

Vision Motors Private Limited, Ernakulam
Balance sheet as at 31.03.2020

(All amounts in INR millions)

	Note	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	4	276.19	294.60
Right of Use (ROU) Asset	31	167.27	-
Goodwill	5	1.46	11.92
Other Intangible assets	5	0.09	0.01
Financial assets			
Loans	11	21.15	20.39
Deferred tax assets	26	52.84	31.70
Income tax assets (net)	26	29.03	22.56
Other non-current assets	6	6.68	9.97
Total non-current assets		554.71	391.15
Current assets			
Inventories	7	156.98	323.57
Financial assets			
Trade receivables	8	43.84	246.63
Cash and cash equivalents	9	41.78	26.15
Other bank balances	10	0.31	0.30
Other current assets	6	26.55	68.73
Total current assets		269.46	665.38
Total assets		824.17	1,056.53
Equity and liabilities			
Equity			
Equity share capital	12	146.77	117.50
Other Equity		(14.13)	(74.14)
Equity attributable to owners of company		132.64	43.36
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13	57.03	118.27
Lease Liability	31	194.57	-
Provisions	15	2.43	2.97
Other non-current liabilities	16	-	12.94
Total non-current liabilities		254.03	134.18
Current liabilities			
Financial liabilities			
Borrowings	13	269.89	689.85
Lease Liability	31	27.37	-
Trade payables	17	10.97	17.64
Other financial liabilities	14	93.48	114.37
Provisions	15	1.01	0.86
Other current liabilities	16	34.78	56.27
Total current liabilities		437.50	878.99
Total equity and liabilities		824.17	1,056.53

Significant accounting policies

1-3

The accompanying notes 4 to 36 form an integral part of the financial statements
As per our report of even date attached

For PSDY & Associates
Chartered Accountants (FRN 010625S)

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

UDIN: 20213413AAAACG8030

for and on behalf of the Board of Directors of
Vision Motors Private Limited, Ernakulam
CIN : U34100KL2008PTC022049

Naveen Philip
Managing Director
DIN: 00018827

Deepu Joseph
Chief Financial Officer

Malini Eapen
Director
DIN:02051164

Surya Jacob
Company Secretary

Kochi

Date: 28-08-2020

Kochi

Date:

Kochi

Date:

Vision Motors Private Limited, Ernakulam
Statement of profit and loss for the year ended 31.03.2020

(All amounts in INR millions)

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	18	2,922.89	4,559.69
Other income	19	12.13	24.63
Total income		2,935.02	4,584.32
Expenses			
Purchases of stock-in-trade	20	2,264.98	3,952.18
Change in inventories	21	155.32	7.84
Employee benefits expense	22	210.95	209.06
Finance costs	23	71.91	91.22
Depreciation and amortisation expense	24	71.69	37.71
Other expenses	25	178.59	279.47
Total expenses		2,953.44	4,577.48
(Loss)/profit before tax		(18.42)	6.84
Tax expense			
Deferred tax	26	(21.14)	1.79
(Loss)/profit for the year		2.72	5.05
Other comprehensive income			
Remeasurement of net defined benefit liability/ (asset)		1.06	(1.15)
Income tax relating to item that will not be reclassified to profit or loss			
Total comprehensive income for the year		3.78	3.90
(Loss)/profit per share (Equity share of face value of INR 10 each)	28		
Basic		0.03	0.14
Diluted		0.03	0.14

Significant accounting policies

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DIN: 02051164

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Vision Motors Private Limited, Ernakulam
Statement of Changes in Equity

(All amounts in INR millions)

A. Equity share capital

	Note	Equity shares	Amount
Balance as at 1 April 2018		28,00,000	28.00
Changes in equity share capital during 2018-19	12	89,50,000	89.50
As at 31 March 2019		1,17,50,000	117.50
Balance as at 1 April 2019		1,17,50,000	117.50
Changes in equity share capital during 2019-20	12	29,26,666	29.27
As at 31 March 2020		1,46,76,666	146.77

B Other equity

Particulars	Reserves and surplus		Items of other Comprehensive Income	Total other equity attributable to equity holders of the Company
	Securities premium	Retained earnings	Remeasurement of net defined benefit liability/ (asset), net of tax	
Balance as at 31 March 2018	-	(78.04)	-	(78.04)
Total comprehensive income for the year ended 31 March 2018				
Profit for the year	-	5.05	-	5.05
Other comprehensive income, net of tax	-	-	(1.15)	(1.15)
Total comprehensive income	-	5.05	(1.15)	3.90
Balance as at 31 March 2019	-	(72.99)	(1.15)	(74.14)
Balance as at 31 March 2019	-	(72.99)	(1.15)	(74.14)
Total comprehensive income for the period ended 31 March 2020				
Impact of adoption of IndAS 116 (Refer Note : 31)	-	(46.20)	-	(46.20)
Profit for the year	-	2.72	-	2.72
Security Premium	102.43	-	-	102.43
Other comprehensive income, net of tax	-	-	1.06	1.06
Total comprehensive income	102.43	(43.48)	1.06	60.01
Balance as at 31 March 2020	102.43	(116.47)	(0.09)	(14.13)

