

Scrip code: 539402

September 07, 2021

The Manager  
Listing Department  
Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai-400001

Sub: Compliance under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Annual Report for the F.Y. 2020-21

Dear Sir / Madam,

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of our Company along with the Notice of the Annual General Meeting for the Financial Year 2020-21.

This is for your information and record.

Thanking you  
Yours faithfully

For Vaksons Automobiles Limited  
For **VAKSONS AUTOMOBILES LTD.**



Auth. Signatory/Director

Satender Kumar Jain  
(Whole Time Director)



**VAKSONS FORCE**

(Vaksons Automobiles Ltd.)

(Formerly known as Vaksons Automobiles Pvt. Ltd.)

(An ISO 9001:2008 certified Company)

Authorised Dealer : SUVs • MUVs • LCVs

Corp. Off.: A-Block, Shubham Gardens Complex, Murthal Road, Sonapat-131 001 (Haryana) INDIA  
Telefax : 0130-2218572, 9354833999, 9315033555

Regd. Off.: 105, 1st Floor, Barodia Tower, D Block, Prashant Vihar, New Delhi-110085  
E-mail : vakson.force@gmail.com, Website : www.vaksonsautomobiles.in

# **Vaksons Automobiles Limited**

**CIN: L51502DL2003PLC119052**

**Registered Office: 105, 01<sup>st</sup> Floor, Barodia Tower, Plot No.12, D Block,  
Central Market ,Prashant Vihar, New Delhi-110085  
Tel No. 91 – 130 – 2218572  
Email id: cs@vaksonsautomobiles.in**

**Website:www.vaksonsautomobiles.in**

**18<sup>th</sup> Annual Report 2021-21**



## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Atul Kumar Jain - Chairman and Managing Director  
Mr. Satender Kumar Jain - Whole Time Director  
Mr. Sumeet Alakh - Independent Director  
Mr. Mahesh Pandey- Independent Director  
Ms. Vandana Jain – Woman Director  
Ms. Darshana Rajan Gotad – Independent Director  
Mr. Pankaj Jain – Chief Financial Officer

### **STATUTORY AUDITORS**

M/s **D G M S & Co**

B-15/16, 5th Floor, Shri Siddhivinayak Plaza, Next to T-series,  
Business Park, Off New Link Road, Andheri (W), Mumbai – 400058

### **SECRETARIAL AUDITOR OF THE COMPANY**

M/s Vishal Gambhir & Associates

Company Secretaries

Office No 306, Vardhman City Centre-1,  
Gulabi Bagh, Delhi-110052

PH. 9896849949

Email: [csvishalgambhir@gmail.com](mailto:csvishalgambhir@gmail.com)

### **COMPANY SECRETARY AND COMPLIANCE OFFICER**

Mr. Ankit Aggarwal

Contact No. : +91-9259795111

Email: [cs@vaksonsautomobiles.in](mailto:cs@vaksonsautomobiles.in)

### **BANKERS OF THE COMPANY**

Punjab National Bank Kundli Branch, Sonipat

### **REGISTRARS AND SHARE TRANSFER AGENTS**

Cameo Corporate Services Limited Subhramanian Building No. 1,

Club House Road Chennai, Tamil Nadu-600002

Tel- 44-28460390/0425 Fax- 44-28460129

E Mail ID: [investors@cameoindia.com](mailto:investors@cameoindia.com) Website:

[www.cameoindia.com](http://www.cameoindia.com)

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NOTICE

NOTICE is hereby given that the **18<sup>th</sup> Annual General Meeting** of **Vaksons Automobiles Limited** will be held at its registered office of the company situated at **105, Barodia Tower, Central Market, Plot No. 12, D Block, Prashant Vihar, New Delhi** on **Thursday , 30<sup>th</sup> September, 2021 at 3:30 p.m.** to transact the following business:

**Ordinary Business**

1. To consider and adopt the Standalone Financial Statements of the company for the year ending on 31<sup>st</sup> March 2021 and Director's report and Auditor's report thereon.
2. To consider and adopt the Consolidated Financial Statements of the company for the year ending on 31<sup>st</sup> March 2021.
3. To appoint a Director in place of Mr. Satender Kumar Jain (holding DIN 02734794), who retire by rotation and being eligible offers himself for re-appointment.
4. To appoint **M/s D G M S & Co** for further period of five years as Statutory Auditors of the company.

**“RESOLVED THAT** pursuant to the provisions of Section 139 & other applicable provisions, if any, of Companies Act, 2013 and the rules framed thereunder as amended from time to time **M/s DGMS & Co ,Chartered Accountants, (FRN 0112187W)** be and is hereby appointed as the auditors of the company to hold office from this AGM until the conclusion of Annual General Meeting will be held in 2026 at such remuneration as may be mutually agreed between the Board of Directors and Auditors of the company.”

**Special Business**

5. **Regularisation of Appointment of Director – Ms. Darshana Rajan Gotad (DIN 08651375)**

To Consider and if thought fit to pass with or without modifications the following resolution as Ordinary Resolution:- “Resolved that **Ms. Darshana Rajan Gotad**, who was appointed as additional Director of the Company w.e.f. 20/02/2021 and who holds office as such upto the date of Forthcoming Annual General Meeting be and is hereby appointed as a Director of the Company.”

6. **Regularisation of Appointment of Director – Ms. Vandana Jain (DIN 00004347)**

To Consider and if thought fit to pass with or without modifications the following resolution as Ordinary Resolution:- “Resolved that **Ms. Vandana Jain** who was appointed as additional Director of the Company w.e.f 08/06/2020 and who holds office as such upto the date of Forthcoming Annual General Meeting be and is hereby appointed as a Director of the Company.”

7. **Appointment of Statutory Auditor to fill casual vacancy**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

**“ RESOLVED that** pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) **M/s DGMS & Co ,Chartered Accountants, (FRN 0112187W)** be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s DNJ & Co., Chartered Accountant.

**“RESOLVED FURTHER that M/s DGMS & Co ,Chartered Accountants, (FRN 0112187W)** be and are hereby appointed as Statutory Auditors of the Company to hold the office from 9<sup>th</sup> June , 2021, until the conclusion of this Annual General Meeting (18<sup>th</sup>) of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Managing Director of the Company.”

**For Vaksons Automobiles Limited**

Sd/-  
**Atul Kumar Jain**  
(Chairman & Managing Director) DIN: 00004339  
Address: D-1004, White Lily Sector 8  
Kamaspur, Gt Road, Sonipat- 131001  
Date: 7<sup>th</sup> September , 2021  
Place: New Delhi

**Notes:**

1. The AGM will be held at the said venue by strictly adhering to the Social Distancing Norms and Other Safety Protocols including face masks, hand sanitization etc. as per the latest guidelines / advisories /SOP's issued by the Ministry of Health & Family Welfare, Govt. of India and the State Govt. amid COVID-19 Pandemic. In consonance with the MCA circulars and the SEBI circular, in view of COVID-19 Pandemic, the notice of the AGM along with the Annual Report for the financial year 2021-21 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same.
2. Members may note that the said Notice and the Annual Report will also be available on the Company's website [www.vaksonsautomobiles.in](http://www.vaksonsautomobiles.in) and on the website of the Bombay Stock Exchange (BSE) [www.bseindia.com](http://www.bseindia.com).
3. The Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed. The relevant details of Directors seeking appointment/reappointment under item No. 3 above pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also annexed.
4. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A **PROXY NEED NOT BE A MEMBER**.
5. As per the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10 per cent of the total share capital of the Company carrying voting rights. A member holding more than 10 per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
6. The instrument appointing proxy/proxies in order to be effective, must be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed
7. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send to the Company a duly certified board resolution authorizing their said representative(s) to attend and vote on their behalf at the meeting.
8. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
9. Members/proxies/authorized representatives should bring duly filled Attendance slip enclosed herewith to attend the meeting mentioning therein details of their DP ID and Client ID/Folio No.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained u/s 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
12. The Register of Contracts or Arrangements in which the Directors are interested, maintained u/s 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
13. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least seven days before the date of the Meeting, so that the information required may be made available at the Meeting.
14. The Register of Members and Share Transfer Books will remain closed from Friday 24th September, 2021 to Thursday, 30th September, 2021, (both days inclusive), for the purpose of AGM.
15. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Transfer Agents to facilitate better service:
  - Any change in their address.
  - Particulars of their bank accounts in case the same have not been sent earlier, for dividend payment through ECS mode and

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- Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of the names for consolidation of such holdings into one account.
16. Non-resident Indian members are requested to inform the RTA, Cameo Corporate Services Limited, Subramaniam Building No. 1, Club House Road, Chennai , Tamil Nadu-600002 immediately about:
    - Change in their residential status on return to India for permanent settlement
    - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
  17. As per Section 72 of Companies Act, 2013, members are entitled to make nomination in respect of shares held by them in physical form. Nomination form (Form No. SH-13) can be downloaded from the website of the Company at [www.vaksonsautomobiles.in](http://www.vaksonsautomobiles.in) and requested to submit form to the Registrar and Share Transfer Agents of the Company. Members can also delete or change an earlier Nomination by executing Form No.SH-14 (available on the website of the Company).
  18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
  19. With a view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [cs@vaksonsautomobiles.in](mailto:cs@vaksonsautomobiles.in).
  20. The Annual Report for 2020-21 is being sent through electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s), unless any member has requested for the physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report are being sent by the permitted mode.
  21. Members may also note that the notice of the 17th AGM and the Annual Report for 2020-21 will be available on the Company's website [www.vaksonsautomobiles.in](http://www.vaksonsautomobiles.in).
  22. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company.
  23. Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 states that the e-voting facility shall be provided to shareholders in compliance with the conditions specified under Companies (Management and Administration) Rules, 2014, or amendments thereto. However, the Company, being listed on the SME platform of BSE Ltd, has been exempted from complying with e-voting requirements vide MCA Notification dated 19th March, 2015 by amendment in Rule 20 of the Companies (Management and Administration) Rules, 2014. Hence pursuant to the aforementioned notification, the evoting facility has not been provided.
  24. As per Regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Company has designated email ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints by investors. Investors are requested to send their communication on the designated email id [cs@vaksonsautomobiles.in](mailto:cs@vaksonsautomobiles.in)
  25. The route map showing directions to reach the venue of the 18<sup>th</sup> AGM is annexed.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (2) OF THE COMPANIES ACT, 2013**  
**In conformity with the provisions of Section 102 (2) of the Companies Act, 2013,**  
**the following explanatory statement forms a part of the Notice calling Annual General Meeting or the FY 2020-21**

**ITEM NO. 5** The members are informed that **Ms. Darshana Rajan Gotad** was appointed as additional director w.e.f. Feb 10, 2021 In accordance with the provisions of the Companies Act, 2013 read with the Articles of Association of the Company, the office of the Additional Director, **Ms. Darshana Rajan Gotad** was to end at the forthcoming Annual General Meeting and has offered herself for re-appointment. The members are further informed that regularization of appointment of **Ms. Darshana Rajan Gotad**, as director requires your approval in the general meeting and therefore, the board commends the above resolution for your approval.

None of the Manager, Key Managerial Personnel, director and their relatives is interested or concerned, financially or otherwise in the resolution except **Ms. Darshana Rajan Gotad**.

