


**Popular Auto Dealers Private Limited**  
**Balance sheet**  
**(All amounts in INR millions)**

	Note	As at 31 March 2019	As at 31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	22.51	19.12
Financial assets			
Investments	3	0.55	0.10
Loans	4	14.10	10.63
Deferred tax assets (net)	24	2.95	2.09
Income tax assets (net)	24	2.52	-
Other non-current assets	5	1.45	0.77
<b>Total non-current assets</b>		<b>44.08</b>	<b>32.71</b>
<b>Current assets</b>			
Inventories	6	202.75	143.79
Financial assets			
Trade receivables	7	114.48	95.09
Cash and cash equivalents	8	10.07	9.51
Bank balances	9	10.51	10.04
Other current assets	5	4.86	13.28
<b>Total current assets</b>		<b>342.67</b>	<b>271.71</b>
<b>Total assets</b>		<b>386.75</b>	<b>304.42</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	10	5.10	3.63
Other equity		136.88	79.70
<b>Equity attributable to owners of company</b>		<b>141.98</b>	<b>83.33</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	11	4.55	2.73
Provisions	13	1.77	1.99
Income tax liability (net)	24	-	0.16
<b>Total non-current liabilities</b>		<b>6.32</b>	<b>4.88</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	11	115.45	126.16
Trade payables	15	113.15	81.91
Other financial liabilities	12	6.62	6.12
Provisions	13	0.16	0.14
Other current liabilities	14	3.07	1.88
<b>Total current liabilities</b>		<b>238.45</b>	<b>216.21</b>
<b>Total equity and liabilities</b>		<b>386.75</b>	<b>304.42</b>
<b>Significant accounting policies</b>	1		


Notes forming part of financial statements  
As per our report of even date attached

**For R.G.N. PRICE & CO.**  
Chartered Accountants

  
**P.M. VEERAMANI**  
Partner  
M. No. 23933, FR. No. 0027855

Place : Kochi  
Date : 5.7.2019

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

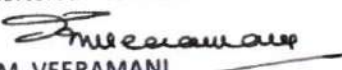
  
**Naveen Philip**  
Director  
DIN: 00018827

  
**John K Paul**  
Director  
DIN: 00016513

**Popular Auto Dealers Private Limited**  
**Statement of Profit and Loss**  
(All amounts in INR millions)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
<b>Income</b>			
Revenue from operations	16	1,086.62	887.43
Other income	17	1.64	1.82
<b>Total income</b>		<b>1,088.26</b>	<b>889.25</b>
<b>Expenses</b>			
Purchases of Stock in Trade	18	945.56	763.71
Changes in inventory of stock-in-trade	19	(15.77)	(3.66)
Employee benefits expense	20	49.77	39.97
Finance costs	21	19.04	8.66
Depreciation and amortisation expense	22	3.88	2.91
Other expenses	23	57.91	46.95
<b>Total expenses</b>		<b>1,060.39</b>	<b>858.54</b>
<b>Profit before exceptional item and tax</b>		<b>27.87</b>	<b>30.71</b>
Exceptional item		-	-
<b>Profit before tax</b>		<b>27.87</b>	<b>30.71</b>
Income tax expense			
Current tax	24	8.96	11.15
Deferred tax charge /(benefit)	24	(0.86)	(0.94)
<b>Profit for the year attributable to owners of the Company</b>		<b>19.77</b>	<b>20.50</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		(0.05)	-
Income Tax relating to item that will not be reclassified to profit or loss		0.01	-
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<b>19.73</b>	<b>20.50</b>
<b>Profit per share</b> (equity share of face value of INR 100 each)			
Basic	26	542	564
Diluted	26	542	564
<b>Significant accounting policies</b>	1		
Notes forming part of financial statements	2-34		
As per our report of even date attached			

**For R.G.N. PRICE & CO.**  
Chartered Accountants

  
**P.M. VEERAMANI**  
Partner  
M. No. 23933, FR. No. 0027855

Place : Kochi  
Date : 5.7.2019

for and on behalf of the Board of Directors of  
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CIN : U50101KL2005PTC018670