The accompanying notes 4 to 36 form an integral part of the financial statements
As per our report of even date attached

For PSDY & Associates
Chartered Accountants (FRN 010625S)

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

UDIN: 30213413AAAACG8030

Kochi

Date: 28-08-2020

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Director
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Surya Jacob
Company Secretary

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Vision Motors Private Limited
Cash flow statement as at 31.03.2020

(All amounts in INR millions)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities		
Profit/Loss before tax	(18.42)	6.84
Adjustments for		-
Finance charges	71.91	91.22
Interest income	(0.06)	(0.01)
Provision for doubtful debts and bad debts written off	(3.87)	8.82
Bad debts written off	2.53	5.06
Provision for gratuity	2.41	3.76
Gratuity premium paid	(3.62)	-
Provision for leave encashment	0.96	1.71
Leave encashment paid	(0.35)	(0.19)
Profit on sale of fixed assets	(0.32)	(1.05)
Depreciation and amortisation	71.69	37.73
Operating loss before working capital changes	122.86	145.05
Decrease/(Increase) in trade receivables	204.13	(97.12)
Decrease in inventories	166.59	5.51
Decrease/ (Increase) in loans and advances	42.18	(27.85)
(Decrease)/ Increase in other current liabilities	(49.05)	1.52
Cash generated from/ (used) in operations	486.71	27.11
Taxes paid, net of refund received	(6.47)	(4.83)
Net cash generated from/ (used) in operating activities (A)	480.24	22.28
Cash flows from investing activities		
Non current loans and advances	2.74	(6.93)
Interest received	0.06	0.01
Purchase of fixed assets	(49.21)	(65.76)
Proceeds from disposal of fixed assets	39.62	27.02
Net cash used in investing activities (B)	(6.79)	(45.66)
Cash flows from financing activities		
Issue of Share Capital (Including Securities Premium)	131.70	89.50
Repayment of Inter corporate loan	-	(85.00)
Interest paid	(50.29)	(69.11)
Repayment of Directors Loan	(109.91)	-
Secured loans availed, net	(384.23)	76.55
Lease payments during the year	(45.10)	-
Net cash generated from financing activities (C)	(457.83)	11.94
Net increase in cash and cash equivalents (A+B+C)	15.62	(11.44)
Cash and cash equivalents at the beginning of the year	26.45	37.89
Cash and cash equivalents at the end of the year	42.07	26.45

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

The accompanying notes 4 to 36 form an integral part of the financial statements

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Notes to the financial statements

(All amounts in Indian rupees millions)

1. Company overview

Vision Motors Private Limited ('the Company') was incorporated in 2008 as a Private Limited Company. The Company is engaged in the business of sale and service of automobiles, sale of spare parts and accessories, and as intermediaries for finance and insurance companies. The Company is headquartered in Kochi, India and has operations in Kerala.

2. Basis of preparation

A. Statement of compliance

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

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, except share data, unless otherwise stated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis.

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.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.



3. Significant accounting policies

3.1 Property, plant and equipment

A. Recognition and measurement

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

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

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

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

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

Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under loans and advances. 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.

B. 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.

C. 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 recognised in the profit or loss. Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower. Freehold land is not depreciated.

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



Vision Motors Private Limited
Notes to the financial statements (continued)
 (All amounts in Indian rupees thousands)

Class of assets	Previous life	Revised life
Building Leased	60	60
Building owned	60	60
Motor cars	8	8
Motor cycles and trucks	10	10
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.

Depreciation for the period is provided on proportionate basis.

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
Good Will	5

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.

Amortization for the period is provided on proportionate basis.



3.3 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

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

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

Defined benefit plans

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

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

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

Other long term employee benefits

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



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.

3.5 Revenue

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

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

Discounts and incentive income is recognised when the services are rendered and as per the relevant scheme/ arrangement provided by the manufacturer. In respect of other heads of income, the Company follows the practice of recognising 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.

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

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:

In the case of vehicles, valuation is done on a specific identification basis and in the case of spares and accessories and consumables on FIFO basis.



3.7 Financial instruments

3.7.1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

3.7.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at either at amortized cost, FVTPL or fair value in other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.



3.7 Financial instruments (continued)

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at investment level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.



3.7 Financial instruments(continued)

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de recognition is also recognized in profit or loss.

iii) De recognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

iv) Off setting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.



3.8 Impairment

- 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

- Impairment of non- financial assets

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

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

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

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

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



Vision Motors Private Limited
Notes to the financial statements (continued)
(All amounts in Indian rupees thousands)

3.9 Leases

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

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

3.10 Recognition of interest income or interest expense

Interest income or expense is recognized using the effective interest method.

