

## **Independent Auditors' Report**

**Shashank P. Doshi**

B.Com., F.C.A., ISA

### **To the members of Vaksons Automobiles Limited**

#### **Report on the Consolidated financial statements**

We have audited the accompanying consolidated financial statements of Vaksons Automobiles Limited ("hereinafter referred to as "the Holding Company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the Group"), which comprising the consolidated Balance sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss for the period then ended, the Consolidated Cash flow Statement for the year ended March 31, 2021 and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### **Management's responsibility for the financial statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or errors which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

That Board of Directors are responsible for overseeing the Group financial reporting process.



## **Auditors' responsibility**

Our objectives are to obtain reasonable assurance about whether the consolidated financial Statement as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings,



including any significant deficiencies in internal control that we identify during our audit.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

### **Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the said consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group:

(a) In the case of Consolidated Balance sheet, of the State of Affairs of the Group as at March 31, 2021; and

(b) In the case of consolidated Statement of profit and loss, of the Profit for the Year ended on March 31, 2021; and

(c) Its consolidated cash flow statement for the year ended March 31, 2021.

### **Emphasis of Matters**

Nil

### **Other Matters**

The consolidated financial statements also include the Group's share of net loss of Rs. 59.43 Lakhs for the year ended 31<sup>st</sup> March 2021, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management



## **Report on other Legal and Regulatory Requirements**

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 1**, statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.

(2) As required by Section 143(3) of the Act, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of account;
- c) The Consolidated Balance Sheet and Consolidated Statement of Profit and Loss and Consolidated Cash Flow statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Consolidated balance sheet and Consolidated statement of profit and loss and Consolidated Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 133 of the Act read with rule 7 of Companies (Accounts) Rules, 2014; and
- e) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31<sup>st</sup> March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the matters to be included in the Auditor' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group has no pending litigations affecting its financial statements and hence no disclosure in its financial statements except Income Tax Act.



- ii. The Group has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

Date : 29<sup>th</sup> June 2021  
Place : Mumbai

**FOR D G M S & Co.**  
**(Chartered Accountants)**  
**F. R. No. :0112187W**



**Shashank P Doshi**  
**Partner**  
**M. No. :108456**  
**UDIN: 21108456AAAAEI6918**





**Annexure 1 to the Independent Auditor's Report of even date on Consolidated financial statements of Vaksons Automobiles Limited**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- ii. According to information and explanations given to us, there is no inventory hence no physical verification of inventory has been conducted at the year-end by the management.
- iii. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. According to the information and explanations given to us, the company has not granted any loans, investments, guarantees, and security covered under the provisions of section 185 and 186 of the Companies Act, 2013 and hence this clause is not applicable to the company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed there under apply
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any services rendered by the company.
- vii. (a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues.  
  
(b) According to the information and explanations given to us, there are no dues outstanding of income tax, sales tax, customs duty, service tax, excise duty, cess and goods and service tax on account of any dispute except in Income Tax.



**Annexure 1 to the Independent Auditor's Report of even date  
on Consolidated financial statements of Vaksons Automobiles  
Limited(Cont.)**

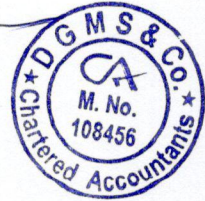
- viii. The Company has not defaulted in repayment of loans or borrowing to a financial institutions or banks.
- ix. Managerial Remuneration had been paid by the company during the year in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to Companies Act.
- x. All the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in financial statements, as required by the applicable accounting standards.
- xi. The company has not entered into any non cash transactions with Directors or persons connected with them.

Date : 29<sup>th</sup> June 2021  
Place : Mumbai

**FOR D G M S & Co.  
(Chartered Accountants)  
F. R. No. :112187W**



**Shashank P Doshi  
Partner  
M. No. : 108456  
UDIN: 21108456AAAAEI6918**





## **Annexure 2 to The Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Octaware Technologies Limited**

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

We have audited the Internal financial controls over financial reporting of Vaksons Automobiles Limited("the holding company") as of 31<sup>st</sup> March, 2021 in conjunction with our Audit of the consolidated financial statements of the company for the year ended on that date.

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

The company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note ) and the standards on Auditing ,issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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

### **Meaning of Internal Financial Controls over Financial Reporting**

A Holding company internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external Purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with authorizations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of internal Financial Controls over Financial Reporting**


Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance may with the policies or procedures may deteriorate.

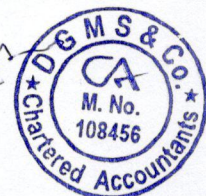
### **Opinion**

In our opinion, the company, has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2021, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accountants of India.

Date : 2<sup>nd</sup> June 2021  
Place : Mumbai

**FOR D G M S & Co.**  
**(Chartered Accountants)**  
**F. R. No. : 112187W**

  
**SHASHANK P DOSHI**  
**Partner**  
**M. No. : 115279**  
**UDIN: 21108456AAAAEI6918**





**M/s VAKSONS AUTOMOBILES LIMITED, DELHI**

(CIN NO. L51502DL2003PLC119052)

(Amount in Rupees)