  
**Naveen Philip**  
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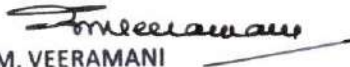
  
**John K Paul**  
Director  
DIN: 00016513

**Popular Auto Dealers Private Limited**  
**Cash Flow Statement**  
(All amounts in INR millions)

	As at 31 March 2019	As at 31 March 2018
<b>Cash flows from operating activities</b>		
Profit before tax	27.87	30.71
Adjustments for		
Finance costs	19.04	8.46
Interest on shortfall in payment of advance tax		0.20
Interest income	(1.02)	(0.89)
Gain on sale of property, plant and equipment (net)	(0.26)	(0.25)
Depreciation and amortisation	3.88	2.91
<b>Operating profit before working capital changes</b>	<b>49.51</b>	<b>41.14</b>
(Increase) / Decrease in Trade receivables	(19.39)	(32.03)
(Increase) / Decrease in Inventories	(58.96)	(11.84)
(Increase) / Decrease in Loans and Advances	7.74	(11.97)
Increase / (Decrease) in Long Term Provisions	(0.27)	1.99
Increase / (Decrease) in Other current liabilities	32.95	14.30
<b>Cash generated from/ (used) in operations</b>	<b>11.58</b>	<b>1.59</b>
Taxes paid, net of refund received	(11.64)	(10.56)
<b>Net cash generated from/ (used) in operating activities (A)</b>	<b>(0.06)</b>	<b>(8.97)</b>
<b>Cash flows from investing activities</b>		
Investments	(0.45)	(0.10)
Long term advance	(3.47)	(0.98)
Interest received	1.02	0.89
Purchase of property, plant and equipment	(7.28)	(6.33)
Proceeds from sale of property, plant and equipment	0.28	0.90
<b>Net cash used in investing activities (B)</b>	<b>(9.90)</b>	<b>(5.62)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(18.62)	(8.46)
Secured loans availed, net	29.61	24.89
<b>Net cash generated from financing activities (C)</b>	<b>10.99</b>	<b>16.43</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1.03</b>	<b>1.84</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>19.55</b>	<b>17.71</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>20.58</b>	<b>19.55</b>
(refer to note 8 and 9- Cash and bank balances)		

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

**For R.G.N. PRICE & CO.**  
Chartered Accountants

  
**P.M. VEERAMANI**  
Partner  
M. No. 23933, FR. No. 0027855

Place : Kochi  
Date : 8.7.2019

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

  
**Naveen Philip**  
Director  
DIN: 00018827

  
**John K Paul**  
Director  
DIN: 00016513



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

**A. Equity Share capital**

**Amount**

As at 1 April 2017	3.63
Changes in Equity share capital	-
<b>As at 31 March 2018</b>	<b>3.63</b>
Changes in Equity share capital	<b>1.47</b>
<b>As at 31 March 2019</b>	<b>5.10</b>

**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 2017		59.20		59.20
Total comprehensive income for the year				
Profit for the year		20.50		20.50
Other comprehensive income		-		-
Total comprehensive income	-	20.50		20.50
<b>Balance as at 31 March 2018</b>	-	<b>79.70</b>		<b>79.70</b>
Balance as at 31 March 2018	-	79.70		79.70
Total comprehensive income for the year				
Profit for the year	37.45	19.77		57.22
Other comprehensive income	-	-	(0.04)	(0.04)
Total comprehensive income	37.45	19.77	(0.04)	57.18
<b>Balance as at 31 March 2019</b>	<b>37.45</b>	<b>99.47</b>	<b>(0.04)</b>	<b>136.88</b>

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

**1 Securities Premium**

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

**2 Retained earnings**

Represents accumulation of retained earnings of earlier years.

As per our report of even date attached

For R.G.N. PRICE & CO.

Chartered Accountants



P.M. VEERAMANI

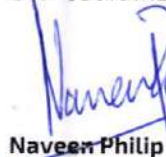
Partner

M. No. 23933, FR. No. 0027855

for and on behalf of the Board of Directors of

**Popular Auto Dealers Private Limited**

CIN : U50101KL2005PTC018670



Naveen Philip

Director

DIN: 00018827



John K Paul

Director

DIN: 00016513

Place : Kochi

Date : 5.7.2019

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

**1.1 Company overview**

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

**1.2 Basis of preparation**

**A. Statement of compliance**

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 wherever fair value is applicable.