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.

3.11 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.



3.11 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. 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.

3.12 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.



Vision Motors Private Limited
Notes to the financial statements (continued)
(All amounts in Indian rupees thousands)

3.13 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.

3.14 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.

3.15 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.



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

(All amounts in INR millions)

Particulars	Buildings	Furniture and fixtures	Electrical equipment	Plant and machinery	Motor car	Computer Equipment	Office equipment	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross Block										
Balance at 1 April 2018	124.71	31.81	4.31	61.53	104.42	6.26	2.06	335.10	-	335.10
Additions/(transfers)	6.53	2.20	0.73	2.79	50.11	3.12	0.26	65.74	-	65.74
Disposals	-	0.88	-	2.62	33.21	0.24	0.59	37.54	-	37.54
Balance at 31 March 2019	131.24	33.13	5.04	61.70	121.32	9.14	1.73	363.30	-	363.30
Balance at 1 April 2019	131.24	33.13	5.04	61.70	121.32	9.14	1.73	363.30	-	363.30
Additions/(transfers)	8.60	23.46	2.10	4.80	5.92	2.41	1.81	49.10	-	49.10
Disposals	-	-	-	0.11	57.67	0.02	-	57.80	-	57.80
Balance at 31 March 2020	139.84	56.59	7.14	66.39	69.57	11.53	3.54	354.60	-	354.60
Accumulated Depreciation										
Balance at 1 April 2018	4.21	8.53	2.42	9.96	23.03	3.73	1.15	53.03	-	53.03
Depreciation for the year	2.19	4.04	0.30	4.96	13.64	1.78	0.33	27.24	-	27.24
Disposals	-	0.32	-	0.52	10.13	0.20	0.40	11.57	-	11.57
Balance at 31 March 2019	6.40	12.25	2.72	14.40	26.54	5.31	1.08	68.70	-	68.70
Balance at 1 April 2019	6.40	12.25	2.72	14.40	26.54	5.31	1.08	68.70	-	68.70
Depreciation for the year	2.35	4.89	0.36	5.02	12.92	2.21	0.45	28.20	-	28.20
Disposals	-	-	-	-	18.47	0.02	-	18.49	-	18.49
Balance at 31 March 2020	8.75	17.14	3.08	19.42	20.99	7.50	1.53	78.41	-	78.41
Carrying amounts (net)										
At 31 March 2020	131.09	39.45	4.06	46.97	48.58	4.03	2.01	276.19	-	276.19
At 31 March 2019	124.84	20.88	2.32	47.30	94.78	3.83	0.65	294.60	-	294.60



Vision Motors Private Limited, Ernakulam

Notes to the financial statements (continued)

(All amounts in INR millions)

5 Intangibles assets

	Computer software	Goodwill	Total
<u>Gross Block</u>			
Balance at 1 April 2018	0.13	44.70	44.83
Additions	0.02	-	0.02
Disposals	-	-	-
Balance at 31 March 2019	0.15	44.70	44.85
Balance at 1 April 2019	0.15	44.70	44.85
Additions	0.11	-	0.11
Disposals	-	-	-
Balance at 31 March 2020	0.26	44.70	44.96
<u>Accumulated amortisation</u>			
Balance at 1 April 2018	0.09	22.36	22.45
Amortisation for the year	0.05	10.42	10.47
Balance at 31 March 2019	0.14	32.78	32.92
Balance at 1 April 2019	0.14	32.78	32.92
Amortisation for the year	0.03	10.46	10.49
Balance at 31 March 2020	0.17	43.24	43.41
<u>Carrying amounts (net)</u>			
At 31 March 2020	0.09	1.46	1.55
At 31 March 2019	0.01	11.92	11.93



Notes to the financial statements (continued)

(All amounts in INR millions)

	As at 31 March 2020	As at 31 March 2019
6 Other assets		
Non-current		
Prepaid expenses- non current	5.29	4.40
Advances for capital goods	0.16	5.57
Gratuity (Excess of Asset over provision)	1.23	-
	6.68	9.97
Current		
Prepaid expenses	1.36	1.25
Balance with statutory / government authorities	18.59	27.39
Advance to staff	0.08	0.01
Advance to suppliers and others	1.37	16.09
Disputed taxes	0.22	0.13
Other receivables	4.93	23.86
	26.55	68.73

Notes to the financial statements (continued)

(All amounts in INR)

	As at 31 March 2020	As at 31 March 2019
7 Inventories *		
(Valued at lower of cost and realisable value)		
New vehicles	107.65	245.37
Goods in Transit- Vehicle	11.06	19.54
Used cars	4.50	28.27
Spares and lubricants	27.95	18.88
Goods in Transit- Spare	2.23	5.00
Accessories	3.59	6.51
	156.98	323.57