**Consolidated Balance Sheet as at 31st March, 2021**

Particulars	Note	As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	5,23,46,942	5,37,44,230
(b) Capital work-in-progress	3A	40,30,936	40,30,936
(c) Other non-current asset	4	25,000	41,372
(d) Deferred Tax Assets	13	3,10,999	2,68,184
<b>Total non-current assets</b>		<b>5,67,13,877</b>	<b>5,80,84,721</b>
<b>Current assets</b>			
(a) Inventories	5	-	89,63,030
(b) Financial assets			
(i) Trade receivables	6	3,60,71,981	4,76,80,900
(ii) Cash and cash equivalents	7	25,26,331	16,96,763
(iii) Other financial asset	8	-	5,05,423
(c) Other current assets	9	4,15,44,318	5,42,37,682
<b>Total current assets</b>		<b>8,01,42,630</b>	<b>11,30,83,798</b>
<b>TOTAL ASSETS</b>		<b>13,68,56,507</b>	<b>17,11,68,519</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	10	6,57,53,010	6,57,53,010
(b) Other equity	11	(1,49,63,483)	(90,20,024)
<b>Total equity</b>		<b>5,07,89,527</b>	<b>5,67,32,986</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12	23,42,407	34,63,746
(b) Deferred tax liability	13	9,60,078	9,40,194
<b>Total non current liabilities</b>		<b>33,02,485</b>	<b>44,03,940</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	2,22,05,950	4,43,49,582
(ii) Trade payable	15	-	-
1. Dues of micro enterprises and small enterprises		-	-
2. Dues of creditor other than micro enterprises and small enterprises		5,73,89,105	6,00,55,632
(iii) Other financial liabilities	16	-	-
(b) Other current liabilities	17	31,69,440	56,26,378
<b>Total current liabilities</b>		<b>8,27,64,495</b>	<b>11,00,31,592</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,68,56,507</b>	<b>17,11,68,519</b>

**Statement of significant accounting policies**

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The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date

**For D G M S & CO.**

Chartered Accountants

Firm Registration No. 0112187W

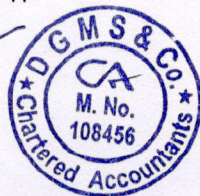
(CA Shashank Doshi)

Partner

Membership No. 108456

Mumbai

29th June 2021



For and on behalf of the board of M/s Vaksans Automobiles Limited

**Satender Kumar Jain**

Director

DIN : 02734794

**Atul Jain**

Managing Director

DIN : 00004339

**Ankit Agarwal**

Company Secretary

M.No. A49373



# VAKSONS AUTOMOBILES LIMITED

(Amount in Rupees)

## Consolidated Statement of Profit and loss for the year ended 31st March, 2021

Particulars	Notes	Year ended 31st March 2021	Year ended 31st March 2020
<b>Income</b>			
Revenue from operations	18	5,78,11,068	13,81,58,163
Other income	19	34,26,857	73,02,564
<b>TOTAL INCOME</b>		<b>6,12,37,925</b>	<b>14,54,60,728</b>
<b>Expenses</b>			
Purchase of Stock in Trade	20	4,96,18,219	10,03,83,719
Changes in inventories of finished goods	21	89,63,030	10,38,59,807
Employee benefit expenses	22	1,87,000	10,71,991
Finance costs	23	44,23,975	54,36,154
Depreciation and amortisation expense	24	13,97,287	18,59,628
Other expenses	25	26,14,542	31,14,911
<b>TOTAL EXPENSES</b>		<b>6,72,04,053</b>	<b>21,57,26,209</b>
<b>PROFIT BEFORE TAX</b>		<b>(59,66,128)</b>	<b>(7,02,65,481)</b>
<b>Tax expense:</b>			
-Current tax			-
-Deferred tax charge/(credit)	13	(22,967)	(90,032)
<b>TOTAL TAX EXPENSE</b>		<b>(22,967)</b>	<b>(90,032)</b>
<b>PROFIT FOR THE YEAR</b>		<b>(59,43,161)</b>	<b>(7,01,75,449)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(59,43,161)</b>	<b>(7,01,75,449)</b>
<b>Earning per equity share of face value of ` 10 each</b>			
Basic & Diluted (‘)	26	(0.09)	(1.07)

### Statement of significant accounting policies

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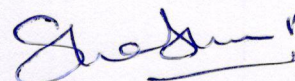
The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date

For D G M S & CO.

Chartered Accountants

Firm Registration No. 0112187W



(CA Shashank Doshi)

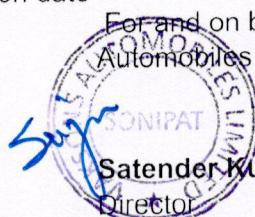
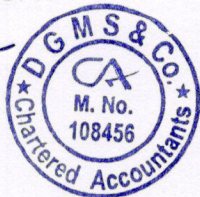
Partner

Membership No. 108456

Mumbai

29th June 2021

UDIN: 21108456AAAAEI6918



For and on behalf of the board of M/s Vaksons  
Automobiles Limited

Satender Kumar Jain

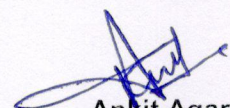
Director  
DIN : 02734794



Atul Jain

Managing Director

DIN : 00004339



Ankit Agarwal

Company Secretary

M.No. A49373



# VAKSONS AUTOMOBILES LIMITED

(Amount in Rupees)

Consolidated Cash Flow Statement for the year ended 31st March 2021

S.No.	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2020
A)	<b>Cash flow from operating activities</b>		
	Profit before taxation	(59,66,128)	(7,02,65,481)
	<b>Adjustment for :</b>		
	Depreciation and amortisation	13,97,287	18,59,628
	Finance cost	44,23,975	54,36,154
	Interest income	-	-
	<b>Operating profit/(loss) before working capital changes</b>	<b>(1,44,867)</b>	<b>(6,29,69,699)</b>
	<b>Adjustment for :</b>		
	Increase/ (Decrease) in trade payables and other liabilities	(51,23,466)	(9,44,65,024)
	Decrease/ (Increase) in inventories	89,63,030	10,38,59,807
	Decrease/ (Increase) in trade receivables and other assets	2,48,07,706	6,45,30,462
	<b>Cash Generated from operations</b>	<b>2,85,02,404</b>	<b>1,09,55,547</b>
	Taxes paid (net)	16,110	-
	<b>Net cash flow from/(used in) operating activities (A)</b>	<b>2,85,18,514</b>	<b>1,09,55,547</b>
B)	<b>Cash from investing activities</b>		
	Purchase of property, plant and equipment	-	-
	Interest income	-	-
	<b>Net cash used in investing activities (B)</b>	<b>-</b>	<b>-</b>
C)	<b>Cash flow from financing activities</b>		
	Proceeds from long-term borrowings	(11,21,339)	(8,41,778)
	Proceeds from short-term borrowings	(2,21,43,632)	(44,05,589)
	Finance cost paid	(44,23,975)	(54,36,154)
	<b>Net cash flow from financing activities (C )</b>	<b>(2,76,88,946)</b>	<b>(1,06,83,521)</b>
D)	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	8,29,568	2,72,026
E)	Cash and cash equivalents as at the beginning of the year	16,96,763	14,24,737
F)	<b>Cash and cash equivalents as at the end of the year</b>	<b>25,26,331</b>	<b>16,96,763</b>
	<b>Component of cash and cash equivalents</b>		
	Balance with banks	4,33,617	3,11,669
	Cash in hand	20,92,714	13,85,094
	<b>Total</b>	<b>25,26,331</b>	<b>16,96,763</b>

