary growth rate	6.00%	7.00%
Attrition rate	20% p.a	20% p.a
	withdrawal rate at all ages	withdrawal rate at all ages
Weighted average duration of defined benefit obligation	3.90 years	3.77 years

The weighted average assumptions used to determine net periodic benefit cost as set out below;

Assumptions regarding future mortality experience are set in accordance with the standard table - IALM 2012-14 (Ultimate). The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on prevailing market yields of government securities.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(1.91)	1.99	(1.83)	1.91
Future salary growth (0.5% movement)	1.98	(1.91)	1.89	(1.83)

Particulars	31 March 2018	31 March 2017
Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs. 41	DBO increases by Rs. 23

Although the analysis does not take account of the full distribution of the cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.



Popular Auto Dealers Private Limited, Ernakulam
Notes to the financial statements (continued)
 (All amounts in INR millions)

34 Related parties

I. Names of related parties and description of relationship:

- (a) Entity having significant influence over the company
 Popular Vehicles and Services Limited
- (b) Subsidiaries and step down subsidiaries
 Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned cars Pvt Ltd)
- (c) Associates
 Popular Mega Motors India Private Limited
 Vision Motors Private Limited
 Popular Auto Works Private Limited
 Kuttukaran Trading Ventures
 Keracon Equipments Private Limited
 Kuttukaran Homes LLP
- (d) LLP in which company is a partner
 Avita Insurance Broking LLP
- Key management personnel and their relatives (KMP)
 Mr. Naveen Philip, Director
 Mr. John K Paul, Director
 Mr. Francis K Paul, Director
 Mr. Thomas A Karedan, Director*
 Mr. Jyothish M, Director*
 Mrs. Shalet John, Spouse of Director
 Mrs. Susan Francis, Spouse of Director

*with effect from 24/06/2020

II. Related party transactions:

(a) The Company has entered into the following transactions with related parties

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations		
Popular Vehicles and Services Limited	72.98	168.02
Popular Mega Motors (India) Private Limited	1.63	0.30
Vision Motors Private Limited	12.57	31.90
Keracon Equipments Private Limited	36.83	37.17
Popular Autoworks Private Limited	2.53	0.96
Rent expense		
Popular Vehicles and Services Limited	2.17	2.27
Popular Mega Motors (India) Private Limited	0.63	-
Repairs and maintenance		
Popular Vehicles and Services Limited	0.02	-
Popular Mega Motors (India) Private Limited	0.23	0.46
Vision Motors Private Limited	0.03	0.04
Reimbursement of expenses (net)		
Popular Vehicles and Services Limited	0.25	0.18
Popular Mega Motors (India) Private Limited	0.02	0.49
Vision Motors Private Limited	0.39	0.57
Keracon Equipments Private Limited	0.06	0.07
Purchase of goods		
Popular Vehicles and Services Limited	1.55	2.30
Popular Mega Motors (India) Private Limited	20.41	-
Purchase of fixed assets		
Popular Vehicles and Services Limited	-	0.43
Popular Mega Motors (India) Private Limited	1.79	2.42
Vision Motors Private Limited	-	1.28



Popular Auto Dealers Private Limited, Ernakulam
Notes to the financial statements (continued)
 (All amounts in INR millions)

II. Related party transactions: (continued)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of fixed assets		
Popular Vehicles and Services Limited	0.15	-
Popular Mega Motors (India) Private Limited	0.74	-
Intercorporate loan Received		
Popular Autoworks Private Limited	-	40.00
Intercorporate loan repaid		
Popular Autoworks Private Limited	11.24	30.00
Corporate Guarantee Commission Paid		
Popular Vehicles and Services Limited	0.64	0.32
Interest on Inter Corporate Loan Paid		
Popular Autoworks Private Limited	0.01	1.37
Remuneration		
Mr. Naveen Philip, Director	-	0.15
Share of Loss from LLP		
Avita Insurance Broking LLP	0.05	0.02
Rent Deposit Given		
Popular Mega Motors (India) Private Limited	1.09	-