* for details of inventories offered as security for borrowings

8 Trade receivables ****Current**

Considered good - Secured	-	-
Considered good - Unsecured	-	-
Which have significant Increase in Credit Risk	2.69	6.56
Credit Impaired	2.37	6.24
Less: Allowance for expected credit loss	2.37	6.24
Others	41.15	240.07
Net trade receivables	43.84	246.63

**For details of trade receivables pledged, refer note 13

9 Cash and cash equivalents

Balance with banks		
- in current accounts	36.89	21.73
- in Cash Credit Accounts	3.55	-
Cash on hand	1.28	3.67
Cheques in hand	0.06	0.75
Cash and cash equivalents in balance sheet	41.78	26.15
Book overdrafts used for cash management purposes	-	-
Cash and cash equivalents in the statement of cash flows	41.78	26.15

10 Bank balances

Balance in banks for margin money	0.31	0.30
	0.31	0.30

11 Loans**Non - Current**

Rent and other deposits	21.15	20.39
	21.15	20.39



(All amounts in INR millions)

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
12 Share capital				
Authorised				
Equity shares	1,55,00,000	155.00	1,55,00,000	155.00
	<u>1,55,00,000</u>	<u>155.00</u>	<u>1,55,00,000</u>	<u>155.00</u>
Issued, subscribed and paid-up				
Equity shares	1,17,50,000	117.50	28,00,000	28.00
Add: Issued during the year	29,26,666	29.27	89,50,000	89.50
	<u>1,46,76,666</u>	<u>146.77</u>	<u>1,17,50,000</u>	<u>117.50</u>
Reconciliation of shares outstanding at the beginning and at the end of the reporting period				
Equity shares of INR.10 each fully paid-up				
At the beginning of the year	1,17,50,000	117.50	28,00,000	28.00
Add: Fresh issue during the year being conversion of Inter Corporate Loan to equity	-	-	89,50,000	89.50
Add: Issued during the year being rights issue (*)	29,26,666	29.27	-	-
At the end of the year	<u>1,46,76,666</u>	<u>146.77</u>	<u>1,17,50,000</u>	<u>117.50</u>

(a) Details of shareholders holding more than 5% shares of the Company

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs. 10 each fully paid up held by				
a) Popular Mega Motors(India) Private Ltd	1,46,76,666	100.00%	1,17,50,000	100.00%

* During the year the company issued 29,26,666 Equity Shares of Rs. 10 each ranking pari passu in all respects with the existing Equity Shares of the company at a price of Rs.45 each (including a premium of Rs. 35) to Popular Mega Motors (India) Private Limited in pursuant to a rights issue offered by the company to its shareholders in the ratio of 14,63,333 : 58,75,000 on 27.09.2019. The shares were allotted vide the board resolution no. B04 R01/10-2019-20 dated 21.10.2019.



Notes to the financial statements (continued)

(All amounts in INR millions)

As at
31 March 2020

As at
31 March 2019

13 Borrowings**Non-current****Secured loans**

Term loans from banks

4.87

10.15

Term loans from FI

52.16

108.12

57.03118.27**Current****Secured loans**

Cash credit and overdraft facilities from banks

131.36

234.76

Short term loan from financial institution

125.08

325.18

Current portion of bank term loans

52.18

59.14

308.62619.08

Less: Amount included under 'other financial liabilities'

52.18

59.14

256.44559.94**Unsecured loans**

Loans from directors(Unsecured)

-

109.91

Trade advance from financial institution

13.45

20.00

269.89689.85

(a) The term loan from Kotak Mahindra Bank Limited is secured by first and pari-passu charge with Kotak Mahindra Prime Limited on all existing and future Current Assets/Movable fixed assets, collateral security of personal properties of directors as common collateral for the group and the personal guarantee of directors. Term loans are repayable in monthly installments ranging from 18 months to 21 months. Interest charged on the Term Loan is 9.35 %

(b) Term loan from Kotak Mahindra Prime Limited is secured by first charge on all existing and future Current Assets/ Movable fixed assets of the Company , personal guarantee of the Directors and equitable mortgage of the personal properties held as common collateral for the group, ranking pari-passu with Kotak Mahindra Bank Limited. Term loans are repayable in monthly installments ranging from 25 months to 46 months. Interest on the Term Loan is 9.45%

(c) Vehicle loans are secured by hypothecation of the Vehicle financed and personal guarantee of the directors of the company. Vehicle Loans are repayable in monthly installments ranging from 6 months to 40 Months. Interest charged on Vehicle Loan ranges from 8.75% to 9.25%

(d) Aggregate amount of long term loans guaranteed by directors [Total (a)+Total (b)+Total (c)] Rs 57.03 millions (Rs 118.27 millions)

(e) Short term loan from Kotak Mahindra Bank Limited is secured by first and pari-passu charge with Kotak Mahindra Prime Limited on all existing and future Current Assets/Movable fixed assets, collateral security of personal properties of directors as common collateral for the group and the personal guarantee of directors.