**ITEM NO. 6** The members are informed that **Ms. Vandana Jain** was appointed as additional director w.e.f. June 8, 2020. In accordance with the provisions of the Companies Act, 2013 read with the Articles of Association of the Company, the office of the Additional Director, **Ms. Vandana Jain** was to end at the forthcoming Annual General Meeting and has offered herself for re-appointment. The members are further informed that regularization of appointment of **Ms. Vandana Jain**, as director requires your approval in the general meeting and therefore, the board commends the above resolution for your approval.

None of the Manager, Key Managerial Personnel, director and their relatives is interested or concerned, financially or otherwise in the resolution except **Ms. Vandana Jain**.

**Details of Director seeking appointment / re-appointment at the 18th Annual General Meeting of the Company:**  
**[Pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]**

Name	Satender Kumar Jain
Date of Birth	30/09/1963
Occupation	Business
Qualification	He has completed Diploma in Pharmacy in the year 1983 from the State Board of Technical Education Haryana.
Expertise in specific functional areas	Mr. Satender Jain started his career with a jewellery business in the name of Satender Kumar Jain & Saraf and also started business in share trading for a short time. In 2003, when our Company was incorporated, he joined the Company as the CEO, thus lending his experience to our Company. As the Whole Time Director, he is responsible for the daily activities and administration of the Company and also is an integral part of decision making in consultation with the Board.
Relationships between directors inter-se	NA
Shares held in the Company	5,000 i.e. 0.08%
Directorship in the other Company	Vaksons Industries Private Limited
Chairman / Member of the Committee of other Companies on which he is a Director	Nil

Note: Director of the Company do not have any inter-se relationship

## DIRECTORS' REPORT

To the Members,

Your Company's Directors are pleased to present the **18<sup>th</sup> Annual Report** of the Company, along with Audited Accounts, for the Financial Year ended **31<sup>st</sup> March, 2021**.

### Financial Performance

The Company's financial performance for the year under review along with previous year's figures are given hereunder:

(Rs. In lac)

Particulars	31 <sup>st</sup> March, 2021 (Standalone)	31 <sup>st</sup> March, 2020 (Standalone)	31 <sup>st</sup> March, 2021 (Consolidated)	31 <sup>st</sup> March 2020 (Consolidated)
Revenue from operations	459.12	285.13	578.11	1381.58
Other Income	0.42	0.25	34.26	73.02
Total Revenue	553.32	285.38	61.237	4144.60
Total Expenditure	888.77	924.57	672.04	2157.26
Profit before Tax	335.44	(639.19)	(59.66)	(702.65)
Tax Expense: Current Tax Deferred Tax	0.19	(.06)	(.23)	(.90)
Profit after Tax/Profit available for Appropriation	(33.74)	(639.25)	(59.43)	(701.75)
Less: Appropriations				
i. Proposed Dividend	-	-	-	-
ii. Dividend Distribution tax	-	-	-	-
Transfer to reserves & Surplus	(33.74)	(639.25)	(59.43)	(701.75)
Earning per equity share :				
(1) Basic	(0.51)	(0.97)	(.09)	(1.07)
(2) Diluted	(0.51)	(0.97)	(.09)	(1.07)

### Operations Overview

On Standalone front the Company has recorded total turnover of Rs. 459.12 lac as compared to Rs 285.13 lac recorded in the year 2020-21. During the year under review, Company has made loss of Rs. 33.74 Lac as against the loss of Rs. 639.25 lac made in the year 2019-20. The company is hopeful of better performance in years to come.

Vaksons Metaplast Private Limited (CIN: U37100DL2015PTC278744), a wholly owned subsidiary engaged in the business of trading of metal and plastic products recorded total turnover of Rs 578.11lac in current fiscal year as compared to last year turnover of Rs. 1381.58 lac and net loss for the current year Rs. 59.43 lac as compared to last year loss of Rs. 701.75 lac. The company is hopeful of better performance in years to come.

The consolidated financial statements of the Company have been prepared by including financial statements of its subsidiary Company Vaksons Metaplast Private Limited in accordance with Accounting Standards and the Listing Regulations with the Stock Exchange, wherever applicable.

The statement pursuant to the provisions to Section 129(3) of the Companies Act 2013, containing salient features of the financial statement of the Company's Subsidiary in Form AOC-1 is given in **Annexure -I**.

### Dividend

In view of losses, your Directors do not recommend any dividend for the year under review.

### Transfer to Reserve

The Company has transferred consolidated loss of Rs. 59.43 lac to Reserves for the financial year ended 31<sup>st</sup> March, 2021.

### State of affairs of the company:

Information on the operations and financial performance, among others for the period under review, is given in the Management Discussion and Analysis Report which is annexed to this Report and is in accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

### Share Capital

Authorized share capital of the Company is Rs. 11,00,00,000 comprising of 1,10,00,000 Equity shares of Rs. 10/- each and the paid up Capital of the Company is Rs. 10,52,04,800 comprising of 1,05,20,480 Equity shares of Rs. 10/- each. During the year under review, the Company has issued 39,45,980 equity shares as bonus shares.

### Subsidiaries, Joint Ventures and Associate Companies

Apart from Vaksons Metaplast Private Limited, Company does not have any other subsidiaries, joint ventures or associate companies as on 31<sup>st</sup> March, 2021

#### **Material changes and Commitments**

There are no material changes and or commitments affecting the financial position of the Company, between the end of the financial year, i.e. 31<sup>st</sup> March, 2021 and the date of the report.

#### **Extract of Annual Return**

The same is also available on the website of the Company at [www.vaksonsautomobiles.in](http://www.vaksonsautomobiles.in).

#### **Number of meetings of the Board**

Seven meetings of the Board were held during the year on 08/06/2020, 31/07/2020, 05/09/2020, 07/09/2020 21/10/2020, 14/11/2020 and 10/02/2021,

The provisions of Companies Act, 2013, Secretarial Standard 1 and Listing Regulations were adhered to while considering the time gap between two meetings.

#### **Directors Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- In the preparation of annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2020-21 and of the profit of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a going concern basis;
- The Directors had laid down proper internal financial controls and such internal financial controls are adequate and were operating effectively;
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2020-21.

#### **Particulars of loans, guarantees and investments**

The particulars of loans, guarantees and investments have been disclosed in the financial statements

#### **Internal control systems and their adequacy:**

Pursuant to provisions of Section 138 read with rules made there under, the Board has appointed M/s Ajay Taneja & Co., Chartered Accountants, as an Internal Auditors of the Company to check the internal controls and functioning of the activities and recommend ways of improvement. The Internal Audit is carried out quarterly basis; the report is placed in the Audit Committee Meeting and the Board Meeting for their consideration and direction.

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

#### **Related Party Transactions**

All Related Party Transactions that were entered into during the financial year were on arm's length and were in the ordinary course of business and were in compliance with the applicable provisions of the Act and SEBI Listing Regulations, 2015. There were no materially significant Related Party Transactions made by the Company during the year that would have required shareholders' approval under SEBI Listing Regulations, 2015. The Audit Committee has granted omnibus approval for Related Party Transactions stated in **Annexure III** as per the provisions and restrictions contained in the Companies Act, 2013.

#### **Board evaluation**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In a separate meeting of independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the Board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

#### **Energy Conservation Measures, Technology Absorption and R & D Efforts and Foreign Exchange Earnings and Outgo**

In view of the nature of activities carried on by the Company, the requirements for disclosure in respect of Conservation of Energy, Technology Absorption, in terms of the Companies (Accounts) Rules, 2014 are not applicable to the Company. However the Company takes all possible efforts towards energy conservation. The requirement for disclosure with regard to technology absorption does not apply to the Company as the activities in which the Company operates does not require any technology.

During the period under review the Company has earned Foreign Exchange of 'Nil' and incurred the Foreign Exchange outgo of 'Nil'.

#### **Risk Management**

The Company believes that it has risk management system to assess and monitor risks. The company has its management team which monitors and manages risks by monitoring trends that may have an effect on the economic environment and actively assesses on a routine basis the market value of the Company's loan book. The Company believes it has effective procedures for evaluating and managing the market, operational and other risks to which it is exposed.

#### **Auditors Statutory**

##### **Auditor**

Pursuant to Section 139 of the Companies Act, 2013, M/S DNJ & CO Chartered Accountants were resigned during the year and M/s **D G M S & Co** Chartered Accountants, (ICAI Firm Registration No. **0112187W**), were appointed as the Auditors of the Company for financial year 2020-21 and offered themselves for reappointment for next five years as their tenure is ended in ensuing AGM.

The observations made in the Auditors report read together with the relevant notes thereon, are self-explanatory and hence do not call for any comments under Section 134 of the Companies Act, 2013.

##### **Internal Auditor**

Pursuant to Section 138 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. Ajay Taneja & Associates, Chartered Accountants as Internal Auditors on 8th June, 2020 to conduct Internal Audit of records and documents of the Company for the financial year 2020-21.

##### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. Vishal Gambhir & Associates, Practicing Company Secretaries, as Secretarial Auditor on 29th June, 2021 to conduct Secretarial Audit of records and documents of the Company for the financial year 2020-21. The Secretarial Audit Report confirms that the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines etc.

The Secretarial Audit Report is included as **Annexure IV** and forms an integral part of this report.

#### **Corporate Governance**

Since the securities of the Company are listed on SME platform of BSE Ltd, compliance with Regulations 17 to 27, Regulation 46(2)(b) to 46(2)(i) and para C, D and E of Schedule V, are not applicable to the Company.

#### **Deposits from public**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

#### **Directors and Key Managerial Personnel (KMP)**

There were some changes in Board of Directors as Ms. Vandana Jain was appointed as additional women director and Ms. Darshana Rajan Gotad as additional women independent director during the year review.

None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 164 (2) of the Companies Act, 2013.

#### **Composition of Audit Committee**

Audit Committee of your Company as constituted pursuant to Section 177 of the Companies Act, 2013 composes of the following members:

<b>Name</b>	<b>Designation</b>
Mr. Sumeet Alakh	Member/Chairman
Mr. Mahesh Pandey	Member
Mr. Atul Kumar Jain	Member

#### **Vigil mechanism**

The Company has adopted a Vigil Mechanism Policy to provide a mechanism for the Directors and employees to report genuine concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The provisions of this policy which is uploaded on the Company's website are in line with the provisions of Section 177 (9) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/Listing Agreement.

#### Particulars of Employees and Remuneration

There is no employee in the Company drawing monthly remuneration of Rs. 5,00,000/- per month or Rs. 60,00,000/- per annum. Hence, the Company is not required to disclose any information as per Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014.

#### Remuneration of the Directors/Key Managerial Personnel (KMP)/Employees

Disclosure pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr . N o.	Name	Designation/ Nature of Duties	Remuneration For FY 2020-21 (Rs. in Lacs)	Qualification	Ratio of Remuneration of each Director/KMP to median remuneration of employees	Comparison of remuneration of the KMP against the performance of the company
1	Satinder Jain	Whole Time Director	0.50	Diploma in Pharmacy	Nil	The revenue of the Company decreased by 80.74% .

#### Notes:

- The ratio of the remuneration of the highest paid director to that of the employees who are not directors and KMPs but receive remuneration in excess of the highest paid director during the year- Not applicable
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

#### Stock Exchange

The Company is currently listed on SME platform of BSE Limited under scrip code 539402 and under scrip id VAL. Your Company has paid Annual listing fee for the financial year 2020-21 to the abovementioned exchange.