**D. Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

**Judgments**

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

**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





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

both 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 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



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

condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

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

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

**ii. Subsequent expenditure**

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

**iii. Depreciation**

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

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

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

**1.3.2 Intangible assets:**

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





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

Class of assets	Years
Software	3

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.





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

*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.

**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.



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

**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.

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

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

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

**1.3.6 Inventories**

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

Cost for this purpose is arrived at as follows:

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

**1.3.7 Impairment**

**i) Impairment of financial instruments**

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

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

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

**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





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

Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off

**ii) Impairment of non- financial assets**

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

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

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

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

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

**1.3.8 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.





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

**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.

**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.





**Popular Auto Dealers Private Limited**  
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(All amounts in INR millions)

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.

**1.3.11 Borrowing cost**

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

**1.3.12 Earnings/loss per share**

The basic earnings/loss per share is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

**1.3.13 Cash-flow statement**

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

**1.3.14 Cash and cash equivalents**

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

**1.3.15 Previous period figures**

As no financial statements are drawn up for the period ended 31.12.2017, the corresponding data for the previous period, the same is not furnished.



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

**2 Property, plant and equipment**

Particulars	Buildings	Furniture and fixtures	Plant and Equipment	Computer Equipment	Office equipment	Motor Vehicles	Total
<b>Gross carrying value</b>							
Balance at 1 April 2017	1.37	10.39	0.14	0.59	0.14	6.69	19.32
Additions/(transfers)		2.02	0.08	0.76		3.47	6.33
Disposals		0.19				0.75	0.94
<b>Balance at 31 March 2018</b>	<b>1.37</b>	<b>12.22</b>	<b>0.22</b>	<b>1.35</b>	<b>0.14</b>	<b>9.41</b>	<b>24.71</b>
Balance at 1 April 2018	1.37	12.22	0.22	1.35	0.14	9.41	24.71
Additions/(transfers)		4.83		0.78	0.24	1.43	7.28
Disposals						0.04	0.04
<b>Balance at 31 March 2019</b>	<b>1.37</b>	<b>17.05</b>	<b>0.22</b>	<b>2.13</b>	<b>0.38</b>	<b>10.80</b>	<b>31.95</b>
<b>Accumulated Depreciation</b>							
Balance at 1 April 2017	0.03	1.56	0.01	0.29	0.05	1.03	2.97
Depreciation for the year	0.02	1.57	0.01	0.26	0.03	1.02	2.91
Disposals		0.12				0.17	0.29
<b>Balance at 31 March 2018</b>	<b>0.05</b>	<b>3.01</b>	<b>0.02</b>	<b>0.55</b>	<b>0.08</b>	<b>1.88</b>	<b>5.59</b>
Balance at 1 April 2018	0.05	3.01	0.02	0.55	0.08	1.88	5.59
Depreciation for the year	0.02	1.75	0.02	0.53	0.07	1.48	3.88
Disposals						0.02	0.02
<b>Balance at 31 March 2019</b>	<b>0.07</b>	<b>4.76</b>	<b>0.04</b>	<b>1.08</b>	<b>0.15</b>	<b>3.34</b>	<b>9.45</b>
<b>Carrying amounts (net)</b>							
At 31 March 2019	1.30	12.29	0.18	1.05	0.23	7.46	22.51
At 31 March 2018	1.32	9.21	0.20	0.80	0.06	7.53	19.12