(f) Short term loans from Kotak Mahindra Prime Limited is secured by first charge on all existing and future Current Assets/ Movable fixed assets of the Company and equitable mortgage of the personal properties held as common collateral for the group, ranking pari-passu with Kotak Mahindra Bank Limited.

(g) The trade advance from Tata Capital financial services was secured by corporate guarantee of the holding company and personal guarantee of Directors of the company

(h) The inventory funding from ICICI bank Ltd is secured by exclusive charge on current assets of locations funded and personal guarantee of directors and holding company.

(i) The inventory funding from Axis bank Ltd is secured by exclusive charge on current assets of locations funded and personal guarantee of directors.

(j) Aggregate amount of short term borrowings guaranteed by directors Rs 322.1 millions (Rs 639.1 millions)

14 Other financial liabilities**Current**

Current maturities of long-term borrowings

52.18

59.14

Interest accrued and not due on borrowings

1.15

3.33

Accrued salaries and benefits

8.18

13.53

Other Creditors

24.69

16.23

Dues to related parties

7.28

22.14

93.48114.37

Notes to the financial statements (continued)

		(All amounts in INR millions)	
		As at	As at
		31 March 2020	31 March 2019
15 Provisions			
Non-current			
Compensated absences	2.43	1.97	
Gratuity	-	1.00	
	<u>2.43</u>	<u>2.97</u>	
Current			
Compensated absences	1.01	0.86	
	<u>1.01</u>	<u>0.86</u>	
16 Other liabilities			
Non-current			
Income received in Advance	-	12.94	
	<u>-</u>	<u>12.94</u>	
Current			
Advance from Customers	14.17	36.53	
Income received in Advance	12.04	6.89	
Vat on Warranty	4.47	4.47	
Statutory dues payables	4.10	8.38	
	<u>34.78</u>	<u>56.27</u>	
17 Trade payables			
Dues to Micro, Small and Medium Enterprises	0.07	0.05	
Others	10.90	17.59	
	<u>10.97</u>	<u>17.64</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	0.07	0.05
The interest due on the principal remaining outstanding as at the end of the year	-	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-



Vision Motors Private Limited, Ernakulam

Notes to the financial statements (continued)

(All amounts in INR millions)

	Year ended 31 March 2020	Year ended 31 March 2019
18 Revenue from operations		
Sales - New Vehicles	1,965.57	3,508.46
Sales - Spares and Accessories	319.55	309.82
Sales - Used Vehicles	242.14	304.52
Discounts and incentives	75.74	128.25
Finance and insurance commission	46.33	55.44
Labour income	268.34	245.33
Other operating revenue	5.22	7.87
	2,922.89	4,559.69
19 Other income		
Notional interest on rent deposit	0.97	0.82
Interest received- others	0.04	0.04
Interest from fixed deposit with bank	0.02	0.01
Credit balance written back	4.77	3.90
Gain on sale of Property, Plant & Equipment	0.32	1.05
Insurance claim on flood	-	16.97
Reversal of Provision for bad and doubtful debts	3.87	-
Miscellaneous income	2.14	1.84
	12.13	24.63
20 Purchases of stock-in-trade		
Purchase - New Vehicles	1,789.23	3,383.91
Purchase - Used Vehicles	211.71	312.79
Purchase - Spares and Accessories	264.04	255.48
	2,264.98	3,952.18
21 Change in inventories of stock-in-trade		
Opening stock	299.02	306.86
Closing stock	143.70	299.02
	155.32	7.84
22 Employee benefits expense		
Salaries and allowances	183.62	181.56
Contribution to provident and other funds	11.06	11.43
Provision for Gratuity	2.41	-
Leave Encashment	0.96	1.71
Staff welfare expense	11.60	11.96
Salary to Directors	1.30	2.40
	210.95	209.06
23 Finance cost		
Interest on borrowings	48.96	64.02
Interest on Intercompany Loan	-	24.16
Corporate Guarantee Commission	1.35	3.04
Interest on Lease Liability	21.58	-
Interest - Others	0.02	-
	71.91	91.22



Vision Motors Private Limited, Ernakulam

Notes to the financial statements (continued)

(All amounts in INR millions)

	Year ended 31 March 2020	Year ended 31 March 2019
24 Depreciation and amortisation		
Depreciation on property, plant and equipment	28.20	27.24
Amortisation on intangible assets	10.49	10.47
Amortisation on Right of Use (ROU) Asset	33.00	-
	71.69	37.71
25 Other expenses		
Transportation charges	1.72	2.02
Commission	0.01	0.10
Power, water and fuel	10.54	9.33
Consumables	37.06	28.14
Work charges	33.55	42.48
Pre delivery inspection charges	15.99	20.27
Insurance	3.13	4.64
Repairs and maintenance - others	8.49	11.06
Communication	3.44	3.56
Advertising and promotional	9.76	21.05
Discount Others	5.39	11.32
Loss of vehicles and spares in Flood	-	19.09
Rates and taxes	2.01	4.53
Legal, professional and other consultancy	6.26	7.62
Travelling and conveyance	11.64	13.61
Housekeeping and security	11.69	10.83
Rent	3.47	48.92
Office expenses	2.92	2.48
Printing and Stationery	2.70	3.85
Bad debts written off	2.53	5.06
Provision for Bad and Doubtful Debts	-	3.76
Bank Charges	6.27	5.08
Miscellaneous expenses	0.02	0.67
	178.59	279.47