#### Remuneration Policy for the Directors, Key Managerial Personnel and other employees

In terms of the provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Board has on the recommendation of the NRC framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The said policy is stated in **Annexure V** of this report

#### Corporate Social Responsibility Initiatives

The criteria prescribed for the applicability of Corporate Social Responsibility u/s 135 of the Companies Act, 2013 is not applicable to your Company.

#### Significant and Material orders passed by the regulators or Courts

No new significant and material orders have been passed by the regulators or courts during the financial year.

#### Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complain during the year 2020-21.

#### Acknowledgement

Your Directors wish to place on record their deep appreciation and gratitude for the valuable support received from the Government and regulatory Authorities, Company's Bankers, Financial Institutions, Customers and shareholders/Investors for their continuous support during the year and look forward to similar support and co-operation in future.

The Board also acknowledges and appreciates the exemplary efforts and hard work put in by all employees who are part of the Vaksons's family and look forward to their continued support and participation in sustaining the growth of the Company in the coming years.

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

Sd/-

**Atul Kumar Jain**  
(Chairman & Managing  
Director) DIN: 00004339  
Address: D-1004, White Lily Sector 8  
Kamaspur , Gt Road, Sonipat- 131001  
Date: 7th September , 2021  
Place: New Delhi

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## Management Discussion and Analysis

### Business Overview

Our company is an authorised dealer of Light Commercial Vehicles (LCV), Multi-Utility Vehicles (MUV), Small Commercial Vehicles (SCV Vehicles) and spare parts for Force Motors Ltd. We currently operate three different showrooms of Force Motors Ltd., namely at Sonapat, Panipat and Gohana within the state of Haryana. We also operate an in-house service centre / workshop at Sonapat for the servicing and other after-sales needs of our clients. We have over a decade of experience in distributing all types of vehicles on behalf of Force Motors Ltd. including but not limited to Commercial Transporters ("Traveller"), MUV Vehicles ("Trax Cruiser", "Trax School Van", Trax Kargo- King"), Small Commercial Vehicles ("Trump-40" and Trump-15).

Apart from the vehicle dealership business, we have also been involved in trading of vehicle spare parts and utilities of branded as well as generic products forming part of the auto value chain. We have further incorporated a subsidiary company in the name and style of Vaksons Metaplast Private Limited (CIN: U37100DL2015PTC278744) in order to undertake trading in auto parts, HDPE and LDPE polymer, aluminium scrap, and other metal and plastic items on a larger scale with good trading margins. We believe that our experience of selling and servicing vehicles would hold us in good stead with this diversification venture undertaken by the company and also provide for increased financial size.

We have over the years developed a philosophy for quality and have also obtained ISO Certification for our Quality Management Systems (ISO 9001:2008). We have also been awarded a "Certificate of Appreciation" in February 2015, by Force Motors Ltd. for "Best Dominance in the MUV Market Category".

### Competition

We face competition from various local and nationwide dealers of commercial vehicles. Competition emerges from small as well as big players. The organized players in the industry compete with each other by providing high quality, consistent and time bound products and value added services. There are a number of competitors offering products similar to ours. We believe the principal elements of competition in our line of business are easy finance options, consistent & quality products prompt availability and strong relations with suppliers and vehicle manufacturers. We compete against our competitors by establishing ourselves as a trustworthy agency for our products in the State of Haryana which enables us to provide our clients with products and services at appropriate rates to meet their requirements.

### Factors Affecting Our Result Of Operation

The following important factors could cause actual results to differ materially from the expectations include, among others:

**Revenue Generation** We earn majority of our revenue from sale of Vehicles which includes Light Commercial Vehicles (LCV), Multi-Utility Vehicles (MUV), Small Commercial Vehicles (SCV Vehicles) and spare parts. Regular income is the only source to create a healthy working of our Company. Our revenues are fixed to the extent of the price of each vehicle as determined respective manufacturers of vehicles and the same is affected by the cash discounts, seasonal offer discounts, etc. required to be given to customers from time to time. We rely on the marketing done by the vehicle manufacturer and suppliers and we market the products locally through pamphlets, mailers, etc. and also offer various EMI schemes.

#### ➤ **Our Financial Expenses**

For the fiscal year 2020-21 our finance cost is reduced to Rs. 81,576 as compared to Rs. 146,189 /- recorded last year. Our financial growth depends on how well we manage and service our debts.

Our ability to successfully implement its strategy and its growth and expansion plans

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company's roll out schedules and cause cost and time over runs.

#### ➤ **Increasing competition in the industry**

Our Company faces competition in the form of other manufacturers of LCVs, MUVs and SCVs and also other dealers of our suppliers, which may force us to reduce the prices, offer various discounts, etc. which may have an effect on our margins.

#### ➤ **General economic and business conditions**

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect textile industry in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.

#### ➤ **Internal control systems and their adequacy**

Our governance and compliance processes, which include the review of internal control over financial reporting ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized, recorded and reported. It also conducts regular internal audits to test compliance with the statutory requirements. Audits are led by professional audit managers and supported by experienced personnel drawn from across the organization. Audit results are used by management to create detailed action plans where the businesses have not yet achieved full compliance with the requirements. Key findings are reported to senior management and summary reports are considered by the Audit Committee of the Board. The nature of the industries in which the company operates means that many of its activities are highly regulated by health, safety and environmental norms while maintaining operational integrity.

### **Discussion on financial performance with respect to operational performance**

The Company recorded total revenue of Rs. 5,491,299/- during the year under review as against Rs. 28,513,477/- in the previous year. There is decrease in the revenue as compared to previous year due to Covid and Lockdowns in various parts of the country. Management is making efforts to explore various business opportunities to flourish its growth.

### **Material developments in human resources / industrial relations front, including number of people employed**

The Company firmly believes that motivated and empowered employees are the cornerstone of competitive advantage. The Company's employee value proposition is based on a strong focus on employee development, providing a satisfying work environment, performance appraisal and counseling and appropriate empowerment.

The Company continues to maintain and enjoy a cordial relationship with its employees, providing positive environment to improve efficiency with regular investments in upgrading the knowledge and skills of the employees

**Growth Strategies Initiatives**

➤ **Reduction of operational costs and achieving efficiency**

As a part of our growth strategies we have to look for areas to reduce costs and achieve efficiencies in order to remain a cost competitive company. Our focus has been to reduce the operational costs to gain competitive edge.

➤ **To build-up a professional organization**

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of the experience and the sufficient staff for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business.

We wish to make it more sound and strong in times to come.

➤ **Focus on cordial relationship with our Suppliers, Customer and employees**

We believe that developing and maintaining long term sustainable relationships with our suppliers, customers and employees will help us in achieving the organizational goals, increasing sales and entering into new markets.

**Cautionary Statement**

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

**CERTIFICATION BY CFO UNDER REGULATION 17(8) OF THE LISTING REGULATION**

To  
The Board of Directors,  
Vaksons Automobiles Ltd.

- (a) We have reviewed the financial statements and the cash flow statement of Vaksons Automobiles Ltd. for the year ended March 31, 2021 and to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- 1 Significant changes in internal control over financial reporting during the year;
  - 2. Significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
  - 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Vaksons Automobiles Limited**

Sd/-  
**Pankaj Jain**  
(Chief Financial Officer)

**Place:** Delhi  
**Date:** July 31<sup>st</sup>, 2021

**Annexure I**

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part “A”: Subsidiaries**

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Vaksons Metaplast Private Limited (CIN: U37100DL2015PTC278744)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2020 to 31.03.2021
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share capital (Rs.)	18,370,000
5.	Reserves & surplus(Rs.)	8,259,723.20
6.	Total Assets (Rs.)	52,714,055
7.	Total Liabilities (Rs.)	42,603,778
8.	Investments (Rs.)	-
9.	Turnover (Rs.)	55,704,626
10.	Profit before taxation (Rs.)	(26,11,903)
11.	Provision for taxation (Rs.)	(42,815)
12.	Profit after taxation (Rs.)	(25,69,088)
13.	Proposed Dividend (Rs.)	-
14.	% of shareholding	100%(1 Share is held by Mr. Atul Kumar Jain)

**Part “B”: Associates and Joint Ventures**

The Company does not have any Associate Company or Joint Venture.

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

Sd/-

**Atul Kumar Jain**  
(Chairman & Managing Director)  
DIN: 00004339  
Address: D-1004, White Lily Sector 8  
Kamaspur , Gt Road, Sonipat- 131001  
Date: 7th September , 2021  
Place: New Delhi

**Annexure II**

**Annexure III**

**Related Party Transactions**

**FORM No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

- 1. Details of contracts or arrangements or transactions not at arm's length basis: Nil**
- 2. Details of material contracts or arrangement or transactions at arm's length basis: Nil**

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

**Sd/-  
Atul Kumar Jain  
(Chairman & Managing Director) DIN: 00004339  
Address: D-1004, White Lily Sector 8  
Kamaspur, Gt Road, Sonipat- 131001**

**Date: 7th September , 2021  
Place: New Delhi**

**Annexure IV**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March, 2021**  
*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies*  
*(Appointment and Remuneration Personnel) Rules, 2014]*

To  
The Board of Directors  
Vaksons Automobiles Limited  
105, 01<sup>st</sup> Floor, Barodia Tower, Plot No. 12, D Block,  
Central Market Prashant Vihar, New Delhi-110085

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vaksons Automobiles Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Vaksons Automobiles Limited ("The Company")** for the period ended on March 31, 2021 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**)  
to the extent applicable to the Company :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - V. Other laws applicable to the Company as per the representations

**We have also examined compliance with the applicable clauses of the following:**

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The Listing Agreements entered into by the Company with the BSE SME-Stock Exchange

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above except regarding the appointment of CFO and women director in the Company, as per the provisions of Companies Act 2013.

We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

- (a) Maintenance of various statutory registers and documents and making necessary entries therein;
- (b) Closure of the Register of Members.
- (c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- (d) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- (e) Notice of Board meetings and Committee meetings of Directors;
- (f) The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- (g) The 17<sup>th</sup> Annual General Meeting was held on September 30, 2020.
- (h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- (i) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;

- (j) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- (k) Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- (l) Appointment and remuneration of Auditors;
- (m) Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- (n) Borrowings and registration, modification and satisfaction of charges wherever applicable;
- (o) Investment of the Company's funds including investments and loans to others;
- (p) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part I and General Instructions for preparation of the same as prescribed in Schedule VI of the Act;
- (q) Directors' report;
- (r) Contracts, common seal, registered office and publication of name of the Company; and
- (s) Generally, all other applicable provisions of the Act and the Rules made under the Act.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. The Company has obtained all necessary approvals under the various provisions of the Act; and

There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, LODR and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers except some late fees paid by company .

The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.

**We further report** that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

**We further report that** based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** the Regional Officer of Haryana State Pollution Board has granted exemption to the Company from obtaining consent to establish and consent to operate vide their letter dated February 01, 2015

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

There were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, having major bearing on the Company's affairs.

**For Vishal Gambhir & Associates**

Sd/-  
CS Vishal Gambhir  
Membership No. 40037  
CP No. 14881

Place : New Delhi  
Date : 7<sup>th</sup> September, 2021  
UDIN : A040037C000911325

**Annexure V**  
**NOMINATION CUM REMUNERATION POLICY**

The Board of Directors of VAKSONS AUTOMOBILES LIMITED ("the Company") constituted the "Nomination and Remuneration Committee" at the Meeting held on February 16, 2015 with immediate effect, consisting of three (3) Non-Executive Directors all of which are Independent Directors.