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

	As at 31 March 2019	As at 31 March 2018
<b>3 Investments</b>		
<b>Non-current investments, quoted</b>		
Investment in Mutual Funds	0.45	-
<b>Non-current investments, unquoted</b>		
<i>Investments in equity instruments of subsidiaries(at cost)</i>		
Investment in subsidiaries		
Kuttukaran Pre Owned Cars Private Limited (10,000 equity shares of Rs. 10 each)	0.10	0.10
	<b>0.55</b>	<b>0.10</b>
<b>4 Loans</b>		
<b>Non Current</b>		
Rent and other deposits	14.00	10.53
Dues from related party	0.10	0.10
	<b>14.10</b>	<b>10.63</b>
<b>5 Other assets</b>		
<b>Non-current</b>		
Prepayments	1.45	0.77
	<b>1.45</b>	<b>0.77</b>
<b>Current</b>		
Prepayments	2.80	1.50
Balance with statutory / government authorities	0.18	9.78
Advance to staff	0.02	0.02
Payment to vendors for supply of goods and services	1.86	1.99
	<b>4.86</b>	<b>13.28</b>
<b>6 Inventories</b>		
(Valued at lower of cost and realisable value)		
Spares and lubricants	124.75	108.98
Goods in Transit- Spare	78.00	34.81
	<b>202.75</b>	<b>143.79</b>
<b>7 Trade receivables</b>		
<b>Current</b>		
Considered good - Secured	-	-
Considered good - Unsecured		
Which have significant increase in Credit Risk	16.25	-
Credit impaired	6.20	3.11
Less: Allowance for expected credit loss	6.20	3.11
Others	98.23	95.09
<b>Net trade receivables</b>	<b>114.48</b>	<b>95.09</b>
<b>8 Cash and cash equivalents</b>		
Balance with banks		
- in current accounts	6.16	6.10
- in deposit accounts	0.07	0.07
Cash on hand	1.96	1.57
Cheques In Hand	1.88	1.77
<b>Cash and cash equivalents in balance sheet</b>	<b>10.07</b>	<b>9.51</b>
<b>9 Bank balances</b>		
Balance in banks for margin money	10.51	10.04
	<b>10.51</b>	<b>10.04</b>



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

10 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	0.060	6.00	0.045	4.50
Redeemable Preference Shares of Rs 100 each	0.005	0.50	0.005	0.50
	<b>0.065</b>	<b>6.50</b>	<b>0.050</b>	<b>5.00</b>
<b>Issued, subscribed and paid-up</b>				
Equity shares	0.036	3.63	0.036	3.63
Add: issued during the year	0.015	1.47	-	-
	<b>0.051</b>	<b>5.10</b>	<b>0.036</b>	<b>3.63</b>
<b>Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>				
<i>Equity shares of INR.100 each fully paid-up</i>				
At the beginning of the year	0.036	3.63	0.036	3.63
Add: issued during the year	0.015	1.47	-	-
<b>At the end of the year</b>	<b>0.051</b>	<b>5.10</b>	<b>0.036</b>	<b>3.630</b>
<b>Total</b>	<b>0.051</b>	<b>5.10</b>	<b>0.036</b>	<b>3.63</b>

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

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% holding in the class	Number of shares	% holding in the class
<i>Equity shares of Rs. 100 each fully paid up held by</i>				
a) Popular Vehicles and Services Ltd	0.0385	76%	0.0238	66%
b) Popular Mega Motors India Pvt Ltd	0.0125	24%	0.0125	34%





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

	As at 31 March 2019	As at 31 March 2018
<b>11 Borrowings</b>		
<b>Non-current</b>		
<b>Secured loans</b>		
Term loans from banks	2.98	-
Term loans from financial institutions	1.57	2.73
	<u>4.55</u>	<u>2.73</u>
<b>Current</b>		
<b>Secured loans</b>		
Cash credit and overdraft facilities from banks	77.30	57.25
Short term loan from financial institution	38.15	38.91
Current maturities of long-term borrowings	2.56	2.37
<b>Unsecured loans</b>		
Intercompany loans	-	30.00
	<u>118.01</u>	<u>128.53</u>
Amount included under 'other financial liabilities'	2.56	2.37
	<u>115.45</u>	<u>126.16</u>
<p>Note 1: Cash Credit from Kotak Mahindra Bank Ltd is secured by first and exclusive charge on all existing and future current assets/ movable Fixed Assets of the company, Equitable mortgage of the immovable properties of the promoters / firm in which promoters are interested held as common collateral for the group and personal guarantees of all the directors of the company.</p> <p>Note 2: Channel Finance from Tata Capital Financial Services Ltd is secured by charge on all existing book debts, and corporate guarantee of holding company and personal guarantees of all the directors of the company.</p> <p>Note 3: Inventory Funding from Axis Bank Ltd is secured by personal guarantees by all the Directors</p> <p>Note 4: Aggregate amount of borrowings guaranteed by directors Rs. 117.82 (Rs. 98.89)</p> <p>Note 5: Vehicle loans are secured by hypothecation of the vehicle financed repayable in installment ranging from 12 to 36 months</p>		
<b>12 Other financial liabilities</b>		
<b>Current</b>		
Current maturities of long-term borrowings	2.56	2.37
Dues to related parties	1.67	0.47
Gratuity Premium Payable		
Dues to creditors for expenses and others	2.39	3.29
	<u>6.62</u>	<u>6.12</u>
<b>13 Provisions</b>		
<b>Non-current</b>		
Compensated absences	0.61	0.51
Provision for Gratuity	1.16	1.48
	<u>1.77</u>	<u>1.99</u>
<b>Current</b>		
Compensated absences	0.16	0.14
	<u>0.16</u>	<u>0.14</u>
<b>14 Other liabilities</b>		
<b>Current</b>		
Advance from customers	1.80	1.09
Statutory dues payables	1.27	0.79
	<u>3.07</u>	<u>1.88</u>
<b>15 Trade payables</b>		
Dues to micro and small enterprises	-	-
Dues to others	113.15	81.91
	<u>113.15</u>	<u>81.91</u>