Vision Motors Private Limited, Ernakulam

Notes to the financial statements (continued)

(All amounts in INR millions)

	As at 31 March 2020	As at 31 March 2019
26 Income taxes		
Income tax assets/(liability)		
Income tax assets	29.03	22.56
Net income tax assets/(liability) at the end	29.03	22.56
Deferred tax assets/(liabilities)		
Deferred income tax assets		
Trade receivables	0.74	1.95
Bonus Payable	-	1.59
Deduction under section 35 D	0.17	0.22
Leave Encashment	1.07	-
Impact of IndAS 116	17.06	-
Unabsorbed depreciation and business loss	43.39	37.70
Total deferred income tax assets	62.43	41.46
Deferred income tax liabilities		
Property, plant and equipment and computer software	9.59	9.76
Total deferred income tax liabilities	9.59	9.76
Deferred income tax assets after set off	52.84	31.70
	As at	As at
	31 March 2020	31 March 2019
Income tax expense / (benefits)		
Deferred tax	(21.14)	1.79
	(21.14)	1.79



27 Contingent liabilities and commitments

Particulars	As at 31 March 2020	As at 31 March 2019
Contingent liabilities		
Claims against the Company not acknowledged as debts		
- KVAT related matters	0.25	0.25
- Service Tax	2.22	2.23
Export commitments under EPCG scheme		
Bank guarantees	2.00	2.00
Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	8.95

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	Year ended 31 March 2020	Year ended 31 March 2019
(Loss)/profit for the year, attributable to the equity share holders	3.79	3.87

ii) Weighted average number of equity shares (basic)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening balance (Refer note 12)	117.50	28.00
Effect of fresh issue of shares for cash	13.03	0.49
Weighted average number of equity shares of INR 10 each for the year	130.53	28.49
Earnings / (loss) per share, basic	0.03	0.14

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	Year ended 31 March 2020	Year ended 31 March 2019
Net profit/(loss) for the year, attributable to the equity share holders	3.79	3.87

ii) Weighted average number of equity shares (diluted)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Weighted average number of equity shares of INR 10 each for the year (basic)	130.53	28.49
Weighted average number of equity shares of INR 10 each for the year (diluted)	130.53	28.49
Earnings / (loss) per share, diluted	0.03	0.14

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Statutory audit	0.22	0.20
Other matters	-	0.07
	0.22	0.27



30 Segment reporting

The Company is engaged in the business of purchase and sale of vehicles and related services. The entire operations are organised and managed as one organisational unit with the same set of risks and returns, hence the same has been considered as representing a single primary segment. The Company renders its services in India only and does not have any operations in economic environments with different risks and returns; hence it is considered operating in a single geographic segment. Accordingly, no segment disclosure has been made in these financial statements.

31 IndAS 116

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

On transition to Ind AS 116, the Group recognised right-of-use asset amounting to Rs. 163.17 millions (being Gross Block Rs. 267.50 millions less related accumulated depreciation amounting to Rs.104.33 millions), Lease liabilities amounting to Rs.209.37 millions and 46.20 millions (Debit) in retained earnings as at April 1, 2019. The group has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019 for measuring the lease liability.

Following are the changes in the carrying value of right of use assets for the year ended 31.03.2020

Particulars	Amount
Balance as of April 1, 2019	163.17
Add: Additions during the year	36.09
Less: Depreciation	31.99
Balance as on Mar 31, 2020	167.27

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

The following is the breakup of current and non-current lease liabilities as at March 31st 2020

Particulars	Amount
Current lease liabilities	27.37
Non-current lease liabilities	194.57
Total	221.94

The following is the movement in lease liabilities during the year ended 31.03.2020

Particulars	Amount
Balance as on April 1, 2019	209.37
Add: Additions during the year	36.09
Add: Finance Cost accrued during the period as per IND AS 116	21.58
Less: Lease liabilities for the period as per rent agreement	45.10
Balance as on Mar 31, 2020	221.94

The table below provides details regarding the contractual maturities of lease liabilities as at Mar 31, 2020 on an undiscounted basis.

Particulars	Amount
Less than one year	47.63
One to five years	169.86
Total	217.49

Rent expenses debited to statement of Profit and Loss account on short term leases which IND AS 116 is not applicable is Rs. 4.49 millions for the year ended 31-03-2020.