**1. OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 52 of the SME Equity Listing Agreement. The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. To devise a policy on Board diversity To develop a succession plan for the Board and to regularly review the plan;

**2. DEFINITIONS**

**Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

**Board** means Board of Directors of the Company.

**Directors** mean Directors of the Company.

**Key Managerial Personnel** means Chief Executive Officer or the Managing Director or the Manager; Whole-time director; Chief Financial Officer; Company Secretary; and such other officer as may be prescribed.

**Senior Management** means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads. VAKSONS AUTOMOBILES LIMITED Nomination and Remuneration Policy

**3. ROLE OF COMMITTEE**

**Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The Committee shall:

Formulate the criteria for determining qualifications, positive attributes and independence of a director.

Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

**2.1.3. Policy for appointment and removal of Director, KMP and Senior Management**

**Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director/Managing Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**Term / Tenure**

a) **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**b) Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. *However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.*
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

**Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel**

**General:**

- The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

**a) Fixed pay:**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**b) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such

provisions, with the previous approval of the Central Government.

c) **Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**Remuneration to Non- Executive / Independent Director:**

a) **Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) **Sitting Fees:**

Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) **Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

4. **MEMBERSHIP**

The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

Minimum three (2) members shall constitute a quorum for the Committee meeting.

Membership of the Committee shall be disclosed in the Annual Report.

Term of the Committee shall be continued unless terminated by the Board of Directors.

5. **CHAIRPERSON**

Chairperson of the Committee shall be an Independent Director.

Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. **FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

7. **COMMITTEE MEMBERS' INTERESTS**

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. **SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

**9. VOTING**

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**10. NOMINATION DUTIES**

1. The duties of the Committee in relation to nomination matters include:
2. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
3. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
4. Identifying and recommending Directors who are to be put forward for retirement by rotation.
5. Determining the appropriate size, diversity and composition of the Board;
6. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
7. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
8. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
9. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
  - a. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
  - b. Recommend any necessary changes to the Board; and
  - c. Considering any other matters, as may be requested by the Board.

**11. REMUNERATION DUTIES**

1. The duties of the Committee in relation to remuneration matters include:
2. To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
3. To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
4. To delegate any of its powers to one or more of its members or the Secretary of the Committee.
5. To consider any other matters as may be requested by the Board.
6. Professional indemnity and liability insurance for Directors and senior management.

**12. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and

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

Sd/-  
**Atul Kumar Jain**  
(Chairman & Managing Director)  
DIN: 00004339  
Address: D-1004, White Lily  
Sector 8 ,Kamaspur , Gt Road,  
Sonipat- 131001  
Date: 7th September , 2021  
Place: New Delhi

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

(CIN NO. L51502DL2003PLC119052)

(Amount in Rupees)

**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	50,931,680	51,696,500
(b) Capital work-in-progress	3A	4,030,936	4,030,936
(c) Financial assets			
(i) Investments	4	18,369,990	18,369,990
(d) Other non-current asset	5	25,000	41,372
<b>Total non-current assets</b>		<b>73,357,606</b>	<b>74,138,798</b>
<b>Current assets</b>			
(a) Inventories	6	-	-
(b) Financial assets			
(i) Trade receivables	7	1,479,961	5,197,556
(ii) Cash and cash equivalents	8	1,397,078	1,088,593
(iii) Other financial asset	9	-	505,423
(c) Other current assets	10	31,973,896	31,630,746
<b>Total current assets</b>		<b>34,850,935</b>	<b>38,422,318</b>
<b>TOTAL ASSETS</b>		<b>108,208,541</b>	<b>112,561,117</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	65,753,000	65,753,000
(b) Other equity	12	(6,703,761)	(3,329,389)
<b>Total equity</b>		<b>59,049,239</b>	<b>62,423,611</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	421,292	815,832
(b) Deferred tax liability (net)	14	960,078	940,194
<b>Total non current liabilities</b>		<b>1,381,370</b>	<b>1,756,026</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	7,495,950	7,290,950
(ii) Trade payable	16	-	-
1. Dues of micro enterprises and small enterprises		-	-
2. Dues of creditor other than micro enterprises and small enterprises		40,281,981	39,508,848
(iii) Other financial liabilities	17	-	-
(b) Other current liabilities	18	-	1,581,681
<b>Total current liabilities</b>		<b>47,777,931</b>	<b>48,381,479</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>108,208,541</b>	<b>112,561,117</b>

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**Statement of significant accounting policies**

2

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

**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

**(CA Shashank Doshi )**

Partner

Membership No. 108456

Mumbai

29th June 2021

UDIN: 21108456AAAAEJ4706

**Ankit Agarwal**

Company Secretary

M.No. A49373

**VAKSONS AUTOMOBILES LIMITED**

(Amount in Rupees)

**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	19	5,491,299	28,513,477
Other income	20	42,000	25,180
<b>TOTAL INCOME</b>		<b>5,533,299</b>	<b>28,538,657</b>
<b>Expenses</b>			
Purchase of Stock in Trade	21	5,436,875	17,572,255
Changes in inventories of finished goods	22	-	71,366,340
Employee benefit expenses	23	187,000	280,026
Finance costs	24	81,576	146,879
Depreciation and amortisation expense	25	764,820	940,611
Other expenses	26	2,417,516	2,151,225
<b>TOTAL EXPENSES</b>		<b>8,887,787</b>	<b>92,457,336</b>
<b>PROFIT BEFORE TAX</b>		<b>(3,354,488)</b>	<b>(63,918,679)</b>
<b>Tax expense:</b>			
-Current tax			-
-Deferred tax charge/(credit)	14	19,884	6,379
<b>TOTAL TAX EXPENSE</b>		<b>19,884</b>	<b>6,379</b>
<b>PROFIT FOR THE YEAR</b>		<b>(3,374,372)</b>	<b>(63,925,057)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(3,374,372)</b>	<b>(63,925,057)</b>
<b>Earning per equity share of face value of ` 10 each</b>	27		
Basic & Diluted (₹)		(0.51)	(9.72)

**Statement of significant accounting policies**

2

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

**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

**(CA Shashank Doshi )**

Partner

Membership No. 108456

Mumbai

29th June 2021

UDIN: 21108456AAAAEJ4706

Ankit Agarwal

Company Secretary

M.No. A49373

# VAKSONS AUTOMOBILES LIMITED

(Amount in Rupees)

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

S.No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>A)</b>	<b>Cash flow from operating activities</b>		
	<b>Profit before taxation</b>	<b>(3,354,488)</b>	<b>(63,918,679)</b>
	<b>Adjustment for :</b>		
	Depreciation and amortisation	764,820	940,611
	Finance cost	81,576	146,879
	Interest income	-	-
	<b>Operating profit/(loss) before working capital changes</b>	<b>(2,508,092)</b>	<b>(62,831,189)</b>
	<b>Adjustment for :</b>		
	Increase/ (Decrease) in trade payables and other liabilities	(808,548)	(29,038,607)
	Decrease/ (Increase) in inventories	-	71,366,340
	Decrease/ (Increase) in trade receivables and other assets	3,876,356	20,793,668
	<b>Cash Generated from operations</b>	<b>559,716</b>	<b>290,212</b>
	Taxes paid (net)	19,884	-
	<b>Net cash flow from/(used in) operating activities (A)</b>	<b>579,600</b>	<b>290,212</b>
<b>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>
<b>C)</b>	<b>Cash flow from financing activities</b>		
	Proceeds from long-term borrowings	(394,540)	(428,306)
	Proceeds from short-term borrowings	205,000	-
	Finance cost paid	(81,576)	(146,879)
	<b>Net cash flow from financing activities (C )</b>	<b>(271,116)</b>	<b>(575,185)</b>
<b>D)</b>	<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>308,485</b>	<b>(284,974)</b>
<b>E)</b>	<b>Cash and cash equivalents as at the beginning of the year</b>	<b>1,088,593</b>	<b>1,373,566</b>
<b>F)</b>	<b>Cash and cash equivalents as at the end of the year</b>	<b>1,397,078</b>	<b>1,088,592</b>
	Balance with banks	153,956	270,481
	Cash in hand	1,243,122	818,113
	<b>Total</b>	<b>1,397,078</b>	<b>1,088,593</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

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

**Satender Kumar Jain**

Director

DIN : 02734794

**Atul Jain**

Managing Director

DIN : 00004339

**(CA Shashank Doshi )**

Partner

Membership No. 108456

Mumbai

29th June 2021

**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	65,753,000
Changes in equity share captal during the year 2019-20	NIL
Balance at the end of the reporting period 31st March, 2020	65,753,000
Changes in equity share captal during the year 2020-21	NIL
Balance at the end of the reporting period 31st March, 2021	65,753,000

### b) Other equity

Particulars	Other equity		Total
	Securities premium account	Surplus in statement of Profit & loss	
Balance as at the 1st April, 2019	59,440,960	1,154,708	60,595,668
Profit for the year	Nil	(63,925,057)	(63,925,057)
Total	59,440,960	(62,770,349)	(3,329,389)
Add: Last year excess provision reversed	-	-	-
Less : Appropriations			
Balance as at 31st March, 2020	59,440,960	(62,770,349)	(3,329,389)
Balance as at 1st April, 2020	59,440,960	(62,770,349)	(3,329,389)
Profit for the year	Nil	(3,374,372)	(3,374,372)
Total	59,440,960	(66,144,721)	(6,703,761)
Less : Appropriations			
Dividend for the year	Nil	-	-
Dividend distribution tax on dividend	Nil	-	-
Balance as at 31st March, 2021	59,440,960	(66,144,721)	(6,703,761)

For D G M S & CO.

Chartered Accountants

Firm Registration No. 0112187W

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

(CA Shashank Doshi )