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

The principal amount remaining unpaid to any supplier as at the end of the year	-	-
The interest due on the principal remaining outstanding as at the end of the year	-	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-



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

	Year ended 31 March 2019	Year ended 31 March 2018
<b>16 Revenue from operations</b>		
Sales spares and accessories	1,021.90	831.10
Income from schemes and incentives	64.72	56.33
	<u><b>1,086.62</b></u>	<u><b>887.43</b></u>
<b>17 Other income</b>		
Interest on Fixed deposits with banks	0.70	0.55
Interest on Rent deposits	0.32	0.34
Gain on sale of property, plant and equipment (net)	0.26	0.25
Other Non Operating Income	0.36	0.68
	<u><b>1.64</b></u>	<u><b>1.82</b></u>
<b>18 Purchases of stock-in-trade</b>		
Spares and accessories	945.56	763.71
	<u><b>945.56</b></u>	<u><b>763.71</b></u>
<b>19 Change in inventories of stock-in-trade</b>		
Opening stock	108.98	105.32
Closing stock	124.75	108.98
	<u><b>(15.77)</b></u>	<u><b>(3.66)</b></u>
<b>20 Employee benefits expense</b>		
Salaries and allowances	43.00	33.79
Contribution to provident and other funds	4.11	4.14
Staff welfare expense	2.66	2.04
	<u><b>49.77</b></u>	<u><b>39.97</b></u>
<b>21 Finance cost</b>		
Interest on bank borrowings	8.27	7.11
Interest on Inter Corporate Loan	8.37	-
Corporate Guarantee Commission	0.29	0.29
Interest on Shortfall in payment of advance tax	-	0.20
Other borrowing costs	2.11	1.06
	<u><b>19.04</b></u>	<u><b>8.66</b></u>
<b>22 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	3.88	2.91
	<u><b>3.88</b></u>	<u><b>2.91</b></u>
<b>23 Other expenses</b>		
Rent	18.25	15.00
Discount others	12.06	9.04
Transportation charges	7.93	6.63
Power, water and fuel	0.81	0.73
Insurance	0.93	0.95
Repairs and maintenance		
Building	0.41	0.27
Computer	0.67	0.69
Vehicle	1.42	1.45
Others	0.36	0.28
Communication	1.17	1.21
Advertising and sales promotion	2.67	0.95
Rates and taxes	0.35	0.81
Legal and professional	0.81	0.29
Travelling and conveyance	3.06	1.97
Housekeeping and security	0.67	0.68
Donation and charity	0.01	0.02
Office expenses	2.21	2.22
Allowances for expected credit loss, net	3.09	2.98
Bank charges	0.93	0.65
Miscellaneous expenses	0.10	0.10
	<u><b>57.91</b></u>	<u><b>46.95</b></u>





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

	As at 31 March 2019	As at 31 March 2018
<b>24 Income taxes</b>		
<b>Income tax assets/(liability)</b>		
Income tax assets	2.52	
Current income tax liabilities		(0.16)
<b>Net income tax assets/(liability) at the end</b>	<u><b>2.52</b></u>	<u><b>0.16</b></u>
<b>Deferred tax assets/(liabilities)</b>		
<b>Deferred income tax assets</b>		
Trade receivables	1.72	1.03
Property, plant and equipment and computer software	0.91	1.06
Preliminary Expenses	0.003	-
Provision for Gratuity	0.32	-
<b>Total deferred income tax assets</b>	<u><b>2.95</b></u>	<u><b>2.09</b></u>
Deferred income tax assets after set off (Refer Note below)	<u><b>2.95</b></u>	<u><b>2.09</b></u>

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

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

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

	As at 31 March 2019	As at 31 March 2018
<b>Income tax expense / ( benefits )</b>		
Current tax	8.96	11.15
MAT credit		
Deferred tax	<u>(0.86)</u>	<u>(0.94)</u>
	<u><b>8.10</b></u>	<u><b>10.21</b></u>



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

**25 Contingent liabilities and commitments**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Contingent liabilities</b>		
Claims against the Company not acknowledged as debts		
Claims by Principal Parties	1.18	1.18
Bank Guarantees	93.50	93.50
Capital contribution committed by the company	7.35	-
<b>Total</b>	<b>102.03</b>	<b>94.68</b>





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

**26 Earnings/(loss) per share (Amount in INR)**

**A. Basic earnings/(loss) per share**

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

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

Particulars	As at 31 March 2019	As at 31 March 2018
Profit for the year, attributable to the equity share holders	1,97,46,582	2,04,97,748
<b>ii) Weighted average number of equity shares (basic)</b>		
Opening balance	36,330	36,330
Effect of fresh issue of shares for consideration other than cash	81	-
Weighted average number of equity shares of INR 100 each for the year	36,411	36,330
Earnings / (loss) per share, basic	<b>542</b>	<b>564</b>

**B. Diluted earnings/(loss) per share**

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

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

Particulars	As at 31 March 2019	As at 31 March 2018
Net profit for the year, attributable to the equity share holders	1,97,46,582	2,04,97,748
Interest expense of compulsorily convertible preference share	-	-
Net Profit for the year, attributable to the equity share holders	1,97,46,582	2,04,97,748

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

Weighted average number of equity shares of INR 100 each for the year (basic)	36,411	36,330
Weighted average number of equity shares of INR 100 each for the year (diluted)	36,411	36,330
Earnings / (loss) per share, diluted	<b>542</b>	<b>564</b>

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

Particulars	As at 31 March 2019	As at 31 March 2018
As Auditor		
Statutory audit	0.16	0.14
Tax audit	0.03	0.03
In other capacity		
Other matters	0.30	0.02
	<b>0.49</b>	<b>0.19</b>

**28 Operating leases**

Particulars	31 March 2019	31 March 2018
Rent Expenses for the year	18.25	15.00
Payable in less than one year	17.43	12.29
Payable between one to five years	54.91	31.09
Payable after more than five years	3.10	6.12



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

**29 Employee benefits**

**A Defined contribution plan**

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

**B Defined Benefit Plan**

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

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

**Reconciliation of the projected Defined benefit plan**

Particulars	As at 31 March 2019	As at 31 March 2018
Defined Benefit Plan	5.01	-
Plan Assets	3.84	-
<b>Net Defined benefit liability/(Asset)</b>	<b>1.17</b>	<b>-</b>
Liability for compensated absences	0.77	-
<b>Total employee benefit liability</b>	<b>1.94</b>	<b>-</b>
Non-current defined benefit liability	1.78	-
Current defined benefit liability	0.16	-
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 2019	Year ended 31 March 2018
<b>Defined benefit obligation as at the beginning of the year</b>	<b>-</b>	<b>-</b>
Current service cost	0.81	-
Past service cost	4.07	-
Interest cost	0.29	-
Benefits paid	(0.21)	-
<b>Re-measurements</b>		
Actuarial Gain/(loss) recognised in other comprehensive income		
- changes in financial assumptions	0.14	-
- changes in Demographic assumptions	-	-
- changes in experience over the past period	(0.09)	-
<b>Defined benefit obligation as at the end of the year</b>	<b>5.01</b>	<b>-</b>

*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>	<b>-</b>	<b>-</b>
Contributions paid into the plan	3.84	-
Benefits paid	(0.21)	-
Interest income	0.20	-
<b>Re-measurements</b>		
- changes in demographic assumptions	-	-
- return on plan asset	0.01	-
<b>Balance at the end of the year</b>	<b>3.84</b>	<b>-</b>
<b>Net defined benefit liability</b>	<b>1.17</b>	<b>-</b>





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

**29 Employee benefits (continued)**

**D Expenses recognised in the standalone statement of profit and loss**

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	0.81	-
Past service cost	1.69	-
Net interest on net defined liability	0.08	-
Employer Contribution	(1.47)	-
<b>Net gratuity cost</b>	<b>1.11</b>	<b>-</b>

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Actuarial (gain)/ loss on defined benefit obligation	0.05	-
Return on plan asset excluding interest income	-	-
<b>Net gratuity cost</b>	<b>0.05</b>	<b>-</b>

**E Plan Asset**

Plan asset comprises of the following:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Funds managed by Life Insurance Corporation of India	3.84	-

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 2019	Year ended 31 March 2018
Discount rate	7.00%	0.00%
Salary growth rate	10.00%	0.00%
Attrition rate	16% p.a	0.00%
	withdrawal rate at all ages	
Weighted average duration of defined benefit obligation	5.2 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)	(2.53)	2.67	-	-
Future salary growth (0.5% movement)	2.58	(2.48)	-	-

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 a 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 group gratuity premia will be set off against the provision as and when paid. No payment towards group gratuity premia was made during the year.



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

**30 Related parties**

**I. Names of related parties and description of relationship:**

(a) Entity having significant influence over the company

Popular Vehicles and Services Limited

(b) Subsidiaries and step down subsidiaries

Kuttukaran Pre Owned Cars Private Limited

(c) Associates

Popular Mega Motors India Private Limited

Vision Motors Private Limited

Popular Auto Works Private Limited

Kuttukaran Trading Ventures

Keracon Equipments Private Limited

- Key management personnel and their relatives (KMP)

Mr. Naveen Philip, Director

Mr. John K Paul, Director

Mr. Francis K Paul, Director

**II. Related party transactions:**

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>Revenue from operations</b>		
Popular Vehicles and Services Limited	138.13	75.18
Popular Mega Motors (India) Private Limited	0.41	1.11
Vision Motors Private Limited	21.99	17.31
Keracon Equipments Private Limited	11.13	-
<b>Rent expense</b>		
Popular Vehicles and Services Limited	0.51	0.51
<b>Sale of fixed assets</b>		
Popular Mega Motors (India) Private Limited	-	0.42
<b>Repairs and maintenance</b>		
Popular Vehicles and Services Limited	0.01	0.03
Popular Mega Motors (India) Private Limited	0.40	0.67
Vision Motors Private Limited	0.01	-
<b>Reimbursement of expenses (net)</b>		
Popular Vehicles and Services Limited	3.48	2.70
Popular Mega Motors (India) Private Limited	0.26	0.24
Vision Motors Private Limited	(0.15)	0.09
Popular Autoworks Private Limited		0.60
<b>Purchase of goods</b>		
Popular Vehicles and Services Limited	0.78	1.00
Popular Mega Motors (India) Private Limited	0.02	-
Vision Motors Private Limited	-	0.02
<b>Purchase of fixed assets</b>		
Popular Mega Motors (India) Private Limited	1.28	1.70
Vision Motors Private Limited		0.52
<b>Intercompany loan Received</b>		
Popular Vehicles and Services Limited	38.50	-
<b>Intercompany loan repaid</b>		
Popular Vehicles and Services Limited		
Settled via Bank transfer	30.00	
Settled by conversion into Equity Shares (Refer note No. 34)	38.92	-
<b>Corporate Guarantee Commission Paid</b>		
Popular Vehicles and Services Limited	0.83	-
<b>Interest on Inter Corporate Loan Paid</b>		
Popular Vehicles and Services Limited	8.38	
<b>Remuneration</b>		
Mr. Naveen Philip, Director	2.55	2.68
<b>III. Related party Balances:</b>		
<b>Trade receivables</b>		
Popular Vehicles and Services Limited	4.47	90.00
Kuttukaran Trading Ventures	0.09	0.09
Keracon Equipments Private Limited	3.53	-
<b>Trade payable</b>		
Popular Vehicles and Services Limited	1.42	0.47
<b>Investment in subsidiaries</b>		
Kuttukaran Pre Owned cars Pvt Ltd	0.1	0.1
<b>Advances to subsidiaries</b>		
Kuttukaran Pre Owned cars Pvt Ltd	0.1	0.1
<b>Intercompany loan</b>		
Popular Vehicles and Services Limited	-	30.00

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

As per our report of even date attached

**For R.G.N. PRICE & CO.**  
Chartered Accountants

**P.M. VEERAMANI**  
Partner  
M. No. 23933, FR. No. 0027855

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

**Naveen Philip**  
Director  
DIN: 00018827

**John K Paul**  
Director  
DIN: 00016513



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

**32 Interest on inter-corporate loan**

The Company had availed interest free loan of Rs. 30 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. 7.96 million out of which interest relating to the period prior to 1st April 2018 is Rs. 5.74 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.

**33 Managerial Remuneration**

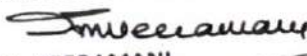
Consequent to the holding company, Popular Vehicles and Services Limited, being converted into a public company from July 2018, the Company being its subsidiary is treated as a deemed public company. Accordingly, the Company is required to compute the remuneration payable to directors under Section 197 of the Act. The remuneration paid by the Company during the period amounting to Rs.2.55 Million based on the decision of the Board of Directors was ratified by the shareholders in the extra ordinary general held on 25.03.2019.

**34 Conversion of loan into Equity Shares**

As per the extra ordinary general meeting of shareholders of the Company dated 04.01.2019, 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. 38.50 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. 38.50 million along with interest due till 30.03.2019 amounting to Rs. 0.42 million was converted into 14,704 Equity Shares of Rs. 100 each at a premium of Rs. 2,547 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.2,547 and hence the shares were allotted at Rs. 2,547 per share.

As per our report of even date attached

**For R.G.N. PRICE & CO.**  
Chartered Accountants

  
**P.M. VEERAMANI**  
Partner  
M. No. 23933, FR. No. 0027855

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

  
**Naveen Philip**  
Director  
DIN: 00018827

  
**John K Paul**  
Director  
DIN: 00016513

**POPULAR AUTO DEALERS PRIVATE LIMITED**

**ANNEXURE-A1**

**DEPRECIATION STATEMENT FOR INCOME TAX PURPOSES FOR THE YEAR ENDED 31st March 2019**

PARTICULARS	WDV AS ON 01.04.2018	ADDITIONS		DELETIONS	TOTAL	RATE	DEPRECIATION	WDV AS ON 31.03.2019
		More than 180 days	Less than 180 days					
Building	7,12,772				7,12,772	10%	71,277	6,41,495
Plant & Machinery	1,62,383				1,62,383	15%	24,357	1,38,026
Office Equipments	3,61,039	2,31,683	7,627		6,00,349	15%	89,480	5,10,869
Computer & Accessories	7,16,335	2,95,064	4,86,850		14,98,249	40%	5,01,930	9,96,319
Motor Cycle & Motor Car	79,25,869	14,34,374		2,78,932	90,81,311	15%	13,62,197	77,19,114
Furniture & Fittings	1,24,53,169	5,27,953	42,99,179		1,72,80,301	10%	15,13,071	1,57,67,230
<b>Total</b>	<b>2,23,31,567</b>	<b>24,89,074</b>	<b>47,93,656</b>	<b>2,78,932</b>	<b>2,93,35,365</b>		<b>35,62,312</b>	<b>2,57,73,053</b>





**POPULAR AUTO DEALERS PRIVATE LIMITED**  
**COMPUTATION OF DEFERRED TAX FOR THE YEAR ENDED 31st MARCH 2019**

**DEPRECIATION**

			<b>DTA @ 27.82 %</b>
WDV as per Companies Act	2,25,13,413		
WDV as per IT Rules	2,57,73,053	32,59,640	9,06,832
Provision for doubtful debts		61,99,701	17,24,757
3SD Disallowance		12,000	3,338
Provision for Gratuity		11,61,537	3,23,140
		<b>1,06,32,878</b>	<b>29,58,067</b>
	DTA @ 27.82%	<b>29,58,067</b>	

**Net DTA as on 31.03.2019** **29,58,067**

Opening DTA as on 01.04.2018 20,87,892

Provision for the year 8,70,175

Less: Income tax relating to items that will not be reclassified 12,596

**8,57,579**