32 Employee benefits**A Defined contribution plan**

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

B Defined Benefit Plan

actuary using the projected unit credit method. The company accrues gratuity as per the provisions of the Payment of Gratuity Act, 1972 ('Gratuity Act')

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

Reconciliation of the projected Defined benefit plan

Particulars	As at 31 March 2020	As at 31 March 2019
Defined Benefit Plan	9.47	8.04
Plan Assets	10.70	7.04
Net Defined benefit liability/(Asset)	(1.23)	1.00
Liability for compensated absences	3.44	2.83
Total employee benefit liability	2.21	3.83
Non-current defined benefit liability	1.20	2.97
Current defined benefit liability	1.01	0.86
Other current assets (Balance with Life Insurance Corporation - Gratuity Fund (Net))	-	-

C Reconciliation of net defined benefit (assets)/liability*i) Reconciliation of present values of defined benefit obligation*

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Defined benefit obligation as at the beginning of the year	8.04	-
Current service cost	2.41	1.59
Past service cost	-	5.20
Interest cost	0.52	0.36
Benefits paid	(0.54)	(0.40)
Re-measurements	-	-
Actuarial Gain/(loss) recognised in other comprehensive income	(0.56)	0.19
-changes in financial assumptions	-	-
-changes in experience over the past period	(0.40)	1.10
Defined benefit obligation as at the end of the year	9.47	8.04



32 Employee benefits (continued)

ii) Reconciliation of present value of plan assets

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Plan assets at the beginning of the year	7.04	-
Contributions paid into the plan	3.62	6.91
Benefits paid	(0.54)	(0.40)
Interest income	0.49	0.40
Re-measurements	-	-
- changes in demographic assumptions	-	-
- return on plan asset	0.09	0.13
Balance at the end of the year	10.70	7.04
Net defined benefit liability	(1.23)	1.00

D Expenses recognised in the standalone statement of profit and loss

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	2.41	1.59
Past service cost	1.00	0.04
Net interest on net defined liability	0.03	(0.04)
Employer contribution	(3.62)	(1.75)
Net gratuity cost	(0.18)	(0.16)

(ii) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
OCI at the beginning of the year	1.15	
Actuarial (gain)/ loss on defined benefit obligation	(0.97)	1.28
Return on plan asset excluding interest income	(0.09)	(0.13)
Net gratuity cost	0.09	1.15

E Plan Asset

Plan asset comprises of the following:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Funds managed by Life Insurance Corporation of India	10.70	7.04

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



F Defined Benefit Obligation

(i) Actuarial Assumptions

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Discount rate	5.45%	7.00%
Salary growth rate	5.00%	8.00%
Attrition rate	25% p.a withdrawal rate at all ages	25% p.a withdrawal rate at all ages
Weighted average duration of defined benefit obligation	3.99 years	4.3 years

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

- Assumptions regarding future mortality experience are set in accordance with the standard table - IALM 2012-14 (Ultimate). The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on prevailing market yields of government securities.
- Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

(ii) Sensitivity analysis

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(9.29)	9.66	(7.87)	8.22
Future salary growth (0.5% movement)	9.66	(9.28)	8.21	(7.87)

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.

- In assessing the recoverability / impairment of receivables, intangible assets, and other advances which are outstanding as on the date of Balance Sheet, the Company has considered internal and external information upto the date of approval of these financial statements including credit reports and economic forecasts. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. Further, the Company does not anticipate any additional liabilities than what is disclosed in the Balance Sheet upto the date of approval of these financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.
- Even though the Company is eligible to adopt lower rate of tax under section 115BAA of the Income Tax Act 1961, the same is not adopted on account of loss



35 Related parties

I. Names of related parties and description of relationship:

(a) Ultimate Holding Company

Popular Vehicles & Services Limited

(b) Holding company

Popular Mega Motors (India) Private Limited, India

(c) Associates

Popular Auto Dealers Private Limited

(d) Other related parties with whom the company had transactions during the year

- Key management personnel and their relatives (KMP)

Mr. Naveen Philip, Managing Director

Mrs. Malini Eapen, Director

Mr. Francis K Paul, Relative of Director

II. Related party transactions:

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

Particulars	As at 31 March 2020	As at 31 March 2019
Revenue from operations		
Popular Vehicles & Services Limited	19.81	32.33
Popular Mega Motors (India) Private Limited	6.12	1.57
Popular Auto Dealers Private Limited	1.32	-
Sale of Fixed Asset		
Popular Vehicles & Services Limited	0.38	-
Popular Mega Motors (India) Private Limited	-	2.25
Rent Expense		
Popular Mega Motors (India) Private Limited	1.15	1.48
Mr. Naveen Philip	2.05	1.63
Mr. Francis K Paul	4.26	4.00
Other Income		
Popular Vehicles & Services Limited	0.29	0.20
Popular Mega Motors (India) Private Limited	0.18	0.34
Popular Auto Dealers Private Limited	0.57	0.57
Repairs and maintenance		
Popular Mega Motors (India) Private Limited	0.05	0.02
Popular Auto Dealers Private Limited	-	0.01