Partner

Membership No. 108456

Mumbai

29th June 2021

Ankit Agarwal

Company Secretary

M.No. A49373

# VAKSONS AUTOMOBILES LIMITED

Notes to standalone 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	EPABX	Furniture	Generator	Machinery	Motor cycle	Service center	
<b>Gross Block</b>											
Balance as at 1st April 2018	46,000,000	150,090	4,646,841	577,078	17,350	568,231	232,000	2,875,151	172,515	8,182,799	63,422,055
Additions	-	-	-	-	-	-	-	492,600	-	-	492,600
Disposals	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2019</b>	<b>46,000,000</b>	<b>150,090</b>	<b>4,646,841</b>	<b>577,078</b>	<b>17,350</b>	<b>568,231</b>	<b>232,000</b>	<b>3,367,751</b>	<b>172,515</b>	<b>8,182,799</b>	<b>63,914,655</b>
Balance as at 1 April 2019	46,000,000	150,090	4,646,841	577,078	17,350	568,231	232,000	3,367,751	172,515	8,182,799	63,914,655
Additions during the year*	-	-	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2020</b>	<b>46,000,000</b>	<b>150,090</b>	<b>4,646,841</b>	<b>577,078</b>	<b>17,350</b>	<b>568,231</b>	<b>232,000</b>	<b>3,367,751</b>	<b>172,515</b>	<b>8,182,799</b>	<b>63,914,655</b>
Balance as at 1 April 2020	46,000,000	150,090	4,646,841	577,078	17,350	568,231	232,000	3,367,751	172,515	8,182,799	63,914,655
Additions during the year*	-	-	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2021</b>	<b>46,000,000</b>	<b>150,090</b>	<b>4,646,841</b>	<b>577,078</b>	<b>17,350</b>	<b>568,231</b>	<b>232,000</b>	<b>3,367,751</b>	<b>172,515</b>	<b>8,182,799</b>	<b>63,914,655</b>
<b>Accumulated depreciation</b>											
Balance as at 1st April 2018	-	133,974	3,457,278	565,327	16,329	430,323	173,891	1,927,943	132,988	3,263,732	10,101,785
Depreciation/Amortisation during the year	-	7,264	371,501	7,422	460	35,704	10,518	265,345	10,234	467,311	1,175,759
Deductions during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2019</b>	<b>-</b>	<b>141,238</b>	<b>3,828,779</b>	<b>572,749</b>	<b>16,789</b>	<b>466,027</b>	<b>184,409</b>	<b>2,193,288</b>	<b>143,222</b>	<b>3,731,043</b>	<b>11,277,544</b>
Balance as at 1st April 2019	-	141,238	3,828,779	572,749	16,789	466,027	184,409	2,193,288	143,222	3,731,043	11,277,544
Depreciation/Amortisation during the year	-	3,990	255,481	2,734	253	26,461	8,614	212,578	7,584	422,917	940,611
Deductions during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2020</b>	<b>-</b>	<b>145,228</b>	<b>4,084,260</b>	<b>575,483</b>	<b>17,042</b>	<b>492,488</b>	<b>193,023</b>	<b>2,405,866</b>	<b>150,806</b>	<b>4,153,960</b>	<b>12,218,155</b>
Balance as at 1st April 2020	-	145,228	4,084,260	575,483	17,042	492,488	193,023	2,405,866	150,806	4,153,960	12,218,155
Depreciation/Amortisation during the year	-	-	175,694	-	-	19,610	7,055	174,101	5,620	382,740	764,820
Deductions during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2021</b>	<b>-</b>	<b>145,228</b>	<b>4,259,954</b>	<b>575,483</b>	<b>17,042</b>	<b>512,098</b>	<b>200,078</b>	<b>2,579,967</b>	<b>156,426</b>	<b>4,536,700</b>	<b>12,982,975</b>
<b>Net Block</b>											
Balance as at 31st March 2019/1st April 2019	46,000,000	8,852	818,062	4,329	561	102,204	47,591	1,174,463	29,293	4,451,756	52,637,111
<b>Balance as at 31st March 2020</b>	<b>46,000,000</b>	<b>4,862</b>	<b>562,581</b>	<b>1,595</b>	<b>308</b>	<b>75,743</b>	<b>38,977</b>	<b>961,885</b>	<b>21,709</b>	<b>4,028,839</b>	<b>51,696,500</b>
<b>Balance as at 31st March 2021</b>	<b>46,000,000</b>	<b>4,862</b>	<b>386,887</b>	<b>1,595</b>	<b>308</b>	<b>56,133</b>	<b>31,922</b>	<b>787,784</b>	<b>16,089</b>	<b>3,646,099</b>	<b>50,931,680</b>

<b>3A. Capital Work In Progress</b>	7,504.50	232,342.05	28,853.90	867.50	28,411.55	11,600.00	168,387.55	8,625.75	409,139.95
	<b>-2,642.10</b>	154,545.07	<b>-27,259.10</b>	<b>-559.34</b>	27,721.87	20,322.19	619,396.43	7,462.82	3,236,959.51

	CWIP	Total
<b>Cost as at April 1, 2019</b>	<b>4,030,936</b>	<b>4,030,936</b>
Additions	-	-
Capitalised during the year	-	-
<b>Cost as at March 31, 2020</b>	<b>4,030,936</b>	<b>4,030,936</b>
Additions	-	-
Capitalised during the year	-	-
<b>Cost as at March 31, 2021</b>	<b>4,030,936</b>	<b>4,030,936</b>

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

**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

**(CA Shashank Doshi )**

Partner  
Membership No. 108456  
Mumbai  
29th June 2021

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

# VAKSONS AUTOMOBILES LIMITED

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

4	Investments (non-current)	As at 31st March, 2021	As at 31st March, 2020
	Unquoted investments in equity instruments of Vaksons Metaplast Pvt Ltd. at Amortised Cost: (1836999 Equity Share face Value Rs 10/- each)	18,369,990	18,369,990
	<b>Total</b>	<b>18,369,990</b>	<b>18,369,990</b>

5	Other non-current asset	As at 31st March, 2021	As at 31st March, 2020
	Unsecured- considered good unless otherwise Security deposit	25,000	41,372
	<b>Total</b>	<b>25,000</b>	<b>41,372</b>

6	Inventories	As at 31st March, 2021	As at 31st March, 2020
	Finished goods	-	-
	<b>Total</b>		-

7	Trade receivables	As at 31st March, 2021	As at 31st March, 2020
	Unsecured, Considered Good	1,479,961	5,197,556
	<b>Total</b>	<b>1,479,961</b>	<b>5,197,556</b>

8	Cash and cash equivalents	As at 31st March, 2021	As at 31st March, 2020
	Bank Balances		
	-on current accounts	153,956.00	270,481
	Cash/ cheques in hand	1,243,122	818,113
	<b>Total</b>	<b>1,397,078</b>	<b>1,088,593</b>

9	Other financial asset (current)	As at 31st March, 2021	As at 31st March, 2020
	Other Receivable	-	499,340
	-Others	-	6,083
	<b>Total</b>	-	<b>505,423</b>

10	Other current assets	As at 31st March, 2021	As at 31st March, 2020
	<b>Considered good</b>		
	Advances to suppliers		13,259,000
	Prepaid expenses		1,060,361
	Balance with statutory / government authorities	7,583,396	7,868,090
	Other advance	24,390,501	9,443,295
	<b>Total</b>	<b>31,973,896</b>	<b>31,630,746</b>

12	Other Equity	As at 31st March, 2021	As at 31st March, 2020
	Securities Premium	59,440,960	59,440,960
	Surplus in Statement of Profit and Loss		
	Balance as at the beginning of the year	(62,770,349)	1,154,708
	Profit for the year	(3,374,372)	(63,925,057)
	Last year excess provision reversed		-
	<b>Total comprehensive income</b>	<b>(6,703,761)</b>	<b>(3,329,389)</b>
	<b>Total</b>	<b>(6,703,761)</b>	<b>(3,329,389)</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

13	Long Term Borrowings	As at 31st March, 2021	As at 31st March, 2020
	<b>Secured Loan</b>		
	Term Loan from bank	421,292	815,832
	<b>Total</b>	<b>421,292</b>	<b>815,832</b>

15	Borrowings (current)	As at 31st March, 2021	As at 31st March, 2020
	<b>Loans repayable on demand (unsecured):</b>		
	Loans from related parties	7,495,950	7,290,950
	<b>Total</b>	<b>7,495,950</b>	<b>7,290,950</b>

<b>16</b>	<b>Trade payables</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
	Dues of Micro enterprises and Small enterprises*		-
	Dues of creditors other than Micro enterprises and	40,281,981	39,508,848
	<b>Total</b>	<b>40,281,981</b>	<b>39,508,848</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.

<b>17</b>	<b>Other current financial liabilities</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
	Book Overdrafts	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

<b>18</b>	<b>Other current liabilities</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
	Advance from customer		<b>576,427</b>
	Statutory dues payable		119,255
	<b>Other Payables:</b>		-
	Statutory audit fee		385,999
	Employees Benefits payable		-
	Other		500,000
	<b>Total</b>	<b>-</b>	<b>1,581,681</b>

## VAKSONS AUTOMOBILES LIMITED

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

11	Share capital	As at 31st March, 2021		As at 31st March, 2020	
		No. of Shares	Amount	No. of Shares	Amount
	<b>Authorised share capital</b>				
	Equity shares of Rs.10 each	7,500,000	75,000,000	7,500,000	75,000,000
	<b>Total</b>	<b>7,500,000</b>	<b>75,000,000</b>	<b>7,500,000</b>	<b>75,000,000</b>
	<b>Issued, subscribed and fully paid-up</b>				
	Equity shares of Rs.10 each fully paid	6,575,300	65,753,000	6,575,300	65,753,000
	<b>Total</b>	<b>6,575,300</b>	<b>65,753,000</b>	<b>6,575,300</b>	<b>65,753,000</b>

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

	Particulars	As at 31st March, 2021		As at 31st March, 2020	
	<b>Equity Shares</b>				
	Shares at the beginning of the year	6,575,300	65,753,000	6,575,300	65,753,000
	Add: further issued during the year	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>6,575,300</b>	<b>65,753,000</b>	<b>6,575,300</b>	<b>65,753,000</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

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

Equity shares of Rs.10 each, fully paid up held by	No. of Shares	% of shares held	No. of Shares	% of shares held
Atul Jain	1,705,000	25.93%	1,705,000	25.93%
Vandana Jain	952,500	14.49%	952,500	14.49%
Shanta Jain	922,000	14.02%	922,000	14.02%

(Amount in Rupees)					
14	Deferred Tax Liabilities (Net)	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019	
	The movment on the deferred tax account is as				
	At the beginning of the year	940,194	933,815	884,287	
	Charge/(credit) to statement of Profit and Loss	19,884	6,379	49,528	
	At the end of the year	960,078	940,194	933,815	
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><u>Deferred tax liability (Net)</u></b>					
<b>Deferred tax liability:</b>					
Impact of difference between tax depreciation and depreciation charged for the financial reporting	933,815	6,379	940,194	19,884	960,078
<b>Total deferred tax liability (A)</b>	<b>933,815</b>	<b>6,379</b>	<b>940,194</b>	<b>19,884</b>	<b>960,078</b>
<b>Total deferred tax assets (B)</b>	-	-	-	-	-
<b>Deferred Tax Liability (Net) (A - B)</b>	<b>933,815</b>	<b>6,379</b>	<b>940,194</b>	<b>19,884</b>	<b>960,078</b>

# VAKSONS AUTOMOBILES LIMITED

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

19	Revenue from operations	Year ended 31st March, 2021	Year ended 31st March, 2020
	Income from agency business	5,491,299	27,687,477
	Income from service center	-	826,000
	<b>Total</b>	<b>5,491,299</b>	<b>28,513,477</b>

20	Other income	Year ended 31st March, 2021	Year ended 31st March, 2020
	Interest income	-	-
	Other Income	42,000	25,180
	<b>Total</b>	<b>42,000</b>	<b>25,180</b>

21	Purchase of Stock in Trade	Year ended 31st March, 2021	Year ended 31st March, 2020
	Purchases	5,436,875	17,572,255
	<b>Total</b>	<b>5,436,875</b>	<b>17,572,255</b>

22	Changes in inventory of finished goods	Year ended 31st March, 2021	Year ended 31st March, 2020
	<b>Closing stock</b>		
	-vehicle	-	-
	-spare parts	-	-
	<b>Opening stock</b>		
	-vehicle	-	5,102,140
	-spare parts	-	66,264,200
	<b>(Increase) / Decrease in stocks</b>	<b>-</b>	<b>(71,366,340)</b>

23	Employee benefit expenses	Year ended 31st March, 2021	Year ended 31st March, 2020
	Salaries, wages and bonus	187,000	259,321
	Contribution to provident and other funds	-	20,705
	<b>Total</b>	<b>187,000</b>	<b>280,026</b>

24	Finance costs	Year ended 31st March, 2021	Year ended 31st March, 2020
	Interest On		
	term loan	54,390	105,154
	working capital limits		-
	other loans		-
	Others	18,057	33,109
	Other borrowing cost	9,129	8,616
	<b>Total</b>	<b>81,576</b>	<b>146,879</b>