The cash flow statement has been prepared in accordance with 'Indirect method' as set out in the Ind AS 7 on 'Cash Flow Statements', as specified in the Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014.

As per our report of even date

For D G M S & CO.

Chartered Accountants

Firm Registration No. 0112187W

*Shashank Doshi*  
(CA Shashank Doshi )

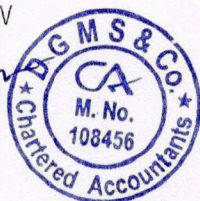
Partner

Membership No. 108456

Mumbai

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UDIN: 21108456AAAAEI6918



For and on behalf of the board of M/s Vaksons Automobiles Limited

*Satender Kumar Jain*  
Satender Kumar Jain  
Director  
DIN : 02734794

*Atul Jain*  
Atul Jain  
Managing Director  
DIN : 00004339

*Ankit Agarwal*  
Ankit Agarwal  
Company Secretary  
M.No. A49373



# VAKSONS AUTOMOBILES LIMITED

Statement of changes in Equity for the year ended 31st March, 2021

## a) Equity Share Capital

(Amount in Rupees)

Balance at the begning of the reporting period i.e 1st April, 2019	6,57,53,010
Changes in equity share captal during the year 2019-20	NIL
Balance at the end of the reporting period 31st March, 2020	6,57,53,010
Changes in equity share captal during the year 2020-21	NIL
Balance at the end of the reporting period 31st March, 2021	6,57,53,010

## b) Other equity

Particulars	Other equity		Total
	Securities premium account	Surplus in statement of Profit & loss	
Balance as at the 1st April, 2019	5,94,40,960	17,14,465	6,11,55,425
Profit for the year	Nil	(7,01,75,449)	(7,01,75,449)
Total	5,94,40,960	(6,84,60,984)	(90,20,024)
Add: Last year excess provision reversed		-	-
Balance as at 31st March, 2020	5,94,40,960	(6,84,60,984)	(90,20,024)
Balance as at 1st April, 2020	5,94,40,960	(6,84,60,984)	(90,20,024)
Profit for the year	Nil	(59,43,161)	(59,43,161)
Total	5,94,40,960	(7,44,04,145)	(1,49,63,185)
Balance as at 31st March, 2021	5,94,40,960	(7,44,04,145)	(1,49,63,185)

This is the Balance Sheet referred to in our report of even date

For and on behalf of the board of M/s Vaksons  
Automobiles Limited

For D G M S & CO.

Chartered Accountants

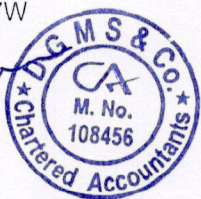
Firm Registration No. 0112187W

(CA Shashank Doshi )  
Partner

Membership No. 108456

Mumbai

29th June 2021



Satender Kumar Jain  
Director  
DIN : 02284794

Atul Jain  
Managing Director  
DIN : 00004339

Ankit Agarwal  
Company Secretary  
M.No. A49373



**VAKSONS AUTOMOBILES LIMITED**  
**CIN L51502DL2003PLC119052**  
**FOR THE YEAR ENDED ON 31ST MARCH 2021**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**1. Notes to Accounts**

**Corporate Information**

VAKSONS AUTOMOBILES LIMITED (the "holding Company") was incorporated in India under the Companies Act. The Company got Certificate of Incorporation on 20 February 2003 and is engaged primarily in the business of dealership of Automobiles and trading of spare parts. The company is listed on SME platform of Bombay Stock Exchange in India.

The Holding Company and its subsidiaries (jointly referred as the "group") considered in consolidated financial statements are:

Sr No.	Name of company	Country of Corporation	Extent of Holding as on	
			31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b><u>Subsidiary Company</u></b>			
1	Vaksons Metaplast Private Limited	India	100%	100%

The Company has initiated the process of obtaining the confirmation from suppliers who have registered under the Micro, Small and Medium enterprise development Act, 2006 (MSMED Act, 2006) based on the information available with the Company. The Balance due to micro and small enterprise as defined under MSMED Act, 2006 is Rs. NIL. No Interest has been paid under MSMED Act, 2006 during the year.

**2. Basis of Preparation**

The financial statements of the company have been prepared in accordance with the generally accepted accounting in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current and non – current as per the company's normal operating cycle and other criteria set out in the schedule III of Companies Act, 2013. Based on the Nature of Services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and Liabilities.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below

**Principle of Consolidation**

The Consolidated Financial Statements of the Company and its Subsidiary have been combined on a line-by-line basis by adding together the balances of like items of assets, liabilities, income and expenditure after fully eliminating the intra-group balances and intra-group transactions resulting in unrealized profit or loss. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is



**VAKSONS AUTOMOBILES LIMITED**  
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lower than their cost to the Group. The amounts shown in respect of reserves comprise of the share of the Company in post-acquisition increase in the relevant reserves of the Group entities.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The excess of the cost to the parent of its investment in the subsidiary entities over its share of the equity in the subsidiary entities at the dates on which the investments are made is recognized in the financial statements as 'Goodwill'. The excess of parent's share of equity in subsidiary entities as on the date of investments in excess of the cost of investment is recognized in the consolidated financial statements as 'Capital Reserve' and shown under the head 'Reserves and Surplus'.