Vision Motors Private Limited

Notes to the financial statements (continued)

(All amounts in INR millions)

Loan Repayment		
Popular Mega Motors (India) Private Limited	-	85.01
Issue of Share Capital		
Popular Mega Motors (India) Private Limited	131.70	89.50
Purchase of goods		
Popular Mega Motors (India) Private Limited	2.54	-
Popular Auto Dealers Private Limited	31.91	21.99
Interest and Commission Expense		
Popular Vehicles & Services Limited	0.94	5.72
Popular Mega Motors (India) Private Limited	0.41	27.72
Other Expenses		
Popular Vehicles & Services Limited	1.21	0.17
Popular Mega Motors (India) Private Limited	0.03	0.03
Popular Auto Dealers Private Limited		0.72
Reimbursement of Expenses		
Popular Vehicles & Services Limited		0.55
Receipt of Intercompany		
Popular Mega Motors (India) Private Limited		89.51
Remuneration		
Mr.Naveen Philip	1.30	2.40

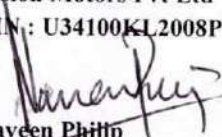
Balance receivable from/(payable) to related parties as at Balance Sheet date.


Trade Payable		
Popular Vehicles & Services Limited	1.16	-
Popular Mega Motors (India) Private Limited	2.19	22.14
Popular Auto Dealers Private Limited	3.61	
Trade Receivable		
Popular Vehicles & Services Limited		0.56

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


As per our report of even date attached

for and on behalf of the Board of Directors of
Vision Motors Pvt Ltd
CIN: U34100KL2008PTC022049


Naveen Philip
 Managing Director
 DIN: 00018827


Deepu Joseph
 Chief Financial Officer


Malini Eapen
 Director
 DIN:02051164


Surya Jacob
 Company Secretary

For PSDY & Associates
Chartered Accountants (FRN 010625S)


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

UDIN: 20213413AAAA CG8030

Kochi
 Date: 28-08-2020

Kochi
 Date:

Kochi
 Date:

2019-20

Particulars	Balance as per Books	Balance as per IT Act	Difference	DTA	DTL
WDV					
Loss carried forward	27,77,75,102	24,70,53,944	3,07,21,158	-	95,85,001
Provision for bad and doubtful debts	-	13,90,61,239	13,90,61,239	4,33,87,107	
Provision for Leave Encashment	23,69,203	-	23,69,203	7,39,191	
35D Disallowance	34,42,377		34,42,377	10,74,022	
IndAS 116	5,46,61,690	5,40,000	5,40,000	1,68,480	
			5,46,61,690	1,70,54,447	
				6,24,23,247	95,85,001

Opening balance

Closing balance

Provision/(reversal) to be made

Entry to be made

DTA

To Profit & Loss A/c

3,16,87,039

5,28,38,246

2,11,51,207

(2,11,51,207)

(2,11,51,207)



VISION MOTORS PRIVATE LIMITED

ANNEXURE-B

DEPRECIATION STATEMENT FOR INCOME TAX PURPOSES FOR THE YEAR ENDED 31-03-2020
CONSOLIDATED

PARTICULARS	WDV AS ON 01.04.2019	ADDITIONS		DELETIONS	TOTAL	RATE	DEPRECIATION	WDV AS ON 31.03.2020
		More than 180 days	Less than 180 days					
Building	9,00,17,905	85,50,854	48,590	-	9,86,17,349	10%	98,59,305	8,87,58,044
Good will	2,06,27,639	-	-	-	2,06,27,639	25%	51,56,910	1,54,70,729
Furniture & Fittings	2,83,04,655	1,22,80,242	1,11,79,316	-	5,17,64,213	10%	46,17,456	4,71,46,757
Computer	37,16,189	10,27,561	14,95,344	1,695	62,37,399	40%	21,95,891	40,41,508
Office Equipments	18,86,903	1,46,235	16,59,218	-	36,92,356	15%	4,29,412	32,62,944
Vehicles	9,19,95,298	24,74,331	-	3,95,21,420	5,49,48,209	15%	82,42,231	4,67,05,978
Vehicles (*)	-	18,35,473	16,05,414	-	34,40,887	30%	7,91,454	26,49,433
Air Conditioner	42,76,425	2,88,271	18,16,432	-	63,81,128	15%	8,20,937	55,60,191
Plant & Machinery	3,44,47,816	23,41,844	24,56,110	99,710	3,91,46,060	15%	56,87,701	3,34,58,359
Total	27,52,72,830	2,89,44,811	2,02,60,425	3,96,22,825	28,48,55,240		3,78,01,297	24,70,53,943

(*) Note:- As per Notification No. 69/2019 Dated 20-09-2019 Motor Car purchased on or after 23rd August 2019 but before 1st April 2020 is eligible for higher rate of depreciation of 30%.