25	Depreciation and amortisation	Year ended 31st March, 2021	Year ended 31st March, 2020
	Depreciation on Property, plant and equipment	764,820	940,611
	<b>Total</b>	<b>764,820</b>	<b>940,611</b>

26	Other expenses	Year ended 31st March, 2021	Year ended 31st March, 2020
	Advertisement Expenses	27,104	29,994
	Audit Fees	80,000	70,000
	Business Promotion		43,011
	Bad Debt & Balance Written Off	477,076	
	Conveyance Expense		6,142
	Festival expense		6,990
	Donation		-
	Electricity & Water Expenses		59,451
	Fees & Taxes		189,380
	GST Late Fees	1,989	
	GST Expenses	120,906	
	General Expenses	903,507	
	Insurance	28,976	81,765
	Misc. Expenses		278,795
	Office Expense		81,534
	Postage & Couriers Expenses		-
	Printing & Stationery		2,470
	Professional Expenses	434,952	278,090
	Rent		135,000
	Repair & Maint.	5,000	5,000
	Telephone Expenses		10,664
	Vehicle Running & Maintenance Expenses		140,810
	ROC expenses	329,100	-
	Bulk Incentive	9,000	723,200
	Rebate and discount	(94)	8,929
	<b>Total</b>	<b>2,417,516</b>	<b>2,151,225</b>

**Payment to auditor**

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>As auditor:</b>		
Audit Fee		50,000
Tax Audit Fee		20,000
Other matters (Certificates, Tax etc.)		-
<b>Total</b>	<b>-</b>	<b>70,000</b>

27	Earnings per share	Year ended 31st March, 2021	Year ended 31st March, 2020
	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	(3,374,372)	(63,925,057)
(ii)	Weighted average number of equity shares used as denominator for	65,753,000	6,575,300
(iii)	<b>Basic and diluted earnings per share (₹)</b>	<b>(0.05)</b>	<b>(9.72)</b>
(iv)	<b>Nominal value per share (₹)</b>	<b>10</b>	<b>10</b>

28	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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**29. Related Party Disclosures:**

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

<b>Subsidiary</b>	(i) Vaksons Metaplast Private Limited		
<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 2020 :

Nature of transaction	Subsidiary		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	Year ended 31.03.2021	Year ended 31.03.2020
<b>Sale of Finished Goods</b> M/s Vaksons Industries Pvt. Ltd.		-		3,945,832		-
<b>Purchase of Finished Goods</b> M/s Vaksons Industries Pvt. Ltd.		-		4,487,054		-
<b>Advances Given to :</b>						
<b>(i) Subsidiary</b>						
M/s Vaksons Metaplast Pvt. Ltd.						
-Amount received		9,865,000		-		-
-Amount paid		1,825,900		-		-
<b>(ii) Companies / Firms in which directors or their relatives are interested</b>						
M/s Keepwell Foods						
-Amount received		-		4,380,100		-
-Amount paid		-		500,000		-
M/s Keshav Health Foods						
-Amount paid		-		-		-
<b>Unsecured Loans from key management personnel or their relatives :-</b>						
Atul Kumar Jain						
-Amount received		-		-		-

<b>Rent paid to key management personnel or their relative</b>					
Shanta jain	-		-		135,000
Atul Jain	-		-		-
<b>Remuneration paid to KMP's or their relatives</b>					
Atul Kumar Jain(Director)	-		-		-
Satender Kumar Jain(Director)	-		-		50,000
<b>Balance Payable as at year end</b>					
Atul Kumar Jain (Loan)	-		-		7,290,950
Mr. Atul Jain(Director)	-		-		-
Mr. Satender Kumar Jain(director)	-		-		-
Smt. Shanta Jain	-		-		-
<b>Balance Receivable as at year end</b>					
M/s Vaksons Metaplast Pvt. Ltd.	6,031,100		-		-
M/s Keepwell Foods	-		500,000		-
M/s Keshav Health Foods	-		-		-
Mr. Satender Kumar Jain(director)	-		-		-
M/s Vaksons Industries Pvt. Ltd.	-		38,042,949		-

\* Remuneration paid to KMP's does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

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

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

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

For and on behalf of the board

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

Chartered Accountants  
Firm Registration No. 0112187W

**Satender kumar jain**  
Director  
DIN : 02734794

**Atul jain**  
Managing Director  
DIN : 00004330

**(CA Shashank Doshi )**

Partner  
Membership No. 108456  
Mumbai  
29th June 2021

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

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**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 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 Indian Accounting Standards (IND - AS) as per Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013. The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

**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.

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**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.

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**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**

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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**

**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

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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 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

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- 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**

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.

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**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.
- 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

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**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.

**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: -**

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**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.

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.

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

**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:

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**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 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

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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**

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

**Shashank Doshi**  
**Partner**  
**M. No. 108456**  
**FRN: 0112187W**  
Place: Mumbai  
Date: 29<sup>th</sup> June 2021  
UDIN:21108456AAAAEJ4706

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

**27. Earnings Per Share: -**

Particulars	Period Ended on 31 <sup>st</sup> March 2021 (Rs.)	Period Ended on 31 <sup>st</sup> March 2020 (Rs.)
Profit / (Loss) after tax attributable to Equity Shareholders (A)	(33,74,372)	(6,39,25,057)
Weighted Number of Equity Share outstanding During the year (B) (In Nos.)	65,75,300	65,75,300
Basic Earnings Per Share for each Share of Rs.10/- (A) / (B)	(0.51)	(9.72)

**28. Related Party Disclosure :-**

The Disclosures of Transaction with the related parties as defined in the in the Accounting Standard are as follows:

**Details of Related parties involved:**

Name of the person	Relation With Company
Mr. Atul Kumar Jain	Director
Mr. Satendra Kumar Jain	Director
Mr. Ankit Agarwal	Company Secretary (KMP)
Vaksons Metaplast Private Limited	Subsidiary Company

**Transactions with Related parties:**

Sr. No.	Name of the person	Nature of Transaction	Amount (Rs.)
1	Vaksons Metaplast Pvt Ltd	Amount Paid	3,35,000

**Loan Details from related parties**

Name of person	Balance as on 01-04-2020	Addition during the year	Repayment during the year	Balance as on 31-03-2021
Satender Kumar Jain	0.00	2,15,000	50,000	1,65,000
Atul jain	72,90,950	40,000	0	73,30,950

29. The previous year's figures have been reworked, regrouped, and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

**VAKSONS AUTOMOBILES LIMITED**  
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30. Credit and Debit balances of unsecured loans, sundry creditors, sundry Debtors, loans and Advances are subject to confirmation and therefore the effect of the same on profit could not be ascertained.

31. Notes forming part of accounts in relation to MSME

Based on information available with the company, on the status of the suppliers being Micro or small enterprises, on which the auditors have relied, the disclosure requirements with regard to the payments made/due to Micro and small Enterprises are given below :

Sr. No.	Particulars	Year Ended 31-03-2021		Year Ended 31-03-2020	
		Principal	Interest	Principal	Interest
I	Amount due as at the date of Balance sheet	Nil	Nil	Nil	Nil
II	Amount paid beyond the appointed date during the year	Nil	Nil	Nil	Nil
III	Amount of interest due and payable for the period of delay in making payments of principal during the year beyond the appointed date	Nil	Nil	Nil	Nil
IV	The amount of interest accrued and remaining unpaid as at the date of Balance sheet	Nil	Nil	Nil	Nil

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

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

**Shashank Doshi**  
**Partner**  
**M. No. 108456**  
**FRN: 0112187W**

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

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

Place: Mumbai  
Date: 29<sup>th</sup> June 2021  
UDIN: 21108456AAAAEJ4706

**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

## **Independent Auditors' Report**

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

### **Report on the financial statements and quarterly financial results**

We have audited the accompanying financial statements of Vaksons Automobiles Limited (the "Company"), which comprise the Balance sheet as at March 31, 2021, and the Statement of Profit and Loss for the period then ended, the Cash flow Statement for the year ended March 31, 2021 and a summary of significant accounting policies and other explanatory information.

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

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

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

That Board of Directors are responsible for overseeing the Company's financial reporting process.

## **Auditors' responsibility**

Our objectives are to obtain reasonable assurance about whether the 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 based on 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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 Company 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 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 aforesaid financial statements give a true and fair view of in conformity with the:

- (a) In the case of Balance sheet, of the State of Affairs of the Company as at March 31, 2021; and
- (b) In the case of Statement of profit and loss, of the Profit for the Year ended on March 31, 2021; and
- (c) Its cash flow statement for the year ended March 31, 2021.
- (d) Statement of changes in the equity for the year ended March 31, 2021.

## **Basis for Opinion**

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

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## **Emphasis of Matters**

NIL

## **Information Other than the Financials Statements and Auditor's Report thereon (Other Information)**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report and Report on Corporate Governance in the Annual Report of the Company for the financial year 2020-21, but does not include the financial statements and our auditor's

report thereon. The reports containing the other information as above are expected to be made available to us after the date of this auditor's report.

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

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

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

### **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 Balance Sheet and Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the balance sheet and statement of profit and loss and Cash Flow Statement dealt with by this report comply with the Indian Accounting Standards referred to in section 133 of the Act read with rules issued thereunder;
- e) On the basis of written representations received from the directors as at 31<sup>st</sup> March 2021, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31<sup>st</sup> March 2021, from being appointed as a director in terms of subsection (2) of section 164 of the Companies Act, 2013.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**" to this report.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best

of our information and according to the explanations given to us: the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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 Company has disclosed impact of pending litigations on its financial position in its financial statements -.
  - ii. The Company 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 are no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

**CA Shashank Doshi**  
**Partner**  
**M. No. : 108456**  
**UDIN: 21108456AAAAEJ4706**

## **Annexure 1 to the Independent Auditor's Report of even date on 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.  
  
(c) The title deed of immovable property is held in the name of the company.
- ii. The Company has no inventory as on 31<sup>st</sup> March 2021.
- 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. To the best of our knowledge and according to the information and explanations given to us, 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.
- viii. The Company has not defaulted in repayment of loans or borrowing to a financial institutions or banks.