Minority interest in the net assets of consolidated subsidiary entities consists of:

- a) the amount of equity attributable to minorities shareholders at the date on which investments in subsidiary are made; and
- b) the minorities' share of movements in equity since the dates the parent subsidiary relationship came into existence

## **2.1**

### **a. IND AS - 1 Presentation of Financial Statement: -**

The Company presents its Balance Sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

### **Critical accounting estimates and judgments**

The preparation of the Company's financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based.

### **b. IND AS - 10 Events After the Reporting Period: -**

Effects of, events occurred after Reporting Period and having material effect on financial statements are reflected in the accounts at appropriate places.



**c. IND AS - 8 Accounting Policies, Changes in Accounting Estimates & Errors: -**

Material items of prior period, non-recurring and extra ordinary items are shown separately, If any.

**d. IND AS – 115 Revenue from contract with customer:-**

**Interest income**

The Company recognizes interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortized cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

The Company recognizes interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. The Company recognizes interest income on the amortized cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/nonpayment of contractual cash flows is recognized on realization.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognized at the contractual rate of interest.

**Other revenue from operations**

The Company recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

**Taxes**

Incomes are recognized net of the Goods and Services Tax/Service Tax, wherever applicable.

**Expenditures**

**Finance costs**

Borrowing costs on financial liabilities are recognised using the EIR



**Fees and commission expenses**

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

**Taxes**

Expenses are recognised net of the Goods and Services Tax/Service Tax, except where credit for the input tax is not statutorily permitted.

**e. IND AS - 109 Financial Instruments: -**

**A) Financial Assets**

**I. Initial recognition and measurement**

All financial assets are recognised initially at fair value when the parties become party to the contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

**II. Subsequent Measurement**

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

**a) Financial Assets measured at amortised cost**

A financial asset is measured at amortised Cost if it is held within a business model whose objective is to hold the asset in order 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.

**b) Financial Assets measured at fair value through other comprehensive income (FVOCI)**

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c) Financial Assets measured at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**B) Financial liabilities**



**VAKSONS AUTOMOBILES LIMITED**  
**CIN L51502DL2003PLC119052**  
**FOR THE YEAR ENDED ON 31ST MARCH 2021**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**a. Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts

**b. Subsequent Measurement**

Financial Liabilities are subsequently carried at amortized cost using the effective interest method.

**C) Derecognition of Financial assets and Financial liabilities**

**a) Financial Assets**

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

**b) Financial Liability**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

**D) Offsetting**

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

- a) The Normal Course of business
- b) The Event of Default
- c) The Event of insolvency or bankruptcy of the company and/or its counterparties

**E) Impairment of Financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

**1) Overview of the Expected Credit Loss (ECL)**

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

- At an amount equal to the lifetime expected credit losses if the



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credit risk on that financial instrument has increased significantly since initial recognition.

- At an amount equal to 12 month expected credit losses if the credit risk on that financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses means expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses means the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses

Based on the above process, the company categorises its loans into three stages as described below:

For Non – Impaired financial assets

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12- Month ECL provision is made for stage 1 financial assets. In assessing whether credit risk has increased significantly, the company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.
- Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The company recognises lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL Provision.

For impaired financial assets:

Financial assets are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flow of a loan or a portfolio of loans. The company recognizes lifetime ECL for impaired financial assets.

## **2) Estimation of Expected Credit Loss**



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The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

**Probability of Default (PD)** – The Probability of default is an estimate of the likelihood of default over a given time horizon.

The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/default rates as stated by external reporting agencies is considered.

**Exposure at Default (EAD)** – The Exposure at default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

**Loss Given Default (LGD)** – The Loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral.

**f. IND AS - 16 Property, Plant and Equipment: -**

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'.

**Depreciation on property, plant and equipment**

- a) Depreciation is provided on a pro-rata basis for all tangible assets on straight line method over the useful life of assets, except buildings which is determined on written down value method.
- b) Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II – Part C of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.
- c) Depreciation on leasehold improvements is provided on straight line method over the primary period of lease of premises or 5 years whichever is less.
- d) Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.



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- e) Assets having unit value up to Rs. 5,000 is depreciated fully in the financial year of purchase of asset.
- f) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income in the Statement of Profit and Loss when the asset is derecognised.
- g) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**g. IND AS 21 – The effects of changes in foreign exchange rates: -**

The Company's financial statements are presented in Indian Rupee, which is also the Company's functional currency

**Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

**Exchange differences**

All exchange differences are accounted in the Statement of Profit and Loss.

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transactions.

Any income or expenses on account of exchange difference either on settlement or on Balance sheet Valuation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

**h. IND AS – 24 Related Party Disclosure: -**

The Disclosures of Transaction with the related parties as defined in the related parties as defined in the Accounting Standard are given in notes to account.



**VAKSONS AUTOMOBILES LIMITED**  
**CIN L51502DL2003PLC119052**  
**FOR THE YEAR ENDED ON 31ST MARCH 2021**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**i. IND AS – 33 Earnings Per Share: -**

Basic earnings per share are calculated by dividing the net profit or loss attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The Weighted average number of equity shares outstanding during the period is adjusted for the events such as bonus issue, right issue that have changed the number of equity shares.

**j. IND AS - 12 Income Taxes: -**

**Current Tax: -**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred Taxes: -**

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets, if any, are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



**VAKSONS AUTOMOBILES LIMITED**  
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**FOR THE YEAR ENDED ON 31ST MARCH 2021**  
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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**k. IND AS – 37 Provisions Contingent liabilities and contingent assets: -**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**l. IND AS – 108 Operating Segments**

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

**m. Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if any, as they are considered an integral part of the Company's cash management.

**n. Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to



accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

**i) Business Model Assessment**

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

**ii) Effective Interest Rate (EIR) Method**

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life cycle of the instruments, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

**iii) Impairment of loans portfolio**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values



**VAKSONS AUTOMOBILES LIMITED**  
**CIN L51502DL2003PLC119052**  
**FOR THE YEAR ENDED ON 31ST MARCH 2021**  
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when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

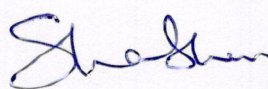
**iv) Defined employee benefit assets and liabilities**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**v) Fair Value Measurement**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**For D G M S & Co.**  
**Chartered Accountants**



**Shashank Doshi**  
**Partner**

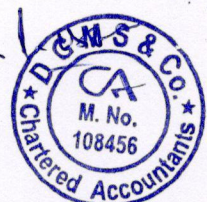
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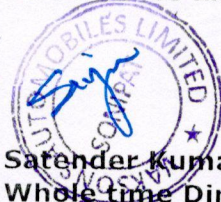
**Place: Mumbai**

**Date: 29<sup>th</sup> June 2021**

**UDIN: 21108456AAAAEI6918**



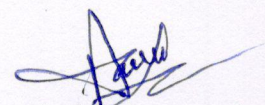
**For and on behalf of the Board of Directors of Vaksons**  
**Automobiles Limited**



**Satender Kumar Jain**  
**Whole time Director**  
**DIN 02734794**



**Atul Jain**  
**Managing Director**  
**DIN 00004339**



**Ankit Agarwal**  
**Company Secretary**  
**M No. A49373**

**Place: Mumbai**  
**Date: 29<sup>th</sup> June 2021**

**Place: MUMBAI**  
**Date: 29<sup>th</sup> June 2021**



VAKSONS AUTOMOBILES LIMITED

Notes to consolidated financial statements for the year ended 31st March, 2021  
3. Property, plant and equipment

Particulars	Tangible assets										Total tangible assets
	Land	Air conditioner	Car	Computer	Office Equipments	Furniture	Generator	Machinery	Vehicle	Service center	
<b>Gross Block</b>											
Balance as at 1st April 2018	4,60,00,000	1,50,090	46,46,841	5,77,078	17,350	10,88,231	2,32,000	33,67,751	44,96,190	81,82,799	6,87,38,331
Additions	-	-	-	-	15,170	-	-	-	-	-	15,170
Disposals	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2019</b>	<b>4,60,00,000</b>	<b>1,50,090</b>	<b>46,46,841</b>	<b>5,77,078</b>	<b>32,520</b>	<b>10,88,231</b>	<b>2,32,000</b>	<b>33,67,751</b>	<b>44,96,190</b>	<b>81,82,799</b>	<b>6,87,53,501</b>
Balance as at 1 April 2019	4,60,00,000	1,50,090	46,46,841	5,77,078	32,520	10,88,231	2,32,000	33,67,751	44,96,190	81,82,799	6,87,53,501
Additions during the year*	-	-	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2020</b>	<b>4,60,00,000</b>	<b>1,50,090</b>	<b>46,46,841</b>	<b>5,77,078</b>	<b>32,520</b>	<b>10,88,231</b>	<b>2,32,000</b>	<b>33,67,751</b>	<b>44,96,190</b>	<b>81,82,799</b>	<b>6,87,53,501</b>
Balance as at 1 April 2020	4,60,00,000	1,50,090	46,46,841	5,77,078	32,520	10,88,231	2,32,000	33,67,751	44,96,190	81,82,799	6,87,53,501
Additions during the year*	-	-	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2021</b>	<b>4,60,00,000</b>	<b>1,50,090</b>	<b>46,46,841</b>	<b>5,77,078</b>	<b>32,520</b>	<b>10,88,231</b>	<b>2,32,000</b>	<b>33,67,751</b>	<b>44,96,190</b>	<b>81,82,799</b>	<b>6,87,53,501</b>
<b>Accumulated depreciation</b>											
Balance as at 1st April 2018	-	1,33,974	34,57,278	5,65,327	16,329	6,40,288	1,73,891	19,27,943	4,73,333	32,63,732	1,06,52,095
Depreciation/Amortisation during the year	-	7,264	3,71,501	7,422	3,164	1,10,794	10,518	2,65,345	12,54,228	4,67,311	24,97,547
Deductions during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2019</b>	<b>-</b>	<b>1,41,238</b>	<b>38,28,779</b>	<b>5,72,749</b>	<b>19,493</b>	<b>7,51,082</b>	<b>1,84,409</b>	<b>21,93,288</b>	<b>17,27,561</b>	<b>37,31,043</b>	<b>1,31,49,642</b>
Balance as at 1st April 2019	-	1,41,238	38,28,779	5,72,749	19,493	7,51,082	1,84,409	21,93,288	17,27,561	37,31,043	1,31,49,642
Depreciation/Amortisation during the year	-	-	2,55,481	2,734	8,126	82,110	8,614	2,12,578	8,63,079	4,22,917	18,59,628
Deductions during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2020</b>	<b>-</b>	<b>1,45,228</b>	<b>40,84,260</b>	<b>5,75,483</b>	<b>27,619</b>	<b>8,33,192</b>	<b>1,93,023</b>	<b>24,05,866</b>	<b>25,90,640</b>	<b>41,53,960</b>	<b>1,50,09,270</b>
Balance as at 1st April 2020	-	1,45,228	40,84,260	5,75,483	27,619	8,33,192	1,93,023	24,05,866	25,90,640	41,53,960	1,50,09,270
Depreciation/Amortisation during the year	-	-	1,75,694	-	2,901	60,852	7,055	1,74,101	5,93,944	3,82,740	13,97,287
Deductions during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2021</b>	<b>-</b>	<b>1,45,228</b>	<b>42,59,954</b>	<b>5,75,483</b>	<b>30,520</b>	<b>8,94,044</b>	<b>2,00,078</b>	<b>25,79,967</b>	<b>31,84,584</b>	<b>45,36,700</b>	<b>1,54,06,557</b>
<b>Net Block</b>											
Balance as at 31st March 2019/1st April 2019	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2020	4,60,00,000	8,852	8,18,062	4,329	13,027	3,17,149	47,591	11,74,463	27,88,629	44,51,756	5,56,03,858
Balance as at 31st March 2021	4,60,00,000	4,862	5,62,581	1,595	4,901	2,35,039	38,977	9,61,886	19,05,551	40,28,839	5,37,44,230
Balance as at 31st March 2021	4,60,00,000	4,862	3,86,887	1,595	2,000	1,74,187	31,922	7,87,784	13,11,606	36,46,099	5,23,45,942

3A. Capital Work In Progress

	CWIP	Total
Cost as at April 1, 2019	40,30,936	40,30,936
Additions	-	-
Capitalised during the year	-	-
Cost as at March 31, 2020	40,30,936	40,30,936
Additions	-	-
Capitalised during the year	-	-
Cost as at March 31, 2021	40,30,936	40,30,936

This is the Balance Sheet referred to in our report of even date.

For D G M S & CO.  
Chartered Accountants  
Firm Registration No. 0112187W

(CA Shashank Doshi)  
Partner  
Membership No. 108456  
Mumbai  
29th June 2021

For and on behalf of the board of directors Vaksans Automobiles Limited

Atul Jain  
Managing Director  
DIN - 06004339

Sandeep Kumar Jain  
Director  
DIN - 06004339

Ankit Agarwal  
Company Secretary  
M.No. A49373



**VAKSONS AUTOMOBILES LIMITED**

(Amount in Rupees)

Notes to consolidated financial statements for the year ended 31st March, 2021

4	Other non-current asset	As at 31st March, 2021	As at 31st March, 2020
	Unsecured- considered good unless otherwise stated		
	Security deposit	25,000	41,372
	<b>Total</b>	<b>25,000</b>	<b>41,372</b>
5	Inventories	As at 31st March, 2021	As at 31st March, 2020
	Finished goods	-	89,63,030
	<b>Total</b>	<b>-</b>	<b>89,63,030.00</b>
6	Trade receivables*	As at 31st March, 2021	As at 31st March, 2020
	Unsecured, Considered Good	3,60,71,981	4,76,80,900
	<b>Total</b>	<b>3,60,71,981</b>	<b>4,76,80,900</b>
7	Cash and cash equivalents	As at 31st March, 2021	As at 31st March, 2020
	Bank Balances		
	-on current accounts	4,33,617	3,11,669
	Cash/ cheques in hand	20,92,714	13,85,094
	<b>Total</b>	<b>25,26,331</b>	<b>16,96,763</b>
8	Other financial asset (current)	As at 31st March, 2021	As at 31st March, 2020
	Other Receivable		4,99,340
	-Others		6,083
	<b>Total</b>	<b>-</b>	<b>5,05,423</b>
9	Other current assets	As at 31st March, 2021	As at 31st March, 2020
	Considered good		
	Advances to suppliers	60,18,830	2,43,68,714
	Prepaid expenses	-	10,60,361
	Balance with statutory / government authorities	77,30,880	81,16,412
	Other advance	2,77,94,608	2,06,92,195
	<b>Total</b>	<b>4,15,44,318</b>	<b>5,42,37,682</b>



11	Other Equity	As at 31st March, 2021	As at 31st March, 2020
	Securities Premium	5,94,40,960	5,94,40,960
	Surplus in Statement of Profit and Loss		
	Balance as at the beginning of the year	(6,84,60,984)	17,14,465
	Profit for the year	(59,43,459)	(7,01,75,449)
	Last year excess provision reversed		-
	<b>Total comprehensive income</b>	<b>(1,49,63,483)</b>	<b>(90,20,024)</b>
	<b>Total</b>	<b>(1,49,63,483)</b>	<b>(90,20,024)</b>

**Nature and purpose of reserves :**

**Securities Premium** - Securities Premium Reserve was created consequent to issue of shares at a premium. The reserves can be utilised in accordance with section 52 of Companies Act, 2013

12	Long Term Borrowings	As at 31st March, 2021	As at 31st March, 2020
	<b>Secured Loan</b>		
	Term Loan from bank*	23,42,407	34,63,746
	<b>Total</b>	<b>23,42,407</b>	<b>34,63,746</b>

\* Term Loan from bank includes-

(i) The term loan is due for repayment from the monthly ending 7th December, 2014 to Month ending 7th November 2021, along with interest at the rate of 10% p.a. The loan is secured by a first charge over Company's Mercedes Car.

14	Borrowings (current)*	As at 31st March, 2021	As at 31st March, 2020
	<b>Loans repayable on demand (secured):</b>		
	Working capital limit from bank		3,70,58,632
	<b>Loans repayable on demand (unsecured):</b>		
	Loans from related parties^	2,22,05,950	72,90,950
	<b>Total</b>	<b>2,22,05,950</b>	<b>4,43,49,582</b>

^Refer

15	Trade payables	As at 31st March, 2021	As at 31st March, 2020
	Dues of Micro enterprises and Small enterprises*		-
	Dues of creditors other than Micro enterprises and Small enterprises	5,73,89,105	6,00,55,632
	<b>Total</b>	<b>5,73,89,105</b>	<b>6,00,55,632</b>

\* There is no amount over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

16	Other current financial liabilities	As at 31st March, 2021	As at 31st March, 2020
	Book Overdrafts		-
	Other payables		-
	<b>Total</b>	<b>-</b>	<b>-</b>

17	Other current liabilities	As at 31st March, 2021	As at 31st March, 2020
	Advance from customer	26,48,186	40,02,339
	Statutory dues payable	-	3,62,255
	<b>Other Payables:</b>		
	Statutory audit fee	2,96,100	3,85,999
	Employees Benefits payable	-	-
	Other	2,25,154	8,75,785
	<b>Total</b>	<b>31,69,440</b>	<b>56,26,378</b>



# VAKSONS AUTOMOBILES LIMITED

(Amount in Rupees)

Notes to consolidated financial statements for the year ended 31st March, 2021

10	Share capital	As at 31st March, 2021		As at 31st March, 2020		As at 31st March, 2019	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
	Authorised share capital						
	Equity shares of Rs.10 each	75,00,000	7,50,00,000	75,00,000	7,50,00,000	75,00,000	7,50,00,000
	<b>Total</b>	<b>75,00,000</b>	<b>7,50,00,000</b>	<b>75,00,000</b>	<b>7,50,00,000</b>	<b>75,00,000</b>	<b>7,50,00,000</b>
	Issued, subscribed and fully paid-up						
	Equity shares of Rs.10 each fully paid	65,75,301	6,57,53,010	65,75,301	6,57,53,010	65,75,301	6,57,53,010
	<b>Total</b>	<b>65,75,301</b>	<b>6,57,53,010</b>	<b>65,75,301</b>	<b>6,57,53,010</b>	<b>65,75,301</b>	<b>6,57,53,010</b>

a) Reconciliation of the number of shares outstanding is set out below:

	Particulars	As at 31st March, 2021		As at 31st March, 2020		As at 31st March, 2019	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
	Equity Shares						
	Shares at the beginning of the year	65,75,301	6,57,53,010	65,75,301	6,57,53,010	65,75,301	6,57,53,010
	Add: further issued during the year	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>65,75,301</b>	<b>6,57,53,010</b>	<b>65,75,301</b>	<b>6,57,53,010</b>	<b>65,75,301</b>	<b>6,57,53,010</b>

b) Terms/rights attached to equity shares

The Company has only one class of equity shares, having a par value of `10 per share. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of Equity shareholders holding more than 5% shares

Particulars	As at 31st March, 2021		As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% of shares held	No. of Shares	% of shares held	No. of Shares	% of shares held
Equity shares of Rs.10 each, fully paid up held by						
Atul Jain	17,05,000	25.93%	17,05,000	25.93%	17,05,000	25.93%
Vandana Jain	9,52,500	14.49%	9,52,500	14.49%	9,52,500	14.49%
Shanta Jain	9,22,000	14.02%	9,22,000	14.02%	9,22,000	14.02%



## (Amount in Rupees)

13	Deferred Tax Liabilities (Net)	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
	The movement on the deferred tax account is as			
	At the beginning of the year	6,72,010	7,62,042	9,24,429
	Charge/(credit) to statement of Profit and Loss	(22,967)	(90,032)	(1,62,387)
	At the end of the year	6,49,043	6,72,010	7,62,042

Particular	As at 1 April 2019	Provided during the year	As at 1 April 2020	Provided during the year	As at 1 April 2021
<b>Deferred tax liability (Net)</b>					
Deferred tax liability:					
Impact of difference between tax depreciation and depreciation charged for the financial reporting	7,62,042	(90,032)	6,72,010	(22,967)	6,49,043
<b>Total deferred tax liability (A)</b>	<b>7,62,042</b>	<b>(90,032)</b>	<b>6,72,010</b>	<b>(22,967)</b>	<b>6,49,043</b>
<b>Total deferred tax assets (B)</b>	-	-	-	-	-
<b>Deferred Tax Liability (Net) (A - B)</b>	<b>7,62,042</b>	<b>(90,032)</b>	<b>6,72,010</b>	<b>(22,967)</b>	<b>6,49,043</b>



**VAKSONS AUTOMOBILES LIMITED**

(Amount in Rupees)

Notes to consolidated financial statements for the year ended 31st March, 2020

18	Revenue from operations	Year ended 31st March, 2021	Year ended 31st March, 2020
	Income from agency business	54,91,299	2,76,87,477
	Income from service center	-	8,26,000
	Sale of goods	5,23,19,769	10,96,44,686
	<b>Total</b>	<b>5,78,11,068</b>	<b>13,81,58,163</b>

19	Other income	Year ended 31st March, 2021	Year ended 31st March, 2020
	Interest income	-	-
	Exchange difference	33,79,395	3,77,433
	SAD Refund	-	-
	Other Income	47,462	69,25,132
	<b>Total</b>	<b>34,26,857</b>	<b>73,02,564</b>

20	Purchase of Stock in Trade	Year ended 31st March, 2021	Year ended 31st March, 2020
	Purchases	4,96,18,219	10,03,83,719
	<b>Total</b>	<b>4,96,18,219</b>	<b>10,03,83,719</b>

21	Changes in inventory of finished goods & Traded Goods	Year ended 31st March, 2021	Year ended 31st March, 2020
	Closing stock		
	-vehicle	-	-
	-spare parts	-	-
	-Others	-	89,63,030
	Opening stock		
	-vehicle	-	51,02,140
	-spare parts	-	6,62,64,200
	-Others	89,63,030	4,14,56,497
	<b>(Increase) / Decrease in stocks</b>	<b>89,63,030</b>	<b>10,38,59,807</b>

22	Employee benefit expenses	Year ended 31st March, 2021	Year ended 31st March, 2020
	Salaries, wages and bonus	1,87,000	10,29,321
	Contribution to provident and other funds	-	42,670
	<b>Total</b>	<b>1,87,000</b>	<b>10,71,991</b>

23	Finance costs	Year ended 31st March, 2021	Year ended 31st March, 2020
	Interest On		
	term loan	2,09,811	3,61,441
	working capital limits	41,25,874	49,33,705
	other loans	-	-
	Others	79,161	33,109
	Other borrowing cost	9,129	1,07,899
	<b>Total</b>	<b>44,23,975</b>	<b>54,36,154</b>



24	Depreciation and amortisation	Year ended 31st March, 2021	Year ended 31st March, 2020
	Depreciation on Property, plant and equipment	13,97,287	18,59,628
	<b>Total</b>	<b>13,97,287</b>	<b>18,59,628</b>

25	Other expenses	Year ended 31st March, 2021	Year ended 31st March, 2020
	Advertisement Expenses	27,104	29,994
	Audit Fees	1,25,000	1,30,000
	Accounting Charges	-	6,000
	Bank Charges	3,351	-
	Bad Debt & Balance Writen Off	4,77,076	-
	Business Promotion	-	64,851
	Computer Expenses	5,400	20,056
	Conveyance Expense	-	47,207
	Claim Bulk Incentive	-	-
	Courier Expenses	-	-
	Drawing Expenses	2,791	-
	Festival expense	-	6,990
	GST Expenses	2,33,558	-
	GST Late Fees	1,989	-
	Donation	-	-
	Electricity & Water Expenses	-	75,251
	Fees & Taxes	620	7,62,758
	Generator Expense	-	-
	General Expenses	9,03,507	-
	Insurance	28,976	92,834
	IPO Expense	-	-
	Legal Fee	7,512	-
	Misc. Expenses	-	2,78,795
	Office Expense	-	1,24,243
	Postage & Couriers Expenses	-	-
	Printing & Stationery	-	10,930
	Professional Expenses	4,41,952	2,78,090
	Rent	-	2,15,000
	Repair & Maint.	5,000	51,000
	Telephone Expenses	-	14,274
	Tour & Travelling	-	35,000
	Vehicle Running & Maintanance Expenses	12,700	1,40,810
	ROC expenses	3,29,100	-
	Bulk Incentive	9,000	-
	Rebate and discount	(94)	7,30,828
	<b>Total</b>	<b>26,14,542</b>	<b>31,14,911</b>

**Payment to auditor**

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>As auditor:</b>		
Audit Fee		1,00,000
Tax Audit Fee		30,000
Other matters (Certificates, Tax etc.)		-
<b>Total</b>	<b>-</b>	<b>1,30,000</b>

26	Earnings per share	Year ended 31st March, 2021	Year ended 31st March, 2020
(i)	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)		(7,01,75,449)
(ii)	Weighted average number of equity shares used as denominator for calulationg EPS (₹)		65,75,301
(iii)	<b>Basic and diluted earnings per share (₹)</b>		<b>(10.67)</b>
(iv)	<b>Nominal value per share (₹)</b>		<b>10</b>

27	There is no amount over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.
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**28. Related Party Disclosures:**

The list of related parties as identified by the management is as under:

<b>Key Managerial Personnel</b>	(i) Mr. Atul Kumar Jain	Director
	(ii) Mr. Satender Kumar Jain	Director
	(iii) Mr. Ankit Agarwal	CS
<b>Person related to KMP's</b>	(i) Smt. Shanta Jain	Director's (Atul Jain) Mother

Following transactions were carried out with related parties in the ordinary course of business for the Year ended 31st March 2021

Nature of transaction	Enterprises over which KMP Exercise significant influence		Key Managerial personnel*	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
<b>Sale of Finished Goods</b>				
M/s Vaksons Industries Pvt. Ltd.		39,45,832		-
M/s Aditya Overseas		37,78,325		
M/s Keepwell Foods				
<b>Purchase of Finished Goods</b>				
M/s Vaksons Industries Pvt. Ltd.		44,87,054		-
M/s Aditya Overseas		2,92,53,982		-
M/s Keepwell Foods		1,15,89,812		-
M/s Banyan Foundation		35,010		
<b>Advances Given to :</b>				
<b>(i) Companies / Firms in which directors or their relatives are interested</b>				
M/s Keepwell Foods				
-Amount received		43,80,100		-
-Amount paid		5,00,000		-
M/s Keshav Health Foods				
-Amount received		9,00,000		
-Amount paid		-		-
<b>Unsecured Loans from key management personnel or their relatives :-</b>				
M/s Banyan Foundation				
-Amount received				-
Atul Kumar Jain				
-Amount received		-		



<b>Rent paid to key management personnel or their relative</b>			
Shanta jain	-		135000
Atul Jain	-		
<b>Remuneration paid to KMP's or their relatives</b>			
Atul Kumar Jain(Director)	-		0
Satender Kumar Jain(Director)	-		50000
<b>Balance Payable as at year end</b>			
Atul Kumar Jain (Loan)	-		72,90,950
Mr. Atul Jain(Director)	-		
Mr. Satender Kumar Jain(director)	-		
Smt. Shanta Jain	-		
<b>Balance Receivable as at year end</b>			
M/s banyan Foundation	0		-
M/s Keepwell Foods (sale)	0		-
M/s Aditya overseas	0		-
M/s Keepwell Foods(loan)	5,00,000		-
M/s Keshav Health Foods	0		-
Mr. Satender Kumar Jain(director)	0		0
M/s Vaksons Industries Pvt. Ltd.	3,80,42,949		-

29. The financial statements were approved by the board of directors on 28th June, 2021.

30. The previous year figures have been regrouped/ reclassified, wherever necessary to conform to the current year presentation.

31. The Company is predominantly engaged in the single business segment of Light Commercial Vehicles (LCV), Multi-Utility Vehicles (MUV), Small Commercial Vehicles (SCV Vehicles) and spare parts and subsidiary is engaged in Trading of Commodities.

**For D G M S & CO.**

Chartered Accountants

Firm Registration No. 0112187W

(CA Shashank Doshi )

Partner

Membership No. 108456

Mumbai

29th June 2021



For and on behalf of the board

**Satender kumar jain**

Director

DIN : 02734794

**Atul jain**

Managing Director

DIN : 00004339

**Ankit Agarwal**

Company Secretary

M.No. A49373