III. Related party Balances:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Trade receivables		
Popular Vehicles and Services Limited	4.16	9.62
Kuttukaran Trading Ventures	0.09	0.09
Vision Motors Private Limited	2.27	3.61
Popular Autoworks Private Limited	0.52	0.32
Keracon Equipments Private Limited	2.96	4.44
Trade payable		
Popular Mega Motors (India) Private Limited	1.81	0.80
Interest payable		
Popular Autoworks Private Limited	-	1.24
Investment in subsidiaries		
Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned cars Pvt Ltd)	0.1	0.1
Advances to subsidiaries		
Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned cars Pvt Ltd)	0.1	0.1
Intercorporate loan		
Popular Autoworks Private Limited	-	10.00
Loan from Director		
Mr. Naveen Philip, Director	-	30.00
Payable to LLP		
Avita Insurance Broking LLP	0.02	0.01
Rent Deposit Receivable		
Popular Vehicles and Services Limited	0.20	0.20
Popular Mega Motors (India) Private Limited	1.09	-



Popular Auto Dealers Private Limited, Ernakulam
Notes to the financial statements (continued)
(All amounts in INR millions)

35 Previous year figures have been regrouped/ reclassified wherever necessary to conform to current year presentation.

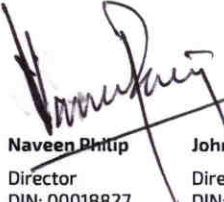
As per our report of even date attached


A. S. NARAYANAMOORTHY B.Com FCA
CHARTERED ACCOUNTANT
M. No. 13980

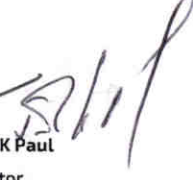
Place : Kochi

Date : 28.5.2021

for and on behalf of the Board of Directors of
Popular Auto Dealers Private Limited
CIN : U50101KL2005PTC018670


Naveen Philip

Director
DIN: 00018827


John K Paul

Director
DIN: 00016513

POPULAR AUTO DEALERS PRIVATE LIMITED, ERNAKULAM

ANNEXURE-C1

DEPRECIATION STATEMENT FOR INCOME TAX PURPOSES FOR THE YEAR ENDED 31st March 2021

PARTICULARS	WDV AS ON 01.04.2020	ADDITIONS		DELETIONS	TOTAL	RATE	DEPRECIATION	WDV AS ON 31.03.2021
		More than 180 days	Less than 180 days					
Building	5,77,345				5,77,345	10%	57,735	5,19,610
Plant & Machinery	1,17,322		1,65,884		2,83,206	15%	30,040	2,53,166
Office Equipments	4,94,155		7,900		5,02,055	15%	74,716	4,27,339
Computer & Accessories	13,44,639	9,250	6,87,267		20,41,156	40%	6,79,009	13,62,147
Motor Cycle & Motor Car	98,15,831		8,14,510	9,14,335	97,16,006	15%	13,96,313	83,19,693
Furniture & Fittings	1,91,20,946	12,34,257	69,37,006		2,72,92,209	10%	23,82,371	2,49,09,838
Total	3,14,70,238	12,43,507	86,12,567	9,14,335	4,04,11,977		46,20,184	3,57,91,793

Note - No depreciation is claimed on Goodwill based on amendment to Sec. 32 as per Finance Act 2021

Reconciliation for Additions to Fixed Asset as per Companies Act and Income Tax Act

	As on 31.03.2021
Additions as per Companies Act	21656074
Less: Additions to Goodwill	11800000
Additions as per Income Tax Act	9856074



POPULAR AUTO DEALERS PRIVATE LIMITED
COMPUTATION OF DEFERRED TAX FOR THE YEAR ENDED 31st MARCH 2021

DEPRECIATION

			DTA @ 25.168 %
WDV as per Companies Act	3,17,71,368		
WDV as per IT Rules	3,57,91,793	40,20,425	10,11,861
Lease Liabilities and RoU Asset		90,00,326	22,65,202
Provision for doubtful debts		90,59,952	22,80,209
35D Disallowance		9,000	2,265
Provision for leave encashment		5,49,137	1,38,207
Provision for Gratuity		(10,87,651)	(2,73,740)
		2,15,51,189	54,24,004
	DTA @ 25.168%		54,24,003

Net DTA as on 31.03.2021

54,24,003

Opening DTA as on 01.04.2020

59,20,099

Provision for the year

(4,96,096)

Less: OCI Component of Defined Benefit Plan

(2,66,492)

(2,29,604)



POPULAR AUTO DEALERS PRIVATE LIMITED, KUTTUKARAN CENTRE, MAMANGALAM, KOCHI - 25
STATEMENTS OF TOTAL INCOME FOR THE ASSESSMENT YEAR 2021-22
PAN: AADCP6984G, DCIT/ACIT CIR 4(1) KOCHI

INCOME FROM BUSINESS

Profit before tax as per Statement of Profit and Loss		6,77,74,982	
Add: Inadmissibles			
Depreciation considered separately (excluding depreciation on ROU asset) - Note 24	52,30,539		
Donation - Note 25	1,000		
Interest on shortfall in payment of advance tax - Note 23	5,03,085		
Share of loss from LLP - Note 25	51,753		
Provision for leave encashment - Note 22	5,49,137		
Provision for gratuity - Note 22	10,79,476		
Interest cost as per actuarial valuation (included in other borrowing cost - Note 23)	97,096		
		<u>75,12,086</u>	
			7,52,87,068
Less: Admissibles			
Interest income considered separately - Note 19	8,61,277		
Ind AS adjustment charged to Profit & Loss (Refer Note 2 below)	3,04,198		
Depreciation as per IT Rules	46,20,184		
Gain on sale of Property, Plant and equipment - Note 19	3,07,689		
Deduction u/s 35D (being Third year) - 1/5th of Rs.15,000	3,000		
Contribution to LIC gratuity fund	21,67,127		
Provision for leave encashment disallowed in earlier years now claimed on payment	51,374		
Provision for Bad Debts written back claimed since disallowed in earlier years	22,99,322		
Education cess (Refer Note 4 below)	6,28,289	1,12,42,460	
			<u>6,40,44,608</u>

INCOME FROM OTHER SOURCES

Interest from banks		<u>8,61,277</u>	
			8,61,277
			<u>6,49,05,885</u>

Tax Due @ 22% (Refer Note 3 below)		1,42,79,295	
Add: Surcharge @ 10%		<u>14,27,930</u>	
		1,57,07,225	
Add: Health and Education Cess @ 4%		<u>6,28,289</u>	
Total tax payable		1,63,35,514	
Less: TDS		3,26,580	
Less: TCS		<u>7,79,531</u>	
		1,52,29,403	
Less: Advance tax paid			
15.06.2020	-		
15.09.2020	-		
15.12.2020	50,00,000		
13.03.2021	1,16,00,000	1,66,00,000	
			<u>13,70,597</u>
Add: Interest			
u/s 234B			
u/s 234C			
Refund		<u>5,03,085</u>	<u>5,03,085</u>
			<u>8,67,512</u>

Manoj K P *AS/1 P*

NOTES

1 Bank Account Details

Bank Name	Kotak Mahindra Bank
Account No.	05922080000052
Account Type	Cash credit account
MICR	682485002
IFSC CODE	KKBK0000592

2 Ind AS adjustment charged to Profit & Loss

Item	Amount
Ind AS 109	
Depreciation on ROU Asset - Note 24	6,76,893
Less: Interest Income on rent deposit (included in Interest on rent deposits - Note no.19)	<u>6,49,169</u>
	27,724
Gain on accounting of mutual funds at Fair value (included in Other income - Note no.19)	(14,37,628)
Ind AS 116	
Interest Expense on Lease liability - Note 23	58,25,144
Depreciation on ROU Asset - Note 24	1,77,10,758
Less: Accrued rent expense for the year	<u>(2,12,23,293)</u>
	23,12,609
Lease liability on vacated premises written back	(3,10,108)
Lease concession - being reduction in rent due to Covid. Claimed as deduction since gross expense written off under Interest / Depreciation as per Ind AS 116	(8,96,795)
Total	<u>(3,04,198)</u>

3 The Company had opted to pay tax under lower rate as per Section 115BAA of Income Tax Act 1961 during AY 20-21. Accordingly, the rate of tax is taken at 22% plus applicable surcharge and cess

4 Education Cess included in provision for tax and debited to P & L Account is not disallowed in line with the decision of Rajasthan High Court in the case of CIT Vs Chambal Fertilizers and Chemicals Ltd (ITA 52/2018 dt 31.07.2018) and decision of Bombay High Court in the case of Sesa Gosa Limited vs JCIT (117 taxmann.com 96)

5 Deduction under section 35D is claimed as per ITAT decision in 154 ITD 103.