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

- 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. According to the information and explanations given to us and the records of the Company examined by us, 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**

**CA Shashank Doshi**  
**Partner**  
**M. No. : 108456**  
**UDIN: 21108456AAAAEJ4706**

## **Annexure 2 to The Independent Auditor's Report Of Even Date On The Financial Statements Of Vaksons Automobiles 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 company") as of 31<sup>st</sup> March 2021 in conjunction with our Audit of the standalone financial statements of the company for the period 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 company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external Purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company,(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with 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 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 : 29<sup>th</sup> June 2021  
Place : Mumbai

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

**CA Shashank Doshi**  
**Partner**  
**M. No. : 108456**  
**UDIN: 21108456AAAAEJ4706**

**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	52,346,942	53,744,230
(b) Capital work-in-progress	3A	4,030,936	4,030,936
(c) Other non-current asset	4	25,000	41,372
(d) Deferred Tax Assets	13	310,999	268,184
<b>Total non-current assets</b>		<b>56,713,877</b>	<b>58,084,721</b>
<b>Current assets</b>			
(a) Inventories	5	-	8,963,030
(b) Financial assets			
(i) Trade receivables	6	36,071,981	47,680,900
(ii) Cash and cash equivalents	7	2,526,331	1,696,763
(iii) Other financial asset	8	-	505,423
(c) Other current assets	9	41,544,318	54,237,682
<b>Total current assets</b>		<b>80,142,630</b>	<b>113,083,798</b>
<b>TOTAL ASSETS</b>		<b>136,856,507</b>	<b>171,168,519</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	10	65,753,010	65,753,010
(b) Other equity	11	(14,963,483)	(9,020,024)
<b>Total equity</b>		<b>50,789,527</b>	<b>56,732,986</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12	2,342,407	3,463,746
(b) Deferred tax liability	13	960,078	940,194
<b>Total non current liabilities</b>		<b>3,302,485</b>	<b>4,403,940</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	22,205,950	44,349,582
(ii) Trade payable	15		
1. Dues of micro enterprises and small enterprises		-	-
2. Dues of creditor other than micro enterprises and small enterprises		57,389,105	60,055,632
(iii) Other financial liabilities	16	-	-
(b) Other current liabilities	17	3,169,440	5,626,378
<b>Total current liabilities</b>		<b>82,764,495</b>	<b>110,031,592</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>136,856,507</b>	<b>171,168,519</b>

**Statement of significant accounting policies**

2

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(0)

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 and on behalf of the board

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

Chartered Accountants

Firm Registration No. 0112187W

**Satender Kumar Jain**

Director

DIN : 02734794

**Atul Jain**

Managing Director

DIN : 00004339

**(CA Shashank Doshi )**

Partner

Membership No. 108456

Mumbai

29th June 2021

UDIN: 21108456AAAAEI6918

**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	57,811,068	138,158,163
Other income	19	3,426,857	7,302,564
<b>TOTAL INCOME</b>		<b>61,237,925</b>	<b>145,460,728</b>
<b>Expenses</b>			
Purchase of Stock in Trade	20	49,618,219	100,383,719
Changes in inventories of finished goods	21	8,963,030	103,859,807
Employee benefit expenses	22	187,000	1,071,991
Finance costs	23	4,423,975	5,436,154
Depreciation and amortisation expense	24	1,397,287	1,859,628
Other expenses	25	2,614,542	3,114,911
<b>TOTAL EXPENSES</b>		<b>67,204,053</b>	<b>215,726,209</b>
<b>PROFIT BEFORE TAX</b>		<b>(5,966,128)</b>	<b>(70,265,481)</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>(5,943,161)</b>	<b>(70,175,449)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(5,943,161)</b>	<b>(70,175,449)</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

2

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 and on behalf of the board

### For D G M S & CO.

Chartered Accountants

Firm Registration No. 0112187W

**Satender Kumar Jain**

Director

DIN : 02734794

**Atul Jain**

Managing Director

DIN : 00004339

### (CA Shashank Doshi )

Partner

Membership No. 108456

Mumbai

29th June 2021

UDIN: 21108456AAAAEI6918

**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
<b>A)</b>	<b>Cash flow from operating activities</b>		
	<b>Profit before taxation</b>	<b>(5,966,128)</b>	<b>(70,265,481)</b>
	<b>Adjustment for :</b>		
	Depreciation and amortisation	1,397,287	1,859,628
	Finance cost	4,423,975	5,436,154
	Interest income	-	-
	<b>Operating profit/(loss) before working capital changes</b>	<b>(144,867)</b>	<b>(62,969,699)</b>
	<b>Adjustment for :</b>		
	Increase/ (Decrease) in trade payables and other liabilities	(5,123,466)	(94,465,024)
	Decrease/ (Increase) in inventories	8,963,030	103,859,807
	Decrease/ (Increase) in trade receivables and other assets	24,807,706	64,530,462
	<b>Cash Generated from operations</b>	<b>28,502,404</b>	<b>10,955,547</b>
	Taxes paid (net)	16,110	-
	<b>Net cash flow from/(used in) operating activities (A)</b>	<b>28,518,514</b>	<b>10,955,547</b>
<b>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>
<b>C)</b>	<b>Cash flow from financing activities</b>		
	Proceeds from long-term borrowings	(1,121,339)	(841,778)
	Proceeds from short-term borrowings	(22,143,632)	(4,405,589)
	Finance cost paid	(4,423,975)	(5,436,154)
	<b>Net cash flow from financing activities (C )</b>	<b>(27,688,946)</b>	<b>(10,683,521)</b>
<b>D)</b>	<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>829,568</b>	<b>272,026</b>
<b>E)</b>	<b>Cash and cash equivalents as at the beginning of the year</b>	<b>1,696,763</b>	<b>1,424,737</b>
<b>F)</b>	<b>Cash and cash equivalents as at the end of the year</b>	<b>2,526,331</b>	<b>1,696,763</b>
	<b>Component of cash and cash equivalents</b>		
	Balance with banks	433,617	311,669
	Cash in hand	2,092,714	1,385,094
	<b>Total</b>	<b>2,526,331</b>	<b>1,696,763</b>

The cash flow statement has been prepared in accordance with 'Indirect method' as set out in the Ind AS 7 on 'Cash Flow' 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

**(CA Shashank Doshi )**

Partner

Membership No. 108456

Mumbai

29th June 2021

UDIN: 21108456AAAAEI6918

(0)

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

# 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	65,753,010
Changes in equity share captal during the year 2019-20	NIL
Balance at the end of the reporting period 31st March, 2020	65,753,010
Changes in equity share captal during the year 2020-21	NIL
Balance at the end of the reporting period 31st March, 2021	65,753,010

### b) Other equity

Particulars	Other equity		Total
	Securities premium account	Surplus in statement of Profit & loss	
Balance as at the 1st April, 2019	59,440,960	1,714,465	61,155,425
Profit for the year	Nil	(70,175,449)	(70,175,449)
Total	59,440,960	(68,460,984)	(9,020,024)
Add: Last year excess provision reversed		-	-
Balance as at 31st March, 2020	59,440,960	(68,460,984)	(9,020,024)
Balance as at 1st April, 2020	59,440,960	(68,460,984)	(9,020,024)
Profit for the year	Nil	(5,943,161)	(5,943,161)
Total	59,440,960	(74,404,145)	(14,963,185)
Balance as at 31st March, 2021	59,440,960	(74,404,145)	(14,963,185)

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

For and on behalf of the board

### For D G M S & CO.

Chartered Accountants  
Firm Registration No. 0112187W

**Satender Kumar Jain**

Director  
DIN : 02734794

**Atul Jain**

Managing Directr  
DIN : 00004339

### (CA Shashank Doshi )

Partner  
Membership No. 108456  
Mumbai  
29th June 2021

**Ankit Agarwal**

Company Secret  
M.No. A49373

# 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	46,000,000	150,090	4,646,841	577,078	17,350	1,068,231	232,000	3,367,751	4,496,190	8,182,799	68,738,331
Additions	-	-	-	-	15,170	-	-	-	-	-	15,170
Disposals	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2019</b>	<b>46,000,000</b>	<b>150,090</b>	<b>4,646,841</b>	<b>577,078</b>	<b>32,520</b>	<b>1,068,231</b>	<b>232,000</b>	<b>3,367,751</b>	<b>4,496,190</b>	<b>8,182,799</b>	<b>68,753,501</b>
Balance as at 1 April 2019	46,000,000	150,090	4,646,841	577,078	32,520	1,068,231	232,000	3,367,751	4,496,190	8,182,799	68,753,501
Additions during the year*	-	-	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2020</b>	<b>46,000,000</b>	<b>150,090</b>	<b>4,646,841</b>	<b>577,078</b>	<b>32,520</b>	<b>1,068,231</b>	<b>232,000</b>	<b>3,367,751</b>	<b>4,496,190</b>	<b>8,182,799</b>	<b>68,753,501</b>
Balance as at 1 April 2020	46,000,000	150,090	4,646,841	577,078	32,520	1,068,231	232,000	3,367,751	4,496,190	8,182,799	68,753,501
Additions during the year*	-	-	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2021</b>	<b>46,000,000</b>	<b>150,090</b>	<b>4,646,841</b>	<b>577,078</b>	<b>32,520</b>	<b>1,068,231</b>	<b>232,000</b>	<b>3,367,751</b>	<b>4,496,190</b>	<b>8,182,799</b>	<b>68,753,501</b>
<b>Accumulated depreciation</b>											
Balance as at 1st April 2018	-	133,974	3,457,278	565,327	16,329	640,288	173,891	1,927,943	473,333	3,263,732	10,652,095
Depreciation/Amortisation during the year	-	7,264	371,501	7,422	3,164	110,794	10,518	265,345	1,254,228	467,311	2,497,547
Deductions during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2019</b>	<b>-</b>	<b>141,238</b>	<b>3,828,779</b>	<b>572,749</b>	<b>19,493</b>	<b>751,082</b>	<b>184,409</b>	<b>2,193,288</b>	<b>1,727,561</b>	<b>3,731,043</b>	<b>13,149,642</b>
Balance as at 1st April 2019	-	141,238	3,828,779	572,749	19,493	751,082	184,409	2,193,288	1,727,561	3,731,043	13,149,642
Depreciation/Amortisation during the year	-	3,990	255,481	2,734	8,126	82,110	8,614	212,578	863,079	422,917	1,859,628
Deductions during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2020</b>	<b>-</b>	<b>145,228</b>	<b>4,084,260</b>	<b>575,483</b>	<b>27,619</b>	<b>833,192</b>	<b>193,023</b>	<b>2,405,866</b>	<b>2,590,640</b>	<b>4,153,960</b>	<b>15,009,270</b>
Balance as at 1st April 2020	-	145,228	4,084,260	575,483	27,619	833,192	193,023	2,405,866	2,590,640	4,153,960	15,009,270
Depreciation/Amortisation during the year	-	-	175,694	-	2,901	60,852	7,055	174,101	593,944	382,740	1,397,287
Deductions during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2021</b>	<b>-</b>	<b>145,228</b>	<b>4,259,954</b>	<b>575,483</b>	<b>30,520</b>	<b>894,044</b>	<b>200,078</b>	<b>2,579,967</b>	<b>3,184,584</b>	<b>4,536,700</b>	<b>16,406,557</b>
<b>Net Block</b>											
Balance as at 31st March 2019/1st April 2019	46,000,000	8,852	818,062	4,329	13,027	317,149	47,591	1,174,463	2,768,629	4,451,756	55,603,858
<b>Balance as at 31st March 2020</b>	<b>46,000,000</b>	<b>4,862</b>	<b>562,581</b>	<b>1,595</b>	<b>4,901</b>	<b>235,039</b>	<b>38,977</b>	<b>961,886</b>	<b>1,905,551</b>	<b>4,028,839</b>	<b>53,744,230</b>
<b>Balance as at 31st March 2021</b>	<b>46,000,000</b>	<b>4,862</b>	<b>386,887</b>	<b>1,595</b>	<b>2,000</b>	<b>174,187</b>	<b>31,922</b>	<b>787,784</b>	<b>1,311,606</b>	<b>3,646,099</b>	<b>52,346,942</b>

## 3A. Capital Work In Progress

	CWIP	Total
<b>Cost as at April 1, 2019</b>	<b>4,030,936</b>	<b>4,030,936</b>
Additions	-	-
Capitalised during the year	-	-
<b>Cost as at March 31, 2020</b>	<b>4,030,936</b>	<b>4,030,936</b>
Additions	-	-
Capitalised during the year	-	-
<b>Cost as at March 31, 2021</b>	<b>4,030,936</b>	<b>4,030,936</b>

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

For and on behalf of the board

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

Chartered Accountants

Firm Registration No. 0112187W

**Satender Kumar Jain**

Director

DIN : 02734794

**Atul Jain**

Managing Director

DIN : 00004339

**(CA Shashank Doshi )**

Partner

Membership No. 108456

Mumbai

29th June 2021

**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	-	8,963,030
	<b>Total</b>	<b>-</b>	<b>8,963,030.00</b>

6	Trade receivables*	As at 31st March, 2021	As at 31st March, 2020
	Unsecured, Considered Good	36,071,981	47,680,900
	<b>Total</b>	<b>36,071,981</b>	<b>47,680,900</b>

7	Cash and cash equivalents	As at 31st March, 2021	As at 31st March, 2020
	Bank Balances		
	-on current accounts	433,617	311,669
	Cash/ cheques in hand	2,092,714	1,385,094
	<b>Total</b>	<b>2,526,331</b>	<b>1,696,763</b>

8	Other financial asset (current)	As at 31st March, 2021	As at 31st March, 2020
	Other Receivable		499,340
	-Others		6,083
	<b>Total</b>	<b>-</b>	<b>505,423</b>

9	Other current assets	As at 31st March, 2021	As at 31st March, 2020
	<b>Considered good</b>		
	Advances to suppliers	6,018,830	24,368,714
	Prepaid expenses	-	1,060,361
	Balance with statutory / government authorities	7,730,880	8,116,412
	Other advance	27,794,608	20,692,195
	<b>Total</b>	<b>41,544,318</b>	<b>54,237,682</b>

11	Other Equity	As at 31st March, 2021	As at 31st March, 2020
	Securities Premium	59,440,960	59,440,960
	Surplus in Statement of Profit and Loss		
	Balance as at the beginning of the year	(68,460,984)	1,714,465
	Profit for the year	(5,943,459)	(70,175,449)
	Last year excess provision reversed		-
	<b>Total comprehensive income</b>	<b>(14,963,483)</b>	<b>(9,020,024)</b>
	<b>Total</b>	<b>(14,963,483)</b>	<b>(9,020,024)</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*	2,342,407	3,463,746
	<b>Total</b>	<b>2,342,407</b>	<b>3,463,746</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		37,058,632
	<b>Loans repayable on demand (unsecured):</b>		
	Loans from related parties^	22,205,950	7,290,950
	<b>Total</b>	<b>22,205,950</b>	<b>44,349,582</b>

^Refer note 31 for related parties details.

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	57,389,105	60,055,632
	<b>Total</b>	<b>57,389,105</b>	<b>60,055,632</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	2,648,186	4,002,339
	Statutory dues payable	-	362,255
	<b>Other Payables:</b>		
	Statutory audit fee	296,100	385,999
	Employees Benefits payable	-	-
	Other	225,154	875,785
	<b>Total</b>	<b>3,169,440</b>	<b>5,626,378</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
	<b>Authorised share capital</b>						
	Equity shares of Rs.10 each	7,500,000	75,000,000	7,500,000	75,000,000	7,500,000	75,000,000
	<b>Total</b>	<b>7,500,000</b>	<b>75,000,000</b>	<b>7,500,000</b>	<b>75,000,000</b>	<b>7,500,000</b>	<b>75,000,000</b>
	<b>Issued, subscribed and fully paid-up</b>						
	Equity shares of Rs.10 each fully paid	6,575,301	65,753,010	6,575,301	65,753,010	6,575,301	65,753,010
	<b>Total</b>	<b>6,575,301</b>	<b>65,753,010</b>	<b>6,575,301</b>	<b>65,753,010</b>	<b>6,575,301</b>	<b>65,753,010</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	
	<b>Equity Shares</b>						
	Shares at the beginning of the year	6,575,301	65,753,010	6,575,301	65,753,010	6,575,301	65,753,010
	Add: further issued during the year	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>6,575,301</b>	<b>65,753,010</b>	<b>6,575,301</b>	<b>65,753,010</b>	<b>6,575,301</b>	<b>65,753,010</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	
	Equity shares of Rs.10 each, fully paid up held by	No. of Shares	% of shares held	No. of Shares	% of shares held	No. of Shares	% of shares held
	Atul Jain	1,705,000	25.93%	1,705,000	25.93%	1,705,000	25.93%
	Vandana Jain	952,500	14.49%	952,500	14.49%	952,500	14.49%
	Shanta Jain	922,000	14.02%	922,000	14.02%	922,000	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
	<b>The movment on the deferred tax account is as</b>			
	At the beginning of the year	672,010	762,042	924,429
	Charge/(credit) to statement of Profit and Loss	(22,967)	(90,032)	(162,387)
	<b>At the end of the year</b>	<b>649,043</b>	<b>672,010</b>	<b>762,042</b>

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><u>Deferred tax liability (Net)</u></b>					
<b>Deferred tax liability:</b>					
Impact of difference between tax depreciation and depreciation charged for the financial reporting	762,042	(90,032)	672,010	(22,967)	649,043
<b>Total deferred tax liability (A)</b>	<b>762,042</b>	<b>(90,032)</b>	<b>672,010</b>	<b>(22,967)</b>	<b>649,043</b>
<b>Total deferred tax assets (B)</b>	-	-	-	-	-
<b>Deferred Tax Liability (Net) (A - B)</b>	<b>762,042</b>	<b>(90,032)</b>	<b>672,010</b>	<b>(22,967)</b>	<b>649,043</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	5,491,299	27,687,477
	Income from service center	-	826,000
	Sale of goods	52,319,769	109,644,686
	<b>Total</b>	<b>57,811,068</b>	<b>138,158,163</b>

19	Other income	Year ended 31st March, 2021	Year ended 31st March, 2020
	Interest income	-	-
	Exchange difference	3,379,395	377,433
	SAD Refund	-	-
	Other Income	47,462	6,925,132
	<b>Total</b>	<b>3,426,857</b>	<b>7,302,564</b>

20	Puurchase of Stock in Trade	Year ended 31st March, 2021	Year ended 31st March, 2020
	Purchases	49,618,219	100,383,719
	<b>Total</b>	<b>49,618,219</b>	<b>100,383,719</b>

21	Changes in inventory of finished goods & Traded Goods	Year ended 31st March, 2021	Year ended 31st March, 2020
	<b>Closing stock</b>		
	-vehicle	-	-
	-spare parts	-	-
	-Others	-	8,963,030
	<b>Opening stock</b>		
	-vehicle	-	5,102,140
	-spare parts	-	66,264,200
	-Others	8,963,030	41,456,497
	<b>(Increase) / Decrease in stocks</b>	<b>8,963,030</b>	<b>103,859,807</b>

22	Employee benefit expenses	Year ended 31st March, 2021	Year ended 31st March, 2020
	Salaries, wages and bonus	187,000	1,029,321
	Contribution to provident and other funds	-	42,670
	<b>Total</b>	<b>187,000</b>	<b>1,071,991</b>

23	Finance costs	Year ended 31st March, 2021	Year ended 31st March, 2020
	Interest On		
	term loan	209,811	361,441
	working capital limits	4,125,874	4,933,705
	other loans	-	-
	Others	79,161	33,109
	Other borrowing cost	9,129	107,899
	<b>Total</b>	<b>4,423,975</b>	<b>5,436,154</b>

24	Depreciation and amortisation	Year ended 31st March, 2021	Year ended 31st March, 2020
	Depreciation on Property, plant and equipment	1,397,287	1,859,628
	<b>Total</b>	<b>1,397,287</b>	<b>1,859,628</b>

25	Other expenses	Year ended 31st March, 2021	Year ended 31st March, 2020
	Advertisement Expenses	27,104	29,994
	Audit Fees	125,000	130,000
	Accounting Charges	-	6,000
	Bank Charges	3,351	
	Bad Debt & Balance Writeen Off	477,076	
	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	233,558	
	GST Late Fees	1,989	
	Donation	-	-
	Electricity & Water Expenses	-	75,251
	Fees & Taxes	620	762,758
	Generator Expense	-	-
	General Expenses	903,507	
	Insurance	28,976	92,834
	IPO Expense	-	-
	Legal Fee	7,512	
	Misc. Expenses	-	278,795
	Office Expense	-	124,243
	Postage & Couriers Expenses	-	-
	Printing & Stationery	-	10,930
	Professional Expenses	441,952	278,090
	Rent	-	215,000
	Repair & Maint.	5,000	51,000
	Telephone Expenses	-	14,274
	Tour & Travelling	-	35,000
	Vehicle Running & Maintanance Expenses	12,700	140,810
	ROC expenses	329,100	-
	Bulk Incentive	9,000	
	Rebate and discount	(94)	730,828
	<b>Total</b>	<b>2,614,542</b>	<b>3,114,911</b>

#### Payment to auditor

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>As auditor:</b>		
Audit Fee		100,000
Tax Audit Fee		30,000
Other matters (Certificates, Tax etc.)		-
<b>Total</b>	<b>-</b>	<b>130,000</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 (₹)		(70,175,449)
(ii)	Weighted average number of equity shares used as denominator for calulationg EPS (₹)		6,575,301
(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
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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.		3,945,832		-
M/s Aditya Overseas		3,778,325		
M/s Keepwell Foods				
<b>Purchase of Finished Goods</b>				
M/s Vaksons Industries Pvt. Ltd.		4,487,054		-
M/s Aditya Overseas		29,253,982		-
M/s Keepwell Foods		11,589,812		-
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		4,380,100		-
-Amount paid		500,000		-
M/s Keshav Health Foods				
-Amount received		900,000		
-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)	-		7,290,950
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)	500,000		-
M/s Keshav Health Foods	0		-
Mr. Satender Kumar Jain(director)	0		0
M/s Vaksons Industries Pvt. Ltd.	38,042,949		-

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 and on behalf of the board

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

Chartered Accountants  
Firm Registration No. 0112187W

**Satender kumar jain**

Director  
DIN : 02734794

**Atul jain**

Managing Director  
DIN : 00004339

**(CA Shashank Doshi )**

Partner  
Membership No. 108456  
Mumbai  
29th June 2021

**Ankit Agarwal**

Company Secretary  
M.No. A49373

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**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

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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.

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**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

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**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**

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**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.

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**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.

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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

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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

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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**

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

**Shashank Doshi**  
**Partner**  
**M. No. 108456**  
**FRN: 0112187W**

Place: Mumbai

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

UDIN: 21108456AAAAEI6918

**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**  
**CIN L51502DL2003PLC119052**  
**FOR THE YEAR ENDED ON 31ST MARCH 2021**  
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# **Independent Auditors' Report**

**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.

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

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

**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.

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

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

**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.

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

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

**HIREN JAYANTILAL MARU**  
**Partner**  
**M. No. : 115279**  
**UDIN: 21115279AAAADT5251**

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**ATTENDANCE SLIP**

**Vaksons Automobiles Limited**  
CIN: L51502DL2003PLC119052

**Registered Off:** 105, 01<sup>st</sup> Floor, Barodia Tower, Plot No.12, D Block, Central Market, Prashant Vihar, New Delhi-110085

<b>Registered Folio No./DP ID no./Client ID no.:</b>	
<b>DP ID - Client ID</b>	
<b>No. of Shares Held</b>	

I hereby record my presence at the 18<sup>th</sup> Annual General Meeting of the Company on Thursday, 30th September, 2021 at 3:30 p.m. at its registered office at 105, 01st Floor, Barodia Tower, Plot No.12, D Block, Central Market, Prashant Vihