

**POPULAR MEGA MOTORS (INDIA) PRIVATE LIMITED, KUTTUKARAN CENTRE, MAMANGALAM, KOCHI - 682025**  
**STATEMENT OF TOTAL INCOME FOR THE ASSESSMENT YEAR 2019-20**  
**FINANCIAL YEAR ENDED 31.03.2019 , PAN: AABCP6105H / DCIT/ACIT CIR 4(1),KOCHI**

**INCOME FROM BUSINESS**

**2019-20**

Profit as per Statement of Profit and Loss		16,44,11,092
<b><u>Add: Inadmissibles</u></b>		
Disallowance u/s 40A(9) - Contribution to Employee Benevolent Fund	2,76,109	
Donation	26,000	
Interest on MSME Dues	1,08,360	
Loss on intraday transactions(As per Annexure III)	100	
ROC Fee for increase in authorised share capital	1,50,000	
Provision for Gratuity	1,11,79,735	
Provision for Diminution in Value of Investments	24,00,000	
Interest on shortfall of advance tax	6,77,177	
IND AS adjustments charged to Profit and loss	34,21,791	
Expense incurred on exempt income -2% of dividend income disallowed u/s 14A	1,574	
CSR Expenditure	10,75,000	
Depreciation considered separately	2,82,42,503	4,75,58,348
		<hr/> 21,19,69,440
<b><u>Less: Admissibles</u></b>		
Depreciation as per IT Rules	3,26,19,367	
Interest income considered separately	5,32,742	
Deduction under section 35D is claimed as per ITAT decision in 154 ITD 103.	30,000	
Profit on sale of investment considered separately	52,59,064	
Profit on sale of asset	4,66,198	
Dividend income considered separately	78,682	3,89,86,053
		<hr/> 17,29,83,387
<b>Income from Business</b>		
<b><u>Income from Capital gain</u></b>		
<b><u>(a)Sale of Investments - Quoted Shares</u></b>		
Long term Capital gain on sale of quoted shares(As per Annexure I)	28,466	
Less:Long term Capital Loss of AY 2016-17	(28,466)	
		<hr/> -
<b><u>(b)Sale of Investments - Unquoted Shares</u></b>		
Consideration on sale of investment in Loginomic Tech Solutions Private Limited(As per Annexure II-(a))	56,33,333	
Net Short term Capital loss on sale of quoted investments (As per Annexure II-(b))	(4,02,920)	52,30,413
		<hr/> 52,30,413
<b><u>INCOME FROM OTHER SOURCES</u></b>		
Dividend income	78,682	
Less:Exempt u/s 10(34)	(78,682)	
		<hr/> -
Interest income		<hr/> 5,32,742
<b>Gross Total Income</b>		17,87,46,542
Deductions under Chapter VIA		
<b>Deduction u/s 80 G - Donation paid to K P Paul Foundation - Rs. 10,75,000</b> (PAN - AABTK3818M)		<hr/> 5,37,500
<b>Taxable Income</b>		<hr/> <hr/> 17,82,09,042

For Popular Mega Motors (India) Pvt. Ltd.

Managing Director

For Popular Mega Motors (India) Pvt. Ltd.

Director



Tax due @ 30%	5,34,62,713
Add: Surcharge @ 12%	64,15,526
	5,98,78,238
Add: Health and Education cess @ 4%	23,95,130
<b>Total tax due</b>	6,22,73,368
Less: Tax Collected at Source*	54,121
Less: Tax Deducted at Source*	1,50,44,588
	4,71,74,659
Less: Advance Tax	5,00,00,000
	(28,25,341)
Add: Interest u/s 234 C	6,80,574
<b>Refund</b>	<b>(21,44,768)</b>

**Notes:**

**1 Bank Account Details**

Bank Name	THE FEDERAL BANK LIMITED
Account No.	13800200100145
Account Type	CURRENT ACCOUNT
MICR	682049018
IFSC CODE	FDRL0001380

2 Shares acquired under portfolio investment scheme is treated as income from capital gains as per accounting policy of the company and CBDT circular 6/2016 dated 29.2.2016

**3 Carry Forward of Loss**

Nature of Loss	Assessment Year	Opening Balance	Adjustment during year	Balance carry forward
Long Term Capital Loss	2016-17	1,63,669	(28,466)	1,35,203

4 The rate of income tax @ 30% is considered as per Paragraph E in Part III of First Schedule of Finance Act 2018 i.e., turnover for the financial year 2016-17 was Rs.572.57 crores which is more than Rs. 250 Crores.

**5 Ind AS adjustment charged to Profit & Loss**

Item	Amount
Rent expense (included in Rent - Note no.25)	19,88,280
Interest Income on rent deposit (included in Interest on rent deposits - Note no.25)	(18,45,981)
Loss on accounting of Investments at Fair value (included in Other non operating income - Note no.25)	7,99,492
Allowance for expected credit loss	24,80,000
<b>Total</b>	<b>34,21,791</b>

6 Provision for leave encashment is not disallowed based on the decision of CIT (Appeal) in assessee's own case in AY - 2010-11 where the same is allowed as a deduction.

Disallowance u/s 14A is not attracted in the view of Supreme Court decision in CIT v/s Sintex Industries Ltd 93 taxmann case 24 SC where the investment earning

7 tax free income was made out of own funds in the form of Capital and Reserves. However, 2% of the exempt income is disallowed to cover any possible indirect expenditure.

8 TCS is in respect of vehicles purchased and capitalised as fixed assets.

For Popular Mega Motors (India) Pvt. Ltd.

Managing Director

For Popular Mega Motors (India) Pvt. Ltd.

Director



**Annexure I**

**Statement Showing Computation of Long Term Capital Gains**

**Long Term Capital Gain**

Sale consideration on sale of 1,500 equity shares of investment in Manappuram Finance Limited	1,80,647
Less: Cost of acquisition	1,52,180
<b>Long Term Capital Gain</b>	<b>28,466</b>

**Cost of Acquisition is worked out as per section 55(2)(ac) as below:**

i) Cost of Acquisition of Equity Shares	1,51,896
ii) Lower of -	
A) *The Fair Market Value of Equity Shares as on 31.01.2018	1,52,180
B) The Full Value of Consideration	1,80,647
<b>Cost of Acquisition as per Section 55(2)(ac) higher of (i) and (ii)</b>	<b>1,52,180</b>

\* Quoted Price on NSE Index as on 31.01.2018 is considered as FMV in respect of Equity Shares purchased before 01.02.2018.

For Popular Mega Motors (India) Pvt. Ltd.

  
Managing Director

For Popular Mega Motors (India) Pvt. Ltd.

  
Director



**Annexure II****Statement Showing Computation of Short Term Capital Gains****Short Term Capital Gain**

a) Sale of investments in Loginomic Tech Solutions Private Limited

Sale consideration (10400 equity shares @ 791.67 per share)  
 Less: Cost of Acquisition  
 (50,00,000\*10,400/20,000)

82,33,333 (Date of Sale 10th July 2018))  
 26,00,000 (Date of Acquisition 30th March 2017)

**Short term Capital Gain****56,33,333**

b) Sale of investments in Quoted equity shares

Name of scrip	Date of acquisition	No. of Units	Cost of acquisition	Date of sale	No. of Units	Sale value	Short Term Gain/(Loss)
Mahindra Cie Automot	26.04.2018	250	61,537.53	13.07.2018	250	64,091.05	2,553.52
CESC	31.08.2017	500	5,09,884.96	27.07.2018	250	2,35,388.65	(19,553.83)
CESC	12.09.2017	500	5,27,466.67	27.07.2018	500	4,70,777.32	(56,689.35)
Star Cement	30.10.2017	1,000	1,19,031.40	02.08.2018	94	10,759.02	(429.93)
				06.08.2018	906	1,04,376.70	(3,465.75)
Panama Petrochem	19.12.2017	1,500	3,47,550.39	27.08.2018	250	34,611.84	(23,313.23)
				28.08.2018	250	35146.82	(22,778.25)
				29.08.2018	250	35577.70	(22,347.37)
				30.08.2018	250	34769.10	(23,155.97)
				31.08.2018	114	15740.52	(10,673.31)
				03.09.2018	386	53471.50	(35,964.80)
LT Foods Ltd	20.12.2017	4,000	3,50,449.80	27.08.2018	800	44,236.50	(25,853.46)
				28.08.2018	800	44112.05	(25,977.91)
				29.08.2018	800	44,508.58	(25,581.38)
				30.08.2018	400	22113.40	(12,931.58)
				31.08.2018	800	43988.40	(26,101.56)
				03.09.2018	400	22181.33	(12,863.65)
Gravita India Ltd	08.01.2018	1,500	2,74,878.20	27.08.2018	400	56,227.26	(17,073.59)
				28.08.2018	400	56334.45	(16,966.40)
				29.08.2018	400	56954.30	(16,346.55)
				30.08.2018	200	29145.81	(7,504.62)
				03.09.2018	100	14336.80	(3,988.41)
Kitex Garments	23.02.2018	5,000	11,98,785.46	25.04.2018	1000	2,43,848.89	4,091.80
Cella Space Ltd	13.02.2019	784	4,367.35	13.02.2019	49	268.99	(3.97)
<b>Total</b>							<b>(4,02,919.54)</b>

**Short term Capital Loss****(4,02,920.00)**

For Popular Mega Motors (India) Pvt. Ltd.

Managing Director

For Popular Mega Motors (India) Pvt. Ltd.

Director



**Annexure III**

**Calculation of Profit/loss on intraday transactions**

Name of scrip	Date of acquisition	No. of Units	Cost of acquisition	Date of sale	No. of Units	Sale value	Short Term Gain/(loss)
Tata Motors	18.06.2018	20	6,216.50	18.06.2018	20	6,206.14	10.36
Liquid Benchmark ETS	30.11.2018	535	5,35,089.26	30.11.2018	535	5,35,000.00	89.26
<b>Total</b>							<b>99.62</b>

**Reconciliation**

Profit on sale of sale of short term investment considered seperately in Memo	52,30,413
Profit on sale of sale of Long term investment considered seperately in Memo	28,466
Effect of adjustment in Long term Capital Gain u/s 55(2)(ac)	284
Less: Loss on intraday transaction	100
Profit on sale of Investments as per Profit and loss account	<b>52,59,064</b>

For Popular Mega Motors (India) Pvt. Ltd.

  
Managing Director

For Popular Mega Motors (India) Pvt. Ltd.

  
Director



**Popular Mega Motors (India) Private Limited**

**Balance Sheet**

(All amounts in INR millions)

Particulars	Note	As at 31 March 2019	As at 31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	230.85	239.71
Capital work-in-progress	2	-	10.39
Goodwill	3	0.80	1.60
Other Intangible assets	3	0.28	0.19
<b>Financial assets</b>			
Investments	4	128.67	36.85
Other financial assets	5		
Loans	11	51.71	45.46
Deferred tax assets (net)	26	9.23	
Income Tax assets (net)	26	6.53	
Other non-current assets	6	26.85	25.77
<b>Total non-current assets</b>		<b>454.92</b>	<b>359.98</b>
<b>Current assets</b>			
Inventories	7	895.24	611.01
<b>Financial assets</b>			
Investments	4		
Trade receivables	8	800.11	799.88
Cash and cash equivalents	9	52.58	69.58
Bank balances other than cash and cash equivalents	10	5.38	5.58
Loans	11		85.00
Other financial assets	5	22.13	1.57
Other current assets	6	66.95	9.50
Assets held for sale (Refer Note 38)		24.00	
<b>Total current assets</b>		<b>1,866.39</b>	<b>1,582.13</b>
<b>Total assets</b>		<b>2,321.31</b>	<b>1,942.10</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	12	62.34	50.00
Other equity		569.84	354.06
<b>Total Equity</b>		<b>632.19</b>	<b>404.06</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13	46.06	55.42
Provisions	15	17.02	4.30
Deferred tax liabilities (net)	26		1.70
Income tax liabilities (net)	26	-	35.30
<b>Total non-current liabilities</b>		<b>63.07</b>	<b>96.72</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13	1,097.66	995.33
Trade payables	17	219.87	130.75
Other financial liabilities	14	169.82	138.52
Provisions	15	1.32	1.01
Other current liabilities	16	137.37	175.72
<b>Total current liabilities</b>		<b>1,626.04</b>	<b>1,441.32</b>
<b>Total equity and liabilities</b>		<b>2,321.31</b>	<b>1,942.10</b>
<b>Significant accounting policies</b>			
	1		

The accompanying notes form an integral part of the balance sheet

2-38 for and on behalf of the Board of Directors of

As per our report of even date attached

For PSDY & Associates  
Chartered Accountants (FRN 010625S)

**Popular Mega Motors (India) Private Limited**

Place: Kochi  
Date: 08.07.2019  
Sreenivasan PR (M. No.: 213413)  
Managing Partner

Naveen Philip  
Managing Director  
DIN : 00018827

Shalet John  
Director  
DIN : 00018829



**Popular Mega Motors (India) Private Limited**  
**Statement of Profit and Loss**  
(All amounts in INR millions)

Particulars	Note	Year ended 31 March 2019	Year ended 31 March 2018
<b>Income</b>			
Revenue from operations	18	9,112.03	7,089.82
Other income	19	94.65	12.02
<b>Total income</b>		<b>9,206.67</b>	<b>7,101.84</b>
<b>Expenses</b>			
Purchases of stock-in-trade	20	8,027.75	6,235.27
Change in inventory in stock-in-trade	21	(156.26)	(157.55)
Employee benefits expense	22	400.62	321.88
Finance costs	23	119.88	77.42
Depreciation and amortisation expense	24	28.24	25.49
Other expenses	25	622.03	448.43
<b>Total expenses</b>		<b>9,042.26</b>	<b>6,950.95</b>
<b>Profit before tax</b>		<b>164.41</b>	<b>150.89</b>
<b>(Loss)/profit before tax</b>		<b>164.41</b>	<b>150.89</b>
Income tax expense			
Current tax	26	62.27	50.61
Deferred tax charge/ (benefit)	26	(11.44)	2.80
<b>Profit for the year attributable to owners of the Company</b>		<b>113.58</b>	<b>97.49</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit liability/ (asset)., net of tax		1.48	-
Income Tax relating to item that will not be reclassified to profit or loss		0.52	-
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<b>114.54</b>	<b>97.49</b>
<b>Earnings/(Loss)/ per share (face value of INR 10 each)</b>			
Basic (in INR)		22.88	19.50
Diluted (in INR)		22.88	19.50

**Significant accounting policies**

1

The accompanying notes form an integral part of the statement of profit and loss as per our report of even date attached.

2-38

For PSDY & Associates  
Chartered Accountants (FRN 010625S)

Sreenivasan PR (M. No.:213413)  
Managing Partner

for and on behalf of the Board of Directors of  
**Popular Mega Motors (India) Private Limited**

Naveen Philip  
Managing Director  
DIN : 00018827

Shalet John  
Director  
DIN : 00018829

Place : Kochi

Date : 08.07.2019



**POPULAR MEGA MOTORS (INDIA) PRIVATE LIMITED, COCHIN - 25**  
**IND AS CASH FLOW STATEMENT**

Particulars	For the Year ended 31st March'2019 (Amount in Rs)	For the year ended 31 March 2018 (Amount in Rs)
<b>A Cash flows from operating activities</b>		
Net Profit as per profit and loss account	164.41	150.89
Adjustments for :		
Finance charges	119.88	77.42
Dividend income from current non-trade investments	(0.08)	(0.06)
Interest income	(24.69)	(0.19)
Profit on sale of investments	(5.26)	(0.10)
Loss/Profit on sale of Property, Plant & Equipment	(0.47)	(2.45)
Depreciation and amortisation	28.24	25.49
<b>Operating loss before working capital changes</b>	<b>282.04</b>	<b>251.00</b>
Increase in trade receivables	(0.23)	(288.81)
Increase in inventories	(284.23)	(292.35)
(Increase) / decrease in Other current assets	(58.10)	44.22
Increase in other current liabilities	31.55	87.08
<b>Cash generated from/ (used) in operations</b>	<b>(28.96)</b>	<b>(198.87)</b>
Taxes paid, net of refund received	65.10	14.47
<b>Net cash generated from/ (used) in operating activities (A)</b>	<b>36.14</b>	<b>(184.39)</b>
<b>B Cash flows from investing activities</b>		
Investments in Shares	(1.91)	(5.24)
Investments in others	(3.37)	-
Changes in Capital Work-in-Progress	10.39	(10.25)
Other Non Current Asset	(17.35)	(0.69)
Proceeds from non current investments	8.23	0.10
Interest received	24.69	0.19
Dividend received	0.08	0.06
Purchase of Property, Plant & Equipment	(44.68)	(49.46)
Proceeds from sale of Property, Plant & Equipment	2.47	7.25
Loans & Advances	(6.25)	(9.12)
<b>Net cash used in investing activities (B)</b>	<b>(27.70)</b>	<b>(67.16)</b>
<b>C Cash flows from financing activities</b>		
Inter Corporate Loan received from Holding Company	27.49	-
Inter Corporate Loan extended to Subsidiary company	(4.50)	
Other Long Term Borrowings	(9.37)	(3.26)
Long Term Liabilities	(22.80)	(5.93)
Short Term Borrowings	102.34	316.09
Interest paid	(118.78)	(77.42)
<b>Net cash generated from financing activities (C)</b>	<b>(25.63)</b>	<b>229.47</b>
<b>D Net increase in cash and cash equivalents (A+B+C)</b>	<b>(17.20)</b>	<b>(22.08)</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>75.16</b>	<b>97.24</b>
<b>F Cash and cash equivalents at the end of the year</b>	<b>57.96</b>	<b>75.16</b>
(refer to note 9 and 10 - Cash and Bank Balances)		

The notes referred to above form an integral part of the financial statements referred to in our report of even date

for and on behalf of the Board of Directors of  
**Popular Mega Motors (India) Private Limited**

For PSDY & Associates  
Chartered Accountants (FRN 010625S)

**Naveen Philip**  
Managing Director  
DIN : 00018827

**Shalet John**  
Director  
DIN : 00018829

Place: Kochi  
Date:

Sreenivasan PR (M. No.: 213413)  
Managing Partner

08.07.2019





Popular Mega Motors (India) Private Limited  
Notes to the financial statements (continued)  
(All amounts in INR millions)

2 Property, plant and equipment and capital work-in-progress

Particulars	Freehold land	Buildings *	Furniture and fixtures	Electrical equipment	Plant and Equipment	Motor Vehicle	Computer Equipment	Office equipment	Total (A)	Capital work-in-progress (B)	Total (A+B)
<b>Gross carrying value</b>											
<b>Gross carrying value</b>											
Balance at 1 April 2017	9.10	131.09	27.36	0.71	35.40	31.99	2.71	1.88	240.26	0.14	240.40
Additions/(transfers)		12.49	4.59	0.31	6.04	21.70	3.69	0.45	49.26	10.39	59.65
Disposal			0.11			15.62			15.73	0.14	15.87
<b>Balance at 31 March 2018</b>	<b>9.10</b>	<b>143.58</b>	<b>31.84</b>	<b>1.03</b>	<b>41.44</b>	<b>38.07</b>	<b>6.40</b>	<b>2.33</b>	<b>273.79</b>	<b>10.39</b>	<b>284.18</b>
Balance at 1 April 2018	9.10	143.58	31.84	1.03	41.44	38.07	6.40	2.33	273.79	10.39	284.18
Additions/(transfers)		13.04	4.36	0.28	6.50	13.88	5.71	0.71	44.47		44.47
Disposal			0.60		1.41	1.00	0.66	0.11	3.77	10.39	14.16
Assets classified as held for sale	9.10	15.78							24.88		24.88
<b>Balance at 31 March 2019</b>	<b>-</b>	<b>140.84</b>	<b>35.60</b>	<b>1.31</b>	<b>46.53</b>	<b>50.96</b>	<b>11.45</b>	<b>2.93</b>	<b>289.62</b>	<b>-</b>	<b>289.62</b>
<b>Accumulated Depreciation</b>											
<b>Balance at 31 March 2017</b>	<b>-</b>	<b>1.97</b>	<b>3.48</b>	<b>0.40</b>	<b>3.23</b>	<b>9.40</b>	<b>1.20</b>	<b>0.80</b>	<b>20.48</b>		<b>20.48</b>
Depreciation for the year		2.40	4.07	0.15	3.54	12.21	1.68	0.47	24.53		24.53
Disposal	-		0.01			10.92			10.93		10.93
<b>Balance at 31 March 2018</b>	<b>-</b>	<b>4.37</b>	<b>7.55</b>	<b>0.54</b>	<b>6.77</b>	<b>10.69</b>	<b>2.89</b>	<b>1.27</b>	<b>34.08</b>	<b>-</b>	<b>34.08</b>
Balance at 1 April 2018	-	4.37	7.55	0.54	6.77	10.69	2.89	1.27	34.08	-	34.08
Depreciation for the year		2.44	4.47	0.10	3.92	12.90	3.06	0.44	27.33		27.33
Disposal	-		0.20		0.29	0.70	0.52	0.05	1.76		1.76
Assets classified as held for sale		0.88							0.88		0.88
<b>Balance at 31 March 2019</b>	<b>-</b>	<b>5.93</b>	<b>11.82</b>	<b>0.64</b>	<b>10.40</b>	<b>22.89</b>	<b>5.43</b>	<b>1.66</b>	<b>58.77</b>	<b>-</b>	<b>58.77</b>
<b>Carrying amounts (net)</b>											
<b>At 31 March 2019</b>	<b>-</b>	<b>134.91</b>	<b>23.78</b>	<b>0.67</b>	<b>36.13</b>	<b>28.07</b>	<b>6.02</b>	<b>1.28</b>	<b>230.85</b>	<b>-</b>	<b>230.85</b>
<b>At 31 March 2018</b>	<b>9.10</b>	<b>139.21</b>	<b>24.30</b>	<b>0.48</b>	<b>34.67</b>	<b>27.39</b>	<b>3.51</b>	<b>1.05</b>	<b>239.71</b>	<b>10.39</b>	<b>250.10</b>



**Popular Mega Motors (India) Private Limited**  
**Notes to the financial statements (continued)**  
 (All amounts in INR millions)

**3 Intangibles assets**

	Computer software	Goodwill	Total
<b>Gross carrying value</b>			
Balance at 1 April 2017	0.28	3.20	3.48
Additions	0.20		0.20
Disposal			-
<b>Balance at 31 March 2018</b>	<b>0.48</b>	<b>3.20</b>	<b>3.68</b>
Balance at 1 April 2018	0.48	3.20	3.68
Additions/transfers			-
Additions	0.21		0.21
Disposal	-	-	-
<b>Balance at 31 March 2019</b>	<b>0.69</b>	<b>3.20</b>	<b>3.89</b>
<b>Accumulated amortisation</b>			
Balance at 1 April 2017	0.14	0.80	0.94
Amortisation for the year	0.16	0.80	0.96
<b>Balance at 31 March 2018</b>	<b>0.30</b>	<b>1.60</b>	<b>1.90</b>
Balance at 1 April 2018	0.30	1.60	1.90
Amortisation for the year	0.12	0.80	0.92
<b>Balance at 31 March 2019</b>	<b>0.41</b>	<b>2.40</b>	<b>2.81</b>
<b>Carrying amounts (net)</b>			
<b>At 31 March 2019</b>	<b>0.28</b>	<b>0.80</b>	<b>1.08</b>
<b>At 31 March 2018</b>	<b>0.19</b>	<b>1.60</b>	<b>1.79</b>



**Popular Mega Motors (India) Private Limited**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

	As at 31 March 2019	As at 31 March 2018
<b>4 Investments</b>		
<b>Non-current investments, unquoted</b>		
<i>Investments in preference shares at FVTPL</i>		
Loginomic Tech Solutions Private Limited 50000, 1% noncumulative redeemable and optionally convertible preference shares of face value of Rs.10 each	-	5.00
<i>Investments in Equity shares at FVTPL</i>		
Loginomic Tech Solutions Private Limited 9600 equity shares of Rs.10 each (Acquired by conversion of preference shares)	2.40	-
Provision for Diminution in Value of Investments	(2.40)	
<b>Investment in subsidiaries</b>		
Vision Motors Private Limited 1,17,50,000 equity shares of Rs. 10 each(Previous year 28,00,000 shares of Rs.10 each)	113.00	23.50
<b>Investment in Associates</b>		
Popular Auto Dealers Private Limited 12500 (previous year : 12500 equity shares of Rs. 100 each)	1.25	1.25
<b>Non Current Investments, Quoted</b>		
Investments in Quoted Equity Instruments (valued at FMV), fully paid up	11.04	7.10
Investment in Mutual Fund (valued at FMV)	3.37	-
	<u>128.67</u>	<u>36.85</u>
Aggregate book value of unquoted investments	114.25	29.75
Aggregate market value of quoted investments	14.42	7.10
Aggregate book value of quoted investments	15.21	7.35
<b>5 Other financial assets</b>		
<b>Current</b>		
Unsecured, considered good Rent and other deposits		
Guarantee Commission receivable	0.38	1.57
Advances to suppliers	-	-
Interest receivable from a subsidiary	21.74	-
	<u>22.13</u>	<u>1.57</u>



**Popular Mega Motors (India) Private Limited**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

	As at 31 March 2019	As at 31 March 2018
<b>6 Other assets</b>		
<b>Non-current</b>		
<i>Advances other than capital Advances</i>		
Prepayments	9.88	9.88
Disputed taxes	9.87	10.90
Balance with Statutory Authorities	5.44	4.99
Advances for capital goods	1.66	-
	<u>26.85</u>	<u>25.77</u>
<b>Current</b>		
Prepayments	10.67	4.75
Advance to staff	0.12	0.19
Other receivable	56.16	4.57
	<u>66.95</u>	<u>9.50</u>

**Popular Mega Motors (India) Private Limited**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

<b>7 Inventories</b>		
(Valued at lower of cost and realisable value)		
New vehicles	371.32	231.09
Used cars	0.21	-
Spares and Accessories	102.59	86.77
<i>Stock in transit</i>		
Goods in Transit - Vehicle	406.48	275.14
Goods in Transit- Spare	14.65	18.01
	<u>895.24</u>	<u>611.01</u>
<b>8 Trade receivables</b>		
<b>Current</b>		
considered good -Secured	-	-
considered good -Unsecured		
Which have significant increase in Credit Risk*	15.29	-
Credit impaired	6.90	4.42
Less: Allowance for expected credit Loss	6.90	4.42
Others	784.82	799.88
	<u>800.11</u>	<u>799.88</u>
<b>Net trade receivables</b>	<u>800.11</u>	<u>799.88</u>
*No such classification done for previous year		
<b>9 Cash and cash equivalents</b>		
Balance with banks		
- in current accounts	23.86	30.46
- in Cash Credit Accounts	20.77	21.73
Cash on hand	3.81	3.08
Cheques in Hand	4.15	14.31
<b>Cash and cash equivalents in balance sheet</b>	<u>52.58</u>	<u>69.58</u>
Book overdrafts used for cash management purposes	-	-
<b>Cash and cash equivalents in the statement of cash flows</b>	<u>52.58</u>	<u>69.58</u>
<b>10 Bank balances</b>		
Deposit with Maturity more than three months	5.38	5.58
	<u>5.38</u>	<u>5.58</u>
<b>11 Loans</b>		
<b>Non-current</b>		
<i>Unsecured, considered good</i>		
Rent and other deposits	51.71	45.46
Dues from related parties	-	-
	<u>51.71</u>	<u>45.46</u>
<b>Current</b>		
Unsecured, considered good		
Advance to Subsidiary	-	85.00
	<u>-</u>	<u>85.00</u>



**Popular Mega Motors (India) Private Limited**  
**Statement of Changes in Equity for the period ended 31 March 2019**  
 (All amounts in INR millions)

**A. Equity share capital**

	Amount
Balance as at 31 March 2017	50.00
Changes in equity share capital during 2017-18	-
As at 31 March 2018	50.00
Changes in equity share capital during 2018-19	12.35
As at 31 March 2019	62.34

**B Other equity**

Particulars	Reserves and surplus				Items of other Comprehensive Income	Total other equity attributable to equity holders of the Company
	Securities premium	General reserve	Share options outstanding account	Retained earnings	Remeasurement of net defined benefit liability/ (asset), net of tax	
Balance as at 1st April 2017	-	7.09	-	249.48	-	256.57
<b>Total comprehensive income for the year ended 31 March 2018</b>						
Profit/ (Loss) for the year		-	-	97.49	-	97.49
Other comprehensive income, net of tax	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	97.49	-	97.49
Transferred to retained earnings						
Share based payment expense						-
Conversion of financial liability to equity						-
<b>Balance as at 31 March 2018</b>	-	7.09	-	346.97	-	354.06
<b>Total comprehensive income for the period ended 31 March 2019</b>						
Profit/ (Loss) for the year		-	-	113.58	-	113.58
Other comprehensive income, net of tax	-	-	-	-	0.96	0.96
<b>Total comprehensive income</b>	-	-	-	113.58	0.96	114.54
Transferred to Retained earnings						
<b>Transactions with owners, recorded directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Conversion of financial liability to equity	101.24			-	-	101.24
<b>Total contributions by and distributions to owners</b>	101.24			-	-	101.24
<b>Balance as at 31 March 2019</b>	101.24	7.09	-	460.56	0.96	569.84

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 Equity shares 12,34,638 of Rs.10/- each at a premium of Rs.82 during the FY 2018-19.

**2 General Reserve**

General reserve is used from time to time to transfer profits from retained earnings for appropriate purposes.

**3 Retained earnings**

Represents accumulation of retained earnings of earlier years.

As per our report of even date attached

for and on behalf of the Board of Directors of  
**Popular Mega Motors (India) Private Limited**

For PSDY & Associates  
 Chartered Accountants (FRN 010625S)  
 Place: Kochi  
 Date: 08.07.2019  
 Sreenivasan PR (M. No.: 213413)  
 Managing Partner

Navton Philip  
 Managing Director  
 DIN : 00018827

Shalet John  
 Director  
 DIN : 00018829

08.07.2019



**Popular Mega Motors (India) Private Limited**

**Notes to the financial statements (continued)**

(All amounts in INR millions, except share data and where otherwise stated)

12 Share capital	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
Equity shares	50,00,000	50.00	50,00,000	50.00
Add: issued during the year	20,00,000	20.00		
	<u>70,00,000</u>	<u>70.00</u>	<u>50,00,000</u>	<u>50.00</u>
<b>Issued, subscribed and paid-up</b>				
Equity shares	49,99,643	50.00	49,99,643	50.00
Add: issued during the year	12,34,638	12.35	-	-
	<u>62,34,281</u>	<u>62.34</u>	<u>49,99,643</u>	<u>50.00</u>
<b>Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>				
Equity shares of INR.10 each fully paid-up				
At the beginning of the year	49,99,643	50.00	49,99,643	50.00
<b>Conversion of Corporate Loan to Equity</b>				
Add: issued during the year	12,34,638	12.35		
<b>At the end of the year</b>	<u>62,34,281</u>	<u>62.34</u>	<u>49,99,643</u>	<u>50.00</u>
<b>Total</b>	<u>62,34,281</u>	<u>62.34</u>	<u>49,99,643</u>	<u>50.00</u>
<b>Details of Share holders holding more than 5% shares of the Company</b>				
	Number of shares	% of holding	Number of shares	% of holding
Popular Vehicle and Services Limited	62,34,280	100%	49,99,642	100%



**Popular Mega Motors (India) Private Limited**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

	As at 31 March 2019	As at 31 March 2018
<b>13 Borrowings</b>		
<b>Non-current</b>		
<b>Secured</b>		
Term loans from banks	35.05	46.66
Vehicle loans from Financial Institutions	11.01	8.77
	<u>46.06</u>	<u>55.42</u>
<b>Current</b>		
<b>Secured</b>		
Short term loan from banks	634.59	567.94
Cash credit and overdraft facilities from banks	72.79	27.08
Short term loan from financial institution	205.80	219.75
Current Maturities of long term borrowings	25.44	25.89
Intercorporate Loans		
<b>Unsecured</b>		
Intercorporate Loans		85.00
Short term loan from banks	49.38	49.36
Short term loan from financial institution	135.10	46.20
	<u>1,123.10</u>	<u>1,021.21</u>
Less: Amount included under 'other financials liabilities'	25.44	25.89
	<u>1,097.66</u>	<u>995.33</u>

**A Secured bank loans**

a Overdraft facilities from banks carry interest ranging between 9.35% -9.75% computed on a monthly basis on the actual amount utilised and are repayable on demand. These are secured by pari passu charge by way of hypothecation of stock and book debts .

b Term loan from Kotak Mahindra Bank Limited is secured by first charge on all existing and future current assets / movable Fixed Assets of the company situated in Kerala which are financed by the bank, Collateral security by way of equitable mortgage of Immovable properties of the Company, Immovable Properties of the Promoter Directors of holding company and immovable properties of the Kuttukkaran Trading Ventures, Personal Guarantee of the directors and Promoter directors of the holding company. The loan is repayable in monthly installments ranging from 25 to 48 installments.

c Vehicle loans are secured by hypothecation of the Vehicle financed and personal guarantee of the directors of the company. The loan is repayable in monthly installments ranging from 3 to 57 installments.

**Popular Mega Motors (India) Private Limited**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

d Short term loan from Kotak Mahindra Bank Limited is secured by first charge on all existing and future current assets / movable Fixed Assets of the company situated in Kerala which are financed by them, Collateral security by way of equitable mortgage of Immovable properties of the Company, Immovable Properties of the Promoter Directors of holding company, Personal Guarantee of the directors and Promoter directors of the holding company.

e Loan from HDFC Bank Limited is secured by hypothecation of stock and book debts of the company situated at Chennai, personal guarantee of directors of the company and promoter directors of the holding company & corporate guarantee of Popular Vehicles and Services Limited.

f Loan from Yes Bank Limited is secured by lein of booked vehicle and personal guarantee of directors of the company.

g Loan from IndusInd Bank Limited is secured by way of hypothecation of vehicles financed by them, personal guarantee of directors of the company and corporate guarantee of Popular Vehicles and Services Limited.

h Loan from DBS Bank Limited is secured by First charge by way of hypothecation of vehicles financed by them and personal guarantee of Directors.

i Loan from State Bank of India is secured by first charge by way of hypothecation of the stock and receivables of vehicles financed by them including the advance remittance to Tata Motors Limited out of the funds released by them, personal guarantee of directors of the company and Promoter directors of the holding company and Corporate guarantee of Popular Vehicles and Services Limited.

j Loan from Tata Capital Financial Services Limited is secured by first charge on present and future stocks financed by them, the personal guarantee of the Directors of the company and Promoter directors of the holding company.

k The Unsecured Trade advances from Banks and NBFCs are guaranteed by the personal guarantee of the Directors.



**Popular Mega Motors (India) Private Limited**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

	As at 31 March 2019	As at 31 March 2018
<b>14 Other financial liabilities</b>		
<b>Current</b>		
Current maturities of long-term borrowings	25.44	25.89
Interest accrued but not due on borrowings	2.88	3.24
Corporate Guarantee Commission payable	2.42	3.48
Interest on inter corporate loan payable	0.19	
Dues to creditors for expenses and others	138.88	105.92
Dues to creditors for capital goods	-	-
	<u>169.82</u>	<u>138.52</u>
<b>15 Provisions</b>		
<b>Non-current</b>		
<i>Provision for employee benefits</i>		
Net defined benefit liability - Gratuity	11.18	-
Compensated absences	5.84	4.30
	<u>17.02</u>	<u>4.30</u>
<b>Current</b>		
<i>Provision for employee benefits</i>		
Provision for gratuity		
Compensated absences	1.32	1.01
	<u>1.32</u>	<u>1.01</u>
<b>16 Other liabilities</b>		
<b>Current</b>		
Advance from Customers	78.37	107.71
Statutory dues payables	44.31	43.13
Group Gratuity Premium Payable	-	8.69
Provision for interest on MSME dues	0.11	-
Other liabilities	14.57	16.18
	<u>137.37</u>	<u>175.72</u>
<b>17 Trade payables</b>		
Outstanding dues to Micro Small and Medium Enterprises	2.14	-
Outstanding dues of creditors other than Micro Small and Medium Enterprises	217.74	130.75
	<u>219.87</u>	<u>130.75</u>

All trade payables are 'current'.

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 2.14

The interest due on the principal remaining outstanding as at the end of the year 0.11

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 0.11

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 Mega Motors (India) Private Limited**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

	Year Ended 31 March 2019	Year Ended 31 March 2018
<b>18 Revenue from operations</b>		
<b>Sale of products</b>		
Sales of New Vehicles	7,216.47	5,578.27
Sales Spares And Accessories	655.64	594.21
Sales of used Vehicles	89.66	0.26
<b>Other operating revenues</b>		
Income from schemes and incentives	835.59	654.29
Finance and insurance commission	18.50	11.32
Labour income	296.16	251.47
	<u>9,112.03</u>	<u>7,089.82</u>
<b>19 Other income</b>		
Interest on loan to related parties	24.16	-
Interest income on bank deposits	0.53	0.19
Interest Income on Rent Deposits(Notional)	1.85	1.71
Gain on sale of investment (net)	5.26	0.10
Creditors written back	5.25	3.00
Gain on sale of fixed asset (net)	0.47	2.45
Miscellaneous income	55.69	3.17
Commission on Inter corporate Guarantee	1.45	1.40
	<u>94.65</u>	<u>12.02</u>
<b>20 Purchases of stock-in-trade</b>		
New Vehicles	7,275.04	5,674.80
Used Vehicles	89.31	0.18
Spare And Accessories	663.39	560.29
	<u>8,027.75</u>	<u>6,235.27</u>
<b>21 Change in inventories of stock-in-trade</b>		
Opening stock	317.86	160.31
Closing stock	474.12	317.86
	<u>(156.26)</u>	<u>(157.55)</u>
<b>22 Employee benefits expense</b>		
Salaries and allowances	320.73	258.35
Remuneration to Director	17.63	11.32
Contribution to provident and other funds	23.31	23.41
Gratuity	11.99	8.69
Staff recruitment	3.93	1.26
Staff welfare expense	23.03	18.84
	<u>400.62</u>	<u>321.88</u>
<b>23 Finance cost</b>		
Interest on bank borrowings	88.86	72.85
Interest on Inter Corporate Loan	24.39	-
Commission on Inter corporate Guarantee	5.18	1.70
Interest expense on financial liabilities measured at amortised co:	-	-
Interest on short payment of advance tax	0.68	2.87
Interest on MSME dues	0.11	-
Interest expense- Others	0.66	-
	<u>119.88</u>	<u>77.42</u>



**Popular Mega Motors (India) Private Limited****Notes to the financial statements (continued)**

(All amounts in INR millions, except share data and where otherwise stated)

	Year Ended 31 March 2019	Year Ended 31 March 2018
<b>24 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	27.33	24.53
Amortisation on intangible assets	0.92	0.96
	<u>28.24</u>	<u>25.49</u>
<b>25 Other expenses</b>		
Transportation charges	26.55	17.23
Rent	91.46	75.22
Advertising and promotional	37.16	34.18
Consumables	14.89	14.24
Power, water and fuel	8.30	7.46
Repairs and maintenance - others	20.62	21.73
Work Charges	25.72	25.85
Pre delivery inspection charges	22.33	17.36
Insurance	6.05	3.86
Communication	13.45	13.31
Printing & Stationery	6.12	5.67
Discount Others	223.67	161.93
Rates and taxes	4.39	5.71
Legal, professional and other consultancy	8.45	5.55
Travelling and conveyance	23.01	17.70
Housekeeping and security	18.96	14.39
Donation and charity	0.03	0.12
Corporate Social Responsibility	1.08	-
Office expenses	3.06	3.15
Bad debts written off	1.17	0.88
Bank Charges	0.79	1.01
Net change in fair value of financial asset	0.80	0.48
Loss on Stock in Flood	59.08	-
Provision for Diminution in value of investments	2.40	-
Provision for Doubtful Debts	2.48	1.39
	<u>622.03</u>	<u>448.43</u>



**Popular Mega Motors (India) Private Limited****Notes to the financial statements (continued)**

(All amounts in INR millions, except share data and where otherwise stated)

	Year Ended 31 March 2019	Year Ended 31 March 2018
<b>26 Income taxes</b>		
<b>Income tax assets/(liability)</b>		
Income tax assets	6.53	(35.30)
<b>Net income tax assets/(liability) at the end</b>	<u>6.53</u>	<u>(35.30)</u>
<b>Deferred tax assets/(liabilities)</b>		
<b>Deferred income tax assets</b>		
Trade receivables	0.87	0.46
Provision for gratuity	3.91	-
Deduction under section 35D	0.04	-
<b>Total deferred income tax assets</b>	<u>4.82</u>	<u>0.46</u>
<b>Deferred income tax liabilities</b>		
Property, plant and equipment and computer software	4.41	(2.16)
<b>Total deferred income tax liabilities</b>	<u>4.41</u>	<u>(2.16)</u>
Deferred income tax assets after set off (Refer Note below)	9.23	(1.70)

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.

	Year Ended 31 March 2019	Year Ended 31 March 2018
<b>Income tax expense / ( benefits )</b>		
Current tax	62.27	50.61
Deferred tax	(11.44)	2.80
<b>Income tax expense</b>	<u>50.83</u>	<u>53.40</u>



**Popular Mega Motors (India) Private Limited**

Notes to the financial statements (continued)

(All amounts in INR millions, except share data and where otherwise stated)

**27 Contingent liabilities and commitments**

Particulars	As at	As at
	31 March 2019	31 March 2018
<b>Contingent liabilities</b>		
Claims against the Company not acknowledged as debts :		
Central Excise	3.03	3.03
KVAT 2012 - 13	15.21	14.95
Income tax	8.08	8.08
Guarantee issued by bank on behalf of the company for which counter guarantee has been issued by the company	15.28	15.28
Corporate guarantees	270	270
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.	8.23	4.08

**Popular Mega Motors (India) Private Limited**

Notes to the financial statements (continued)

(All amounts in INR millions, except share data and where otherwise stated)

**28 Earnings/(loss) per share****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/(loss) attributable to equity share holders (basic)**

Particulars	As at	As at
	31 March 2019	31 March 2018
(Loss)/profit for the year, attributable to the equity share holders	114.54	97.49

**ii) Weighted average number of equity shares (basic)**

Particulars	As at	As at
	31 March 2019	31 March 2018
Opening balance (Refer note 12)	5.00	5.00
Effect of fresh issue of shares	0.01	-
Weighted average number of equity shares of INR 10 each for the year	5.01	5.00
Earnings / (loss) per share, basic	22.88	19.50

**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	As at
	31 March 2019	31 March 2018
Net profit/(loss) for the year, attributable to the equity share holders	114.54	97.49
Net loss for the year, attributable to the equity share holders	114.54	97.49

**ii) Weighted average number of equity shares (dilute)**

Particulars	As at	As at
	31 March 2019	31 March 2018
Weighted average number of equity shares of INR 10 each for the year (basic)	5.00	5.00
Effect of fresh issue of shares	0.01	-
Weighted average number of equity shares of INR 10 each for the year (diluted)	5.01	5.00
Earnings / (loss) per share, basic	22.88	19.50

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

Particulars	As at	As at
	31 March 2019	31 March 2018
Statutory audit	0.43	0.43



**Popular Mega Motors (India) Private Limited**

**Notes to the financial statements (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

**30 Operating leases**

The Company is obligated under non-cancellable operating leases for its office premises. Total rental expenses under such leases amounted to Rs.92,679,882/-(previous year: Rs.76,605,276). Future minimum lease payments due under non-cancellable operating leases are as follows:

Particulars	31 March 2019	31 March 2018
Payable in less than one year	97.31	76.45
Payable between one to five years	564.61	307.86
Payable after more than five years	227.70	216.64



**Popular Mega Motors (India) Private Limited**

**Notes to the financial statements (continued)**

(All amounts in INR millions)

**31 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 31st March 2019	As at 31st March 2018
Defined Benefit Plan	44.44	-
Plan Assets	33.26	-
<b>Net Defined benefit liability/(Asset)</b>	<b>11.18</b>	-
Liability for compensated absences	7.16	-
<b>Total employee benefit liability</b>	<b>18.34</b>	-
Non-current defined benefit liability	17.02	-
Current defined benefit liability	1.32	-
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 c

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
<b>Defined benefit obligation as at the beginning of the year</b>		
Current service cost	6.80	-
Past service cost	38.56	-
Interest cost	2.73	-
Benefits paid	(2.04)	-
<b>Re-measurements</b>		
Actuarial Gain/(loss) recognised in other comprehensive income		
-changes in financial assumptions	1.49	-
-changes in demographic assumptions	-	-
-changes in experience over the past period	(3.10)	-
<b>Defined benefit obligation as at the end of the year</b>	<b>44.44</b>	-

**31 Employee benefits (continued)**

*ii) Reconciliation of present value of plan assets*

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>Plan assets at the beginning of the year</b>	24.76	-
Contributions paid into the plan	8.61	-
Benefits paid	(2.04)	-
Interest income	2.06	-
<b>Re-measurements</b>		
- changes in demographic assumptions	-	-
- return on plan asset	(0.13)	-
<b>Balance at the end of the year</b>	<b>33.26</b>	-
<b>Net defined benefit liability</b>	<b>11.18</b>	-



**Popular Mega Motors (India) Private Limited**

**Notes to the financial statements (continued)**

(All amounts in INR millions)

**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	Year ended
	31 March 2019	31 March 2018
Current service cost	6.80	-
Past service cost	13.80	-
Net interest on net defined liability	0.66	-
Employer Contribution	(8.61)	-
<b>Net gratuity cost</b>	<b>12.65</b>	<b>-</b>

**(ii) Remeasurements recognised in other comprehensive income**

Particulars	Year ended	Year ended
	31 March 2019	31 March 2018
Actuarial (gain)/ loss on defined benefit obligation	(1.61)	-
Return on plan asset excluding interest income	0.13	-
<b>Net gratuity cost</b>	<b>(1.48)</b>	<b>-</b>

**E Plan Asset**

Plan asset comprises of the following:

Particulars	Year ended	Year ended
	31 March 2019	31 March 2018
Funds managed by Life Insurance Corporation of India	33.26	-

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	Year ended
	31 March 2019	31 March 2018
Discount rate	7.00%	0.00%
Salary growth rate	10.00%	0.00%
Attrition rate	14% p.a withdrawal rate at all ages	0.00%
Weighted average duration of defined benefit obligation	6.29 years	0

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 2019		As at 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(3.06)	3.24	-	-
Future salary growth (0.5% movement)	3.07	(2.94)	-	-

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.

G Hitherto, the annual contribution paid by the company towards LIC group gratuity premia was treated as expenditure in the profit and Loss account and the same was considered as defined contribution benefit. From the current year the company has made provision for Gratuity based on actuarial valuation taken at the end of the year, after considering the funding towards group gratuity premia till 31.03.2018. The contribution to the Group gratuity premia will be set off against the provision as and when paid. No payment towards the group gratuity premia was made during the year.



**Popular Mega Motors (India) Private Limited****Notes to the standalone financial statements (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

**32 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  
Vision Motors Private Limited

(c) Other related parties where control exists

- Key management personnel and their relatives (KMP)  
Mr. Naveen Philip, Managing Director  
Mrs. Shalet John, Director  
Mrs. Susan Francis, Director  
Mrs. Malini Eapen, Director  
Mrs. Leela Philip, Relative of KMP- Entities in which KMP has significant influence  
Popular Auto Dealers Private Limited  
Popular Auto Works Private Limited  
Keracon Equipments Private Limited  
Popular Infotech Private Limited  
Kuttukaran Trading Ventures*II. Related party transactions:*

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

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
<b>Revenue from operations</b>		
Popular Vehicles and Services Limited	1.11	2.38
Popular Mega Motors (India) Private Limited		
Vision Motors Private Limited	0.00	0.01
Kuttukaran Institute for Human Resource Development, India		
Kuttukaran Trading Ventures	0.02	0.00
Popular Autoworks Private Limited		
Popular Autodealers Pvt. Ltd	1.49	2.12
<b>Income from rent</b>		
Popular Vehicles and Services Limited		
Popular Infotech Private Limited		0.15
Popular Autodealers Pvt. Ltd		0.02
Vision Motors Private Limited	1.48	1.47
<b>Rent expense</b>		
Naveen Philip	1.05	0.99
Leela Philip	0.60	0.56
Popular Vehicles and Services Limited	0.57	0.56
<i>II. Related party transactions(Continued)</i>		
Particulars	Year ended 31st March 2019	Year ended 31st March 2018
<b>Work Charge/Labour Charges Income</b>		
Popular Auto Dealers Private Limited	0.23	0.25
Popular Autoworks Private Limited		
Vision Motors Private Limited	0.00	0.00
Kuttukaran Trading Ventures	0.00	
Popular Vehicles and Services Limited	0.13	0.06





32 Related parties (continued)		
II. Related party transactions (continued)		
Particulars	Year ended 31st March 2019	Year ended 31st March 2018
<b>Sale of assets</b>		
Popular Vehicles and Services Limited		1.61
<b>Repairs and maintenance</b>		
Popular Vehicles and Services Limited	0.02	0.51
Vision Motors Private Limited	0.34	0.32
Popular Auto Dealers Private Limited		0.37
Kuttukkaran Trading Ventures	0.57	0.60
Popular Autoworks Private Limited		0.64
<b>Reimbursement of Expenses (net)</b>		
Popular Vehicles and Services Limited	3.72	2.45
Popular Auto Dealers Private Limited	(0.25)	(0.17)
<b>Purchase of goods</b>		
Kuttukkaran Trading Ventures		0.00
Popular Auto Dealer Private Limited	0.41	0.77
Popular Vehicles and Services Limited	0.01	-
<b>Purchase of assets</b>		
Popular Vehicles and Services Limited		1.02
Vision Motors Private Limited	3.82	1.97
Popular Auto Dealer Private Limited		0.44
Popular Autoworks Private Limited		4.92
Kuttukkaran Trading Ventures		
<b>Related parties (continued)</b>		
II. Related party transactions (continued)		
Particulars	Year ended 31st March 2019	Year ended 31st March 2018
<b>Intercompany loan Received</b>		
Popular Vehicles and Services Limited	120.40	-
<b>Intercompany loan repaid</b>		
Popular Vehicles and Services Limited		
Settled via Bank transfer	92.91	
Settled by conversion into Equity Shares (Refer note No. 36)	113.59	-
<b>Interest on Inter Corporate Loan Paid</b>		
Popular Vehicles and Services Limited	24.39	-
<b>Remuneration</b>		
Mr.Naveen Philip	17.63	11.32
<b>Related parties (continued)</b>		
II. Related party transactions (continued)		
<b>Loans to related parties</b>		
Vision Motors Private Limited	89.51	-
<b>Repayment of Loan from Related Party</b>		
Vision Motors Private Limited	85.01	
<b>Interest on Inter Corporate Loan Received</b>		
Vision Motors Private Limited	24.16	
<b>Investment in Related Party</b>		
Vision Motors Private Limited	89.50	
<b>Short term loans and advances</b>		
Mr.Naveen Philip	-	(0.50)
<b>Corporate Guarantee Commission Expense</b>		
Popular Vehicles and Services Limited	5.18	1.70
<b>Corporate Guarantee Commission Income</b>		
Vision Motors Private Limited	1.45	1.40



<i>III. Related party Balances:</i>		
<b>Intercompany loan</b>		
Popular Vehicles and Services Limited	-	85.00
<b>Intercompany loan</b>		
Vision Motors Private Limited	-	85.00
<b>Trade receivables</b>		
Popular Vehicles and Services Limited	0.10	-
Vision Motors Private Limited	0.01	-
<b>Trade payable</b>		
Popular Vehicles and Services Limited	0.96	0.77
<b>Investment in subsidiaries</b>		
Vision Motors Private Limited	113.00	23.50
<b>Interest on Intercompany loan payable</b>		
Popular Vehicles and Services Limited	0.19	-
<b>Interest on Intercompany loan receivable</b>		
Vision Motors Private Limited	21.74	-
<b>Corporate Guarantee Commission Payable</b>		
Popular Vehicles and Services Limited	2.42	-
<b>Corporate Guarantee Commission Receivable</b>		
Vision Motors Private Limited	0.38	-

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



**Popular Mega Motors (India) Private Limited**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

**34 Interest on inter-corporate loan**

The Company had availed interest free loan of Rs. 85 million from its holding company in earlier years. Based on the decision of the Board of Directors meeting held on 05.09.2018 the Company has repaid the loan from holding company along with interest @ 8.50% per annum from the date of receipt of loan in FY 2015-16 till the date of repayment in February, 2019. The interest debited to the Statement of Profit and Loss amounts under Finance cost towards this loan amounts to Rs. 24.39 million out of which interest relating to the period prior to 1st April 2018 is Rs. 16.90 million. Since the decision to repay the loan along with interest was taken by the Board of Directors only during the current year, the liability has crystallised only in the current year and hence, the interest for the period prior to 1st April 2018 is not considered as a prior period item.

**35 Managerial Remuneration**

Consequent to the holding company, Popular Vehicles and Services Limited, being converted into a public company from July 2018, the Company being its subsidiary is treated as a deemed public company. Accordingly, the Company is required to compute the remuneration payable to directors under Section 197 of the Act. The remuneration paid by the Company during the period amounting to Rs.17.63 Million based on the decision of in the extra ordinary general meeting held on 13.02.2019.

**36 Conversion of loan into Equity Shares**

- (a) As per the extra ordinary general meeting of shareholders of the Company dated 13.02.2019, sanction was accorded for availing loan from the holding Company, Popular Vehicles and Services Limited @ 8.50% per annum with a clause for optionally converting the loan including interest due into Equity Shares. During the year, the Company received loan from its holding company amounting to Rs.120.4 million. The option for conversion into Equity Shares was availed by the holding Company on 30.03.2019 and consequently, the loan received amounting to Rs. 112.49 million along with interest due till 30.03.2019 amounting to Rs.1.09 millin was converted into 12,34,638 Equity Shares of Rs. 10 each at a premium of Rs. 82 per share. The said shares were allotted on 30.03.2019 as per valuation report obtained on 30.03.2019. The fair value of these shares as on 31.12.2018 was Rs.92 and hence the shares were allotted at Rs. 92 per share.
- (b) As per the agreement dated 12.02.2019, sanction was accorded for granting loan to its wholly owned subsidiary Company @ 8.50% per annum with a clause for optionally converting the loan including interest due into Equity Shares. During the year, the Company has granted a loan to its wholly owned subsidiary company amounting to Rs.89.5 million. The option for conversion into Equity Shares was availed by the wholly owned subsidiary Company on 30.03.2019 and consequently, the loan granted amounting to Rs. 89.5 million was converted into 89,50,000 Equity Shares of Rs. 10 each at par.



**Popular Mega Motors (India) Private Limited**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

**37 Insurance claim**

The Company was hitherto recognising insurance claim on receipt basis. The same is changed to accrual basis; accrual being reckoned based on subsequent receipts of Insurance claim and provisional liability determined by surveyors. As a result of the change in accounting policy, the Company has recognised insurance claim of Rs.53.71 million against loss of stock as income during the year ended 31.03.2019, against loss of stock amounting to Rs.59.08 millions. The company has also considered Insurance claim of Rs.1.71 millions against loss of assets which is adjusted against the written down value of the respective assets.

**38 Assets held for Sale**

Pursuant to the Extraordinary General meeting of the company dated 13th February 2019, the Board of directors has obtained the approval to sell / transfer / dispose off the Land & Building (Re. Sy. No. 100/4-2 to 4/8) housing the company's service center and Land & Building (Re. Sy. No. 111/1) housing the Company's Sales Showroom at Trivandrum. The company had availed credit facilities from Kotak Mahindra Bank mortgaging the above-mentioned properties. The Bank vide letter dated 22nd November 2018 has given its NOC for the transfer of the said property. The book value of the land is Rs. 9.10 millions and written down value of the building as on 31.03.2018 is Rs. 11.31 millions. The sale is expected to be completed within a period of one year.

As per our report of even date attached

For PSDY & Associates  
Chartered Accountants (FRN 010625S)


  
Sreenivasan PR (M. No.: 213413)  
Managing Partner

Place : Kochi

Date : 08.07.2019

for and on behalf of the Board of Directors of  
**Popular Mega Motors (India) Private Limited**

  
Naveen Philip  
Managing Director  
DIN : 00018827

  
Shalet John  
Director  
DIN : 00018829



## I. Notes to the financial statements (All amounts in Indian rupees' millions)

### 1.1 Company overview

Popular Mega Motors (India) Private Limited ('the Company') was incorporated in 1997 as a Private Limited Company. The Company is engaged in the business of sale and service of commercial vehicles, sale of spare parts and accessories, The Company is headquartered in Kochi, India and has operations in Kerala and Tamil Nadu

### 1.2 Basis of preparation

#### A. Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act'), as amended, and other relevant provisions of the Act.

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 where 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.

### E. Recent Accounting Pronouncements

#### Ind AS 116, Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both



**Popular Mega Motors (India) Private Limited**  
**Notes to the financial statements (continued)**

parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application
- 

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Certain practical expedients are available under both the methods. However, the company is in the process of identifying the impact of the Accounting Standard on the Financial Statements.

### **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

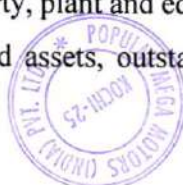
Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, road taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated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



**Popular Mega Motors (India) Private Limited**  
**Notes to the financial statements (continued)**

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 (Owned)	60	60
Building (Leased)	60	60
Motor Cars	5	5
Motor Cycles and Trucks	5	5
Office Equipments	5	5
Plant and Machinery	15	15
Tools and Equipments	15	15
Electrical fittings	10	10
Furniture and fittings	10	10
Computer equipment	3	3

\* For the above mentioned classes of assets, the Company believes that the useful lives as given above best represent the useful lives of these assets based on internal assessment and supported by technical advice, where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

**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



**Popular Mega Motors (India) Private Limited**  
**Notes to the financial statements (continued)**

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

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.

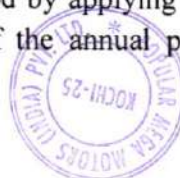
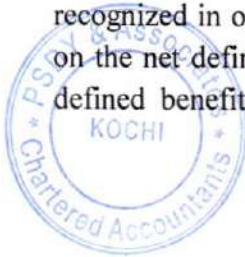
The company is covered under the Group Gratuity Scheme of Life Insurance Corporation of India for future payments of Gratuity as determined on actuarial basis by LIC of India. The contribution is debited to gratuity payable.

##### *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





**Popular Mega Motors (India) Private Limited**  
**Notes to the financial statements (continued)**

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.

**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 sales tax and trade discounts, if any.

Revenue from services is recognized on rendering of services to customers.

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/ manufacturer are also grouped under discount/incentives. In respect of other heads of income, the Company follows the practice of recognizing income on an accrual basis.

Insurance claims accounted on accrual; accrual being reckoned based on subsequent receipts towards claims and provisional liability determined by surveyors.

The standard is effective from 1 April 2018. The effect of adoption of Ind AS 115 is expected to be



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:

- a) Vehicles, on Specific identification Basis.
- b) Spares and accessories at retail method.
- c) Accessories on FIFO method
- d) Batteries on FIFO method
- e) Goods in Transit in respect of vehicles and spares are accounted in the books, upon billing and dispatch of the same by the principal from their factory/ warehouse and are shown under the heads inventories.

### 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.

#### *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.

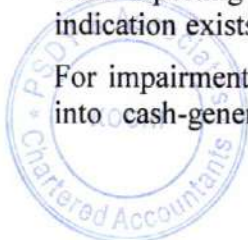
#### *Write-off*

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



**Popular Mega Motors (India) Private Limited**  
**Notes to the financial statements (continued)**

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 Leases**

#### **i. Determining whether an arrangement contains a lease**

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

#### **ii. Assets held under leases**

Lease of property, plant and equipment that transfer to the company substantially all the risks and rewards of ownership are classified as finance lease. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of minimum lease payments.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Balance Sheet.

#### **iii. Lease payments**

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.

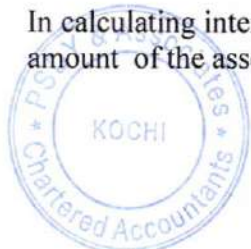
### **1.3.9 Recognition of dividend income, interest income or interest expense**

Dividend income is recognized in profit or loss on the date on which the right to receive payment is established.

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.

### 1.3.10 Income tax (Continued)

#### 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 Mega Motors (India) Private Limited**

**Notes to the financial statements (continued)**

**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



## Calculation for Deferred tax Expense

2018-19

Particulars		DTA	DTL
WDV as per Income-tax Act	244.56		
WDV as per Companies Act	231.93		(4.41)
Provision for Doubtful Debts		0.87	
ROC filing Fee-35D		0.04	
Provision for Gratuity		3.91	
<b>Total</b>		<b>4.82</b>	<b>(4.41)</b>
Net Deferred Tax Asset as on 31.03.2019		9.23	
Net Deferred Tax Liability as on 31.03.2018		1.70	
<b>Provision for the year</b>		<b>10.93</b>	

Current Year Provision	10.93
Add: Income tax relating to items that will not be reclassified to profit c	0.52
	<u>11.44</u>



**Popular Mega Motors (India) Private Limited**

**IT Depreciation schedule 2018-19**

PARTICULARS	WDV as on 01.04.2018	ADDITIONS		DELETIONS	TOTAL	RATE	DEPRECIATIO N	WDV as on 31.03.2019
		More than 180	Less than 180 days					
Freehold Land	91,03,165	-	-	-	91,03,165	-	-	91,03,165
Buildings	10,74,53,959	-	1,30,39,014	-	12,04,92,973	10%	1,13,97,347	10,90,95,627
Plant and Machinery	2,78,58,662	16,36,167	48,59,268	11,13,272	3,32,40,825	15%	46,21,679	2,86,19,146
Motor Vehicles	4,076			-	4,076	40%	1,630	2,446
Furniture and Fittings	3,10,28,074	14,81,867	28,75,651	4,04,577	3,49,81,015	10%	33,54,319	3,16,26,696
Office Equipments	41,08,063	5,21,909	4,69,355	55,168	50,44,159	15%	7,21,422	43,22,737
Motor Vehicles	4,99,14,065	50,80,255	88,00,705	7,60,638	6,30,34,387	15%	87,95,105	5,42,39,282
Computer Equipment	35,27,426	34,84,089	24,34,384	1,39,513	93,06,386	40%	32,35,678	60,70,708
Goodwill	19,68,750	-	-	-	19,68,750	25%	4,92,188	14,76,563
<b>Total</b>	<b>23,49,66,240</b>	<b>1,22,04,286</b>	<b>3,24,78,377</b>	<b>24,73,166</b>	<b>27,71,75,736</b>		<b>3,26,19,367</b>	<b>24,45,56,369</b>





08.07.2019

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POPULAR MEGA  
MOTORS (INDIA) LIMITED,**

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

**Opinion**

We have audited the accompanying Standalone financial statements of **Popular Mega Motors (India) Private Limited ("the Company")**, which comprises the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31<sup>st</sup> March 2019, and **PROFIT**, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Information other than the Financial Statements and Auditors Report thereon**

The Company's Board of Directors is responsible for the Information other than the financial statements and auditors report thereon. The said information comprises the information included in the Directors





Report (Other information), but does not include the financial statements and our audit report thereon. The Other Information is expected to be made available to us after the date of this auditors report

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements , our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit , otherwise appear to be materially misstated

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

### **Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise



from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

For PSDY & Associates  
Chartered Accountants (FRN 010625S)

 08/07/2019  
Sreemvasan PR (M. No.: 213413)  
Managing Partner



## 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 Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2019 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 our separate Report in Annexure A.
  - 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 27 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For PSDY & Associates  
Chartered Accountants (FRN 0106258)

*(Signature)* 8/7/2019  
Sreenivasan PR (M. No.: 213413)  
Managing Partner



## ANNEXURE

### i.) Fixed Assets

- (a) The Company has maintained records showing particulars of fixed assets including quantitative details and location. The Company is in the process of updating the same.
- (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such physical verification.
- (c) The immovable properties owned by the company are offered to banks/financial institutions as security for the loans. Title deeds of these properties are with banks/financial institutions. Hence we have relied on the sanction letters of banks/financial institutions in this regard to confirm that the company holds a valid title.

### ii.) Inventories

The inventories have been physically verified by the management during the year at reasonable intervals. The discrepancies noticed on physical verification of stock were not material having regard to the size of the operation of the company.

### iii.) Loans and Advances

The company had granted a loan of Rs. 895 lakhs to its wholly owned subsidiary company during the year. The balance outstanding as on 31.03.2019 is Nil. Being a wholly owned subsidiary the provisions of section 185 are complied with. The terms and conditions are prima facie not prejudicial to the interest of the company.

The company has not granted any other loans to parties listed in the register maintained under Section 189 of the Act.

### iv.) Investments, Guarantees etc.

The company has given Corporate Guarantee to banks / financial institutions against loan taken by its wholly owned subsidiary Company amounting to Rs. 27 Crores (Rs. 27 Crores). The closing balance of corporate guarantee as on 31.03.2019 given to banks / financial institutions against loan taken by its wholly owned subsidiary company is Rs. 27 Crores (Rs. 27 Crores). Being a wholly owned subsidiary company, the provisions of Section 186 are complied with.

The company has also invested Rs.895 lakhs in its wholly owned subsidiary Company .The Book value of this investment as on 31.03.2019 Rs. 1,130 Lakhs (Rs. 230 Lakhs). Being a wholly owned subsidiary company, the provisions of Section 186 are complied with.

The company has not made any other investments, guarantees during the year other than the above to which the provisions of Section 185 and 186 of the Companies Act 2013 applies.



v.) Fixed Deposits

In our opinion and according to the information and explanations given to us, the company has not accepted any deposits to which the provisions of Section 73 to 76 of the Companies Act, 2013 and rules made there under applies.

vi.) Cost Records

In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the company.

vii.) Statutory Dues

- (a) The company was generally regular in depositing with appropriate authorities undisputed statutory dues towards Provident Fund, Employees State Insurance, Income Tax, duty of customs, GST, cess and other statutory dues, wherever applicable. There were no arrears of statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the records of the company, the following disputed statutory dues are outstanding as on the date of balance sheet.

Name of Statute	Nature of Dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Central Excise	30.32	05.04.2005 - 31.08.2007	Commissioner (Appeals), Central Excise, Customs & Service Tax
Income Tax Act, 1961	Income Tax	65.39	Assessment Years 2008-09, 2009-10, 2012-13, 2013-14 and 2015-16	Commissioner of Income Tax (Appeals)
KVAT Act 2003	Kerala VAT	68.82	2012-13	Assistant Commissioner Commercial Taxes

viii.) Repayment of Loans

In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of interest and principal to banks and financial institutions.

ix.) Application of funds raised



In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which they were raised. The company has not raised any funds through public offer

x.) Frauds

According to the information and explanations given to us, no fraud, on or by the company, has been noticed or reported during the year

xi.) Managerial Remuneration

In our opinion and according to the information and explanations given to us, managerial remuneration has been paid in accordance with section 197 read with Section II of Schedule V of the Companies Act, 2013.

xii.) Nidhi Company

In our opinion and according to the information and explanations given to us, the company is not a nidhi company and hence this clause is not applicable to the company.

xiii.) Related Party Transactions

In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 wherever applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

Being a wholly owned subsidiary, the company is not required to constitute an Audit Committee as per Section 177 read with general circular no. 09/2017 dated 05<sup>th</sup> September 2017.

xiv.) Preferential allotment

The company has not made any preferential allotment or private placement of shares or fully /partly convertible debentures during the year

xv.) Non-Cash Transactions

As explained to us, the company has not entered into any non-cash transactions with directors or other persons during the year

xvi.) Registration with RBI

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence this clause is not applicable to the Company.

For PSDY & Associates  
Chartered Accountants (FRN 010625S)

  
08/07/2019  
Sreenivasan PR (M. No.: 213413)  
Managing Partner



**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MEGA MOTORS (INDIA) PRIVATE LIMITED, COCHIN**

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

We have audited the internal financial controls over financial reporting of Popular Mega Motors (India) Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **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, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".



For PSDY & Associates  
Chartered Accountants (FRN 010625S)

 8/7/2019  
Sreenivasan PR (M. No.: 213413)  
Managing Partner



## B S R & Associates LLP

### C. Appendices - Standard Reports Standard Report C.01

#### Confirmation - Compliance with Instructions; Ethics & Independence Requirements; Professional Competence; and Involvement in Risk Assessment

<b>To:</b> BSR & Associates LLP	<b>Office:</b> Kochi, India	
<b>From:</b> PSDY & Associates	<b>Office:</b> Kochi, India	<b>Date</b> 6.7.19

#### I. Identification

<b>Group's Name:</b>	Popular Vehicles and Services Limited ("the Group")
<b>Period covered by the Group Audit:</b>	01.04.2018 - 31.03.2019
<b>Component's Name:</b>	Popular Mega Motors (India) Private Limited ("the Component")
<b>Component Scope (Type) of Work:</b>	Statutory Audit under Companies Act 2013
<b>Period and/or as of date covered by the work of the component auditor:</b>	31.03.2019
<b>Component Materiality</b>	47,60,000
<b>Component Performance Materiality</b>	7,14,20,000
<b>Firm name of component auditor</b>	PSDY & Associates, <i>Chartered Accountants</i> ("Firm of the Component Auditor")

#### II. Scope

When the type of work noted above, differs from the type of work specified in Appendix <A.01> (Component and Audit Scope Information Document), please explain in the text box below:

NIL

#### III. Confirmation of the ability to comply with the Group Audit Instructions and cooperate with the group engagement team

We acknowledge that we have read the Group Audit Instructions provided by you in connection with the group audit. In addition, we confirm to you the following in connection with the group audit:

- We understand the work, described in Appendix <A.01> (Component and Audit Scope Information Document), the Group Audit Instructions and Section I of this document.



## B S R & Associates LLP

to be performed by us and understand that the group engagement team will use our work for purposes of the audit of the group financial statements.

- We agree to cooperate with you in connection with the audit of the Group financial statements, including enabling the involvement you consider appropriate in our audit and providing you access, including remote access, to audit documentation prepared in connection with the audit of the Group financial statements upon your request.
- There are no requirements of confidentiality or local laws and regulations that prohibit or restrict your involvement in our audit or our communications to you or your access, including remote access, to audit documentation relevant to the audit of the Group financial statements.
- We believe that we will be able to comply with the requirements set forth in the Group Audit Instructions that are relevant to the work that you requested us to perform on the financial information of the Component, including meeting all relevant reporting deadlines and complying with the relevant professional standards set forth by the Group engagement team.

Document any exceptions and your response in the box below:

NIL

#### IV. Ethical and Independence Requirements

As of the date of this memorandum and with respect to the Group, comprising of the parent company, its subsidiaries and associates, we confirm that we understand and will comply with the ethical requirements, including independence requirements, that are relevant to the audit of the group financial statements and the additional ethical requirements, including independence requirements, if any, described in the Group Audit Instructions.

We also acknowledge that:

- We understand that the Group engagement team has been requested to confirm its independence to those charged with governance of the Group, to provide details of all relationships between (the Group engagement team and the component auditors) and the Group, if any, that, in its professional judgment, may reasonably be thought to bear on the Group engagement team's independence, and to provide details of the fees and the type of other services provided to the Group, in accordance with the rules and guidance promulgated by regulatory bodies, as described in the Group Audit Instructions.
- We have read and are familiar with the auditor independence and provision of non audit services rules described in the Group Audit Instructions and have provided a copy to all members of the engagement team of the Component listed in Section I of this document.
- We are not aware of any circumstances that may have threatened, or may have appeared to threaten, our independence; and we will continue to take steps and



## B S R & Associates LLP

monitor our services to maintain our continued compliance with these requirements at least until completion of the group audit.

- We have notified all individual engagement team members of the requirement to immediately report breaches or suspected breaches of independence policies to the component audit engagement partner.
- We understand our responsibilities to immediately report breaches of independence policies to the group engagement team and to comply with the relevant communication and documentation requirements regarding breaches of independence.

If applicable, document in the box below the reasons why these confirmations cannot be made. Note that if an independence breach was identified, actions to satisfactorily address the consequences of the breach and an overall summary of the matter should be included or referenced here:

NIL

### V. Professional Competence

In connection with the work that we will perform on the Component financial information as part of the group audit, we confirm that we have obtained an understanding of the engagement, as described in the Group Audit Instructions, to determine (after considering the collective experience of the engagement partner and engagement manager with primary responsibility for the engagement and of any other individuals whose training and experience contributes to the collective ability of the engagement team) whether:

- the collective experience of the engagement team, and the EQC reviewer, if one is appointed, is sufficient and appropriate to perform this engagement, or
- any safeguards or additional actions are needed.

When required by, and as described in, the Group Audit Instructions, the relevant sections of the Assessment of Training and Experience Workpaper have been completed and provided to the group engagement team.

Document matters to be considered below, if any:

NIL

### VI. Regulatory environment in which the component auditor operates

Does an independent oversight body actively oversee the auditing profession in which we operate and monitor the quality of our audits?	Yes / No
--	----------



## B S R & Associates LLP

### VII. Component performance materiality

When the work you requested us to perform in Section I consisted of an audit of the financial information of the Component or an audit of one or more account balance(s) and/or disclosure(s) in the financial information of the Component, we included our component performance materiality in Section I of this document.

In evaluating the appropriateness of our component performance materiality the following information may be relevant to you:

NIL

### VIII. Involvement in Risk Assessment - Significant components

As part of our involvement in an audit of a significant component we would like to assess whether you have identified any significant risks of material misstatement of the group financial statements that were not included as part of these Group Audit Instructions. To that end, please confirm the following:

- A. We have read the Scoping Information, as described in Appendix <A.01> (Component and Audit Scope Information Document) of the Group Audit Instructions and:
- all significant risks identified therein at the group level are noted as such in our eAudit engagement file (Tracker) and we have planned audit procedures that are responsive to those risks;

OR,

- the following significant risks identified therein at the group level are not noted as such in our eAudit engagement file (Tracker) and, consequently, we have not planned audit procedures that are responsive to those risks for the reasons stated below:

*Provide comments below:*

NIL

- B. we have identified additional significant risks of error or fraud in the component that were not identified at the group level in <A.01> (Component and Audit Scope Information Document) of the Group Audit Instructions.

Yes

No

If "yes", please provide a description of each significant risk of material misstatement of the



## B S R & Associates LLP

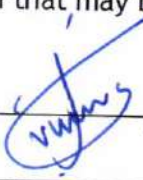
group financial statements that has been identified and the further audit procedures that you plan to perform to respond to each significant risk.

Risk ID:	NIL
Risk short description:	NIL
Detailed description:	NIL
Significant accounts and/or disclosures and relevant assertions:	NIL
Risk of error?	NIL
Risk of fraud?	NIL
Going Concern risk?	NIL
Related events or conditions (going concern):	NIL
Does the risk have a pervasive effect on the financial statements (financial statement level risks)?	NIL
Approach to address the significant risk (including substantive and control procedures):	
NIL	

### IX. Overall confirmation

We will inform you, as soon as practicable, of any changes in the representations made above and any changes in our component performance materiality (in section VII) when performing our procedures on the financial information of the component for purposes of the audit of the group financial statements.

We also will inform you, as soon as practicable, if we later determine that we cannot comply with other aspects of the Group Audit Instructions or if we become aware of other information that may be relevant to the audit of the group financial statements.

Signed	
Component Partner Name	Sreenivasan P.R
Firm name	PSDY & Associates
Country	India



## B S R & Associates LLP

### C.02 Audit Report

The Component auditor is required to submit the Audit report in the below given format as per the timelines mentioned in Appendix A.03 (Timetable).

<b>To:</b> B S R & Associates LLP	<b>Office:</b> Kochi, India	
<b>From:</b> PSDY & Associates	<b>Office:</b> Kochi, India	<b>Date</b> 06.07.2019
<b>Subject:</b> Full-Scope Audit Report on Popular Group reporting package		<b>Year end</b> Year ended 31 March 2019

Name of Reporting Entity:

We have audited the attached Group reporting package of Popular Mega Motors (India) Private Limited (the "Company") for the year ended 31 March 2019, which is required by the management of Popular Vehicles and Services Limited ("Popular Group") for the preparation of consolidated financial statements for the year ended 31 March 2019 ('the year'). The financial reporting package is the responsibility of the Company's management. Our responsibility is to express an opinion on this Financial Reporting Package based on our audit.

We conducted our audit in accordance with the International Standards of Auditing and requirements as detailed in the 2019 Popular Group Audit Instructions.

In our opinion, the financial reporting package referred to above has been prepared, in all material respects, in accordance with the accounting policies of Popular Group and is suitable for the purpose of preparing the consolidated financial statements of Popular Group for the year ended 31 March 2019.

This report is intended solely for use by B S R & Associates LLP in connection with its audit of the consolidated financial statement of Popular Group as at and for the year ended 31 March 2019 and should not be used for any other purpose.

(Partner's signature)

Name of engagement partner PSDY & Associates

Date of Report 06.07.2019

Address 2nd Floor, Deepam, Plot No.9A,  
Jawahar Nagar, Kadavanthra, Cochin - 682020.

For PSDY & Associates  
Chartered Accountants (FRN 010625S)

Sreenivasan PR (M. No.:213413)  
Managing Partner



## B S R & Associates LLP

### C.03 Highlights Completion Memorandum (HCM) - Audit

#### Highlights Completion Memorandum - Audit

<b>To:</b> B S R Associates LLP	<b>Office:</b> Kochi, India	
<b>From:</b> PSDY & Associates	<b>Office:</b> Kochi, India	<b>Date</b> 06.07.19

#### I. Identification

<b>Group's Name:</b>	Popular Vehicles and Services Limited ("the Group")
<b>Period and/or as of date covered by the Group Audit:</b>	01.04.2018 - 31.03.2019
<b>Component's Name:</b>	Popular Mega Motors (India) Private Limited ("the Component")
<b>Component Scope (Type) of Work:</b>	Statutory Audit under Companies Act 2013
<b>Period and/or as of date covered by the work of the component auditor:</b>	31.03.2019
<b>Component Materiality:</b>	47,60,000
<b>Revised Component Materiality:</b>	47,60,000
<b>Component Performance Materiality:</b>	7,14,20,000
<b>Revised Component Performance Materiality (if applicable):</b>	7,14,20,000

#### II. Purpose

This memorandum is intended solely for use by you, the group engagement team, in connection with your audit of the Group's financial statements (referred to as the group audit). It should not be distributed to either the group or component management or those charged with governance or any third party. However, you may provide component or group management with a summary of information from this memorandum to facilitate the discussion of reporting matters with component or group management and/or those charged with governance.

We confirm the following:

*[Check applicable box and input additional information, as applicable]*

<input checked="" type="checkbox"/>	We have complied with your instructions as of the date of this document, except for the matters that are outstanding (as listed in section III. of this document).
<input type="checkbox"/>	We have not complied with your instructions as of the date of this document. The reason(s) are listed below:



**B S R & Associates LLP**

NIL

**III. Outstanding matters**

**III.1 Significant unresolved matters identified by the component auditor**

*[Check applicable box and input additional information, as applicable]*

<input type="checkbox"/>	Significant matter to report
<input checked="" type="checkbox"/>	No matters to report
Description of significant outstanding or unresolved matter	Expected resolution date
Nil	NIL

+ Add more rows for each issue identified

**III.2 Significant unresolved matters to be followed up upon by the Group engagement team**

*[Check applicable box and input additional information, as applicable]*

<input type="checkbox"/>	Significant matter to report
<input checked="" type="checkbox"/>	No matters to report
Description of significant outstanding or unresolved matter	Preliminary findings to date and action requested to be performed by the Group engagement team
NIL	NIL

+ Add more rows for each issue identified

**IV. Business overview**

Summary of the component's financial performance in the period  
*Refer financial statements and notes to accounts.*

**Final analytical procedures (eAudIT activity 4.3.1)**  
 Read the financials statements and disclosures and perform analytical procedures to (a) evaluate our conclusions formed regarding significant accounts and disclosures and (b) assist in forming an opinion on whether the financial statements as a whole are free of material misstatements. We also perform an analysis to assist in forming an overall conclusion as to whether the financial statements are consistent with our understanding of the entity, including revenue accounts. Consider analyzing the relationship between





## B S R & Associates LLP

net income (loss) and cashflow generated (used) by operations.
Attach file or document below any identified unusual or unexpected relationships (including unusual or unexpected transactions, events, amounts, ratios or trends) that may indicate matters that have audit implications, including risks of material misstatement, and in particular fraud risks and how they were resolved.
NIL

### V. Summary of Significant Risks and Financial Statement Level Risks

[Check applicable box and input additional information, as applicable]

<input type="checkbox"/>	Significant risk and/or financial statement level risk identified
<input checked="" type="checkbox"/>	Nothing to report
If there is a significant risk and/or financial statement level risk, complete the following for each significant risk/financial statement level risk:	

Risk short description:	NIL
Detailed description:	NIL
Significant accounts and/or disclosures and relevant assertions:	NIL
Estimate	NIL
Risk of error:	NIL
Risk of fraud:	NIL
Pervasive?	NIL
Response to pervasive effects:	NIL
Going Concern risk: If going concern risk was identified, document the issue in Section VII	NIL
Related events or conditions:	NIL
Results/Findings, including the consideration of contradictory evidence in assessing management's judgments regarding accounting estimates (applicable to significant risks and going concern risk; not applicable to financial statement level risk):	NIL

+ Insert new boxes for each issue identified

### VI. Summary of significant findings and issues

#### VI.1 Management Bias

[Check applicable box and input additional information, as applicable]

<input type="checkbox"/>	Consideration of management bias related to estimates to report
--------------------------	---



## B S R & Associates LLP

<input checked="" type="checkbox"/>	Nothing to report
<i>If there is a consideration of management bias related to estimates to be reported, please list the following:</i>	
Document the overall analysis of estimates for indicators of possible management bias	
NONE	
Document the indicators of management bias and how they were addressed in the audit	
NONE	

### VI.2 Significant unusual transactions and related party transactions

#### VI.2.1 Related party transactions and relationships

##### VI.2.1.1 Significant related party transactions

*Note - All related party transactions entered into by the Company during the year was in the normal course of business*

*[Check applicable box and input additional information, as applicable]*

<b>Transaction/Balance #1</b>	
<input type="checkbox"/>	Significant related party transaction(s) identified?
<input checked="" type="checkbox"/>	Nothing to report
<i>If there is a significant related party transaction identified, complete the following:</i>	
Name of related party, and nature and amount of related party transaction	NIL
Associated with a significant risk of error and/or fraud?	NIL
Significant accounts / disclosures	NIL
Significant related party transaction?	NIL
Outside normal course of business?	NIL
Were related party transactions conducted on terms equivalent to those prevailing in an arm's length transaction?	NIL

Document the related parties or significant related party transactions not previously identified or disclosed to us by management



**B S R & Associates LLP**

NIL

**VI.2.1.2 Conclusion on related party transactions and relationships**

Has sufficient appropriate audit evidence been obtained that (1) the financial statements with respect to related party relationships and transactions achieve fair presentation; and (2) related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements in accordance with the applicable financial reporting framework?	NIL
If insufficient appropriate audit evidence has been obtained, complete the following:	
Document the impact on the audit	NIL

+ Insert new box for each issue identified

**VI.2.2 Significant unusual transactions and related accounts**

*[Check applicable box and input additional information, as applicable]*

<input type="checkbox"/>	Significant unusual transactions and related accounts were identified
<input checked="" type="checkbox"/>	Nothing to report
If there is a significant unusual transaction , complete the following:	
Significant unusual transaction	NIL
Detailed description	NIL
Significant related accounts and/or disclosure and relevant assertions, if applicable	NIL
Estimate?	NIL
Associated with a significant risk of error and/or fraud?	NIL
Related party involved?	NIL
Does the significant unusual transaction have a pervasive effect?	NIL
How was the matter addressed?	NIL
Results / Findings	NIL
Has sufficient appropriate audit evidence been obtained that (1) the significant unusual transactions that we identified have been properly accounted for and disclosed in the financial statements; and (2) the financial statements contain the	NIL



**B S R & Associates LLP**

information regarding significant unusual transactions essential for a fair presentation in conformity with the applicable financial reporting framework?	
If sufficient appropriate audit evidence has not been obtained, complete the following:	
Document the impact on the audit	NIL

+ Insert new box for each issue identified

**VI.3 Other significant findings and issues**

**VI.3.1 Significant findings and issues identified during review of interim financial information**

*[Check applicable box and input additional information, as applicable]*

<input type="checkbox"/>	Significant finding or issue to report
<input checked="" type="checkbox"/>	Nothing to report
If there is a significant finding or issue to be reported, please list the following:	
Significant finding or issue	Effect on the component auditor's approach in its audit performed for the purpose of the group audit
NIL	NIL

+ Add more rows for each issue identified

**VI.3.2 Significant matters involving the selection, application and consistency of accounting principles, including related disclosures**

*[Significant matters include, but are not limited to, accounting for complex or unusual transactions, accounting estimates, and uncertainties as well as related management assumptions.][Check applicable box and input additional information, as applicable]*

<input type="checkbox"/>	Significant matter to report
<input checked="" type="checkbox"/>	Nothing to report
If there is a significant matter to be reported, please list the following:	
Significant matters	Resolution
NIL	NIL

+ Add more rows for each issue identified

**VI.3.3 Significant modifications of audit strategy and to our planned audit procedures, including changes to the assessed level of RoMM**

*[Check applicable box and input additional information, as applicable]*

<input type="checkbox"/>	Significant modification to report	
<input checked="" type="checkbox"/>	Nothing to report	
If there is a significant modification to be reported, please list the following:		
Reason for modification	Description of significant	Resolution of issue causing



**B S R & Associates LLP**

	<b>modification</b>	<b>modification</b>
NIL	NIL	NIL

+ Add more rows for each issue identified

VI.3.4 Disagreements among members of the engagement team (including specialists), or with the engagement quality control reviewer or other reviewing partners, or others consulted about final conclusions reached on significant accounting or auditing matters

*[Check applicable box and input additional information, as applicable]*

<input type="checkbox"/>	Disagreement to report	
<input checked="" type="checkbox"/>	Nothing to report	
<b>If there is a disagreement to be reported, please list the following:</b>		
<b>Subject matter of disagreement</b>	<b>Team members or others with a difference of opinion</b>	<b>Resolution - If a team member disagrees with the final conclusion, he or she documents such disagreement</b>
Nil	NIL	NIL

+ Add more rows for each issue identified

VI.3.5 Disagreement with component management about matters that, individually or in aggregate, could be significant to the component's financial information or our report

*[Check applicable box and input additional information, as applicable]*

<input type="checkbox"/>	Disagreement to report	
<input checked="" type="checkbox"/>	Nothing to report	
<b>If there is a disagreement to be reported, please list the following:</b>		
<b>Subject matter of disagreement</b>	<b>Resolution</b>	
NIL	NIL	

+ Add more rows for each issue identified

VI.3.6 Circumstances that caused significant difficulties in applying our auditing procedures

*[Check applicable box and input additional information, as applicable]*

<input type="checkbox"/>	Significant difficulty to report	
<input checked="" type="checkbox"/>	Nothing to report	
<b>If there is a Significant difficulty to be reported, please list the following:</b>		
<b>Difficulties encountered in performing audit procedures</b>	<b>Resolution</b>	
NIL	NIL	

+ Add more rows for each issue identified



**B S R & Associates LLP**

**VI.3.7 Information that is contradictory or inconsistent with our final conclusions regarding significant findings or issues**

*[Check applicable box and input additional information, as applicable]*

<input type="checkbox"/>	Significant matter to report
<input checked="" type="checkbox"/>	Nothing to report
<b>If there is a significant matter to be reported, please list the following:</b>	
<b>Identified information that contradicts or is inconsistent with our final conclusion</b>	<b>Resolution</b>
NIL	NIL

+ Add more rows for each issue identified

**VI.3.8 Other significant findings and issues**

*[Include relevant comment regarding revenue recognition, if not already included elsewhere]*

*[Check applicable box and input additional information, as applicable]*

<input type="checkbox"/>	Significant finding or issue to report
<input checked="" type="checkbox"/>	Nothing to report
<b>If there is a significant finding or issue to be reported, please list the following:</b>	
<b>Significant finding or issue</b>	<b>Resolution</b>
NIL	NIL

+ Add more rows for each issue identified

**VI.3.9 Issues with independence and ethical requirements, including any team rotation requirement**

*[Check applicable box and input additional information, as applicable]*

<input type="checkbox"/>	Independence or ethical issue to report
<input checked="" type="checkbox"/>	Nothing to report
<b>If there is an independence or ethical issue to be reported, please list the following:</b>	
<b>Issues Identified</b>	<b>Resolution</b>
Nil	NIL

+ Add more rows for each issue identified



## B S R & Associates LLP

### VI.4 Significant other matters

[Include any other matters that may be relevant to the group audit, or that the component auditor wishes to draw to the Group engagement team's attention, including exceptions noted in the written representations that the component auditor requested from component management]

[Check applicable box and input additional information, as applicable]

<input type="checkbox"/>	Significant other matter to report
<input checked="" type="checkbox"/>	Nothing to report
<b>If there is a significant other matter to be reported, please list the following:</b>	
Significant other matter	NIL
Detailed description	NIL
Significant accounts/ disclosure and related assertions, if applicable	NIL
Estimate?	NIL
Does the matter relate pervasively to the financial statements?	NIL
How was the matter addressed?	NIL
Results / Findings	NIL

+ Insert new box for each issue identified

### VI.5 Misstatements and omissions in the financial statements and other errors in the financial statements - Summary of Audit Misstatements

See Standard Report C.08		
Effect of all corrected and uncorrected audit misstatements on net income - Final	Nil	NIL

### VI.6 Deficiencies in internal control over financial reporting identified at the component level

NIL
-----

### VI.7 Litigation and claims

[Provide a description of any litigation and claims affecting the component that could have an impact over <insert threshold>, if requested by the group engagement team or that the component auditor wishes to draw to the group engagement team's attention.]

<b>Description of litigation, claim, or assessment</b>
There are no other litigations, claims against the Company other than those



**B S R & Associates LLP**

<i>disclosed in Contingent Liabilities in the financial statements.</i>	
<b>Management's assessment</b>	
NIL	
<b>Name of Legal Counsel, if applicable:</b>	NIL
<b>Significant accounts / disclosures</b>	NIL
<b>Has sufficient appropriate audit evidence with respect to litigation, claims and assessments been obtained?</b>	NIL
<i>If sufficient appropriate audit evidence has not been obtained, complete the following:</i>	
<b>Document the impact on the audit</b>	NIL

+ Add boxes for additional issues identified, as applicable

**VI.8 Matters that resulted in or could have resulted in a modification of our report**

*[Check applicable box and input additional information, as applicable]*

<input type="checkbox"/>	Significant matter to report
<input checked="" type="checkbox"/>	Nothing to report
<b>If there is a significant matter to be reported, please list the following:</b>	
<b>Significant matter</b>	<b>Resolution</b>
NIL	NIL

+ Add more rows for each issue identified

**VI.9 Consultations**

Short description	Detailed description	Status of consultation
	NIL	

+ Add rows for additional issues identified, as applicable





## B S R & Associates LLP

### VII. Other substantive procedures

#### VII.1 Going Concern

[Check applicable box and input additional information, as applicable]

<input type="checkbox"/>	Going Concern issue to report
<input checked="" type="checkbox"/>	Nothing to report
<b>If a going concern issue has been identified, please list the following:</b>	
Is component management's use of the going concern basis of accounting in the preparation of the financial statements appropriate?	NIL
Does a material uncertainty exist that may cast significant doubt on the component's ability to continue as a going concern?	NIL
<b>Result of audit procedures:</b>	
NIL	
Will group support be needed for local statutory reporting/ group reporting?	NIL
<b>Description of communications to or from component management related to going concern matters, if any</b>	
NONE	

#### VII.2 Identified or suspected instances of non-compliance with laws or regulations, including illegal acts and fraud

##### VII.2.1 Issues related to identified or suspected non-compliance, illegal acts and fraud

[Check applicable box and input additional information, as applicable]

<input type="checkbox"/>	Identified or suspected non-compliance, illegal acts and fraud to report
<input checked="" type="checkbox"/>	Nothing to report
<b>If there have been any identified or suspected non-compliance/ illegal acts and fraud identified, please list the following:</b>	
Have we obtained sufficient appropriate audit evidence about identified or suspected non-compliance, illegal acts and fraud?	NIL
<b>Basis for our conclusion:</b>	
NIL	

Identified or suspected non-compliance	NIL
Detailed description	NIL
Significant accounts/ disclosure, if	NIL



# B S R and Associates

## Standard Report C.06 Summary of Control Deficiencies

<b>To:</b> B S R & Associates LLP	<b>Office:</b> Kochi, India	
<b>From:</b> PSDY & Associates	<b>Office:</b> Kochi, India	<b>Date</b> 06.07.19

### I. Identification

<b>Group's Name:</b>	Popular Vehicles and Services Limited ("the Group")
<b>Period Covered by the Group Audit:</b>	01.04.2018 - 31.03.2019
<b>Component's Name:</b>	Popular Mega Motors (India) Private Limited ("the Component")
<b>Component Scope (Type) of Work:</b>	Statutory Audit under Companies Act 2013
<b>Period and/or as of date covered by the work of the component auditor:</b>	31.03.2019

### II. Summary of control deficiencies

ID	Short Description	Control Deficiency Description	Control Deficiency Type	Factors in Evaluating Severity (optional)	Severity	Accounts / Disclosures	Assertions (CEAVOP)								
<table border="1"> <thead> <tr> <th>Gradation</th> <th>Control issue</th> </tr> </thead> <tbody> <tr> <td>● / ● / ●</td> <td>Issue reported earlier / Now NIL</td> </tr> <tr> <td>● / ● / ● / ✓</td> <td>Update on issue NIL</td> </tr> <tr> <td></td> <td>Management comments NIL</td> </tr> </tbody> </table>								Gradation	Control issue	● / ● / ●	Issue reported earlier / Now NIL	● / ● / ● / ✓	Update on issue NIL		Management comments NIL
Gradation	Control issue														
● / ● / ●	Issue reported earlier / Now NIL														
● / ● / ● / ✓	Update on issue NIL														
	Management comments NIL														
<b>Key:</b> ● Low    ● Medium    ● High    ✓ Resolved															

When the group engagement team has only requested you to report significant deficiencies, then you may include in the table above only those controls deficiencies that either (1) individually are a significant deficiency or (2) relate to one of the significant deficiencies described in the table below under the title "Aggregation"



## B S R and Associates

### III. Aggregation

Do identified deficiencies in the aggregate indicate one or more significant deficiencies?	N.A
--	-----

*If yes, complete the table below:*

Aggregated Significant Deficiency Description	Related Control Deficiency ID(s) in above table

Signed



Sreenivasan P.R

PSDY & Associates

India



**C.05 - Summary of Audit Differences**

**To: Primary Team**

**From: SREENIVASAN P.R  
PSDY & ASSOCIATES**

**POPULAR MEGA MOTORS (INDIA) PRIVATE LIMITED**

The uncorrected differences greater than AMRT noted during our review/audit of the consolidation reporting package of the above (company/subgroup) are as follows;

ID	Description of misstatement	Type of misstatement	Correcting Entry Required at Current Period End			Income Statement Effect - Debit (Credit)	Balance Sheet Effect - Debit (Credit)					Cash Flow Effect - Increase (Decrease)		
			Accounts	Debit	(Credit)	Income effect according to Iron Curtain (Balance Sheet) method	Equity	Current Assets	Noncurrent Assets	Current Liabilities	Noncurrent Liabilities	Operating Activities	Investing Activities	Financing Activities
1	Unadjusted audit/ review differences (before tax) in the current period					NIL								
2														
3														

Aggregate of unadjusted audit /reviewdifferences (before tax)

Tax effect of unadjusted audit / review differences

Aggregate of unadjusted audit /review differences (after tax)

Financial statement amounts (as per final financial statements) (In Millions)

632.19    1,866.39    454.92    1,626.04    63.07    36.14    (27.70)    (25.63)

Unadjusted audit/review differences after tax effect as a percentage of financial statement amounts

0%    0%    0%    0%    0%    0%    0%    0%

Signed:  
Auditor



Local financial controller

Date: 06.07.2019



**C.05- Summary of Audit Differences**

To: Primary Team

From: SREENIVASAN P.R  
PSDY & ASSOCIATES

**POPULAR MEGA MOTORS (INDIA) PRIVATE LIMITED**

The corrected differences greater than AMRT noted during our review/audit of the consolidation reporting package of the above (company/subgroup) are as follows;

ID	WP reference	Description of misstatement	Type of misstatement (factual, judgmental or projected)	Accounts	Debit	(Credit)	Impact of misstatement on financial information															
							Income Statement Effect Debit (Credit)	Balance Sheet Effect - Debit (Credit)				Cash Flow Effect - Increase (Decrease)			Statement of Comprehensive Income - Debit (Credit)							
							Income Effect	Equity at period end	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Operating Activities	Investing Activities	Financing Activities	Comprehensive Income						

Signed:  Auditor

Local financial controller

Date: 06.07.2019



# B S R & Associates LLP

## Standard Report C.08 Subsequent Events Memorandum

<b>To:</b> B S R Associates LLP	<b>Office:</b> Kochi, India	
<b>From:</b> PSDY & Associates	<b>Office:</b> Kochi, India	<b>Date</b> 06.07.2019

### I. Identification

<b>Group's Name:</b>	Popular Vehicles and Services Limited ("the Group")
<b>Period Covered by the Group Audit:</b>	01.04.2018 - 31.03.2019
<b>Component's Name:</b>	Popular Mega Motors (India) Private Limited ("the Component")
<b>Component Scope (Type) of Work:</b>	Statutory Audit under Companies Act 2013
<b>Period end date of Group Reporting Package:</b>	06.07.2019
<b>Subsequent Events Date:</b>	06.07.2019

### II. Subsequent Events

In accordance with your instructions we performed a subsequent events review for the period from the period end date of the Group Reporting Package to the Subsequent Events Date, both of which are listed in Section I above.

Based upon the procedures we performed and the representations received from component management, we did not identify subsequent events for the period from the period end date of the Group Reporting Package to the Subsequent Events Date that may require adjustment to, or disclosure in, the Group's financial statements.

Document any exceptions and your response in the box below:

NIL

Signed

Sreenivasan P.R

PSDY & Associates

India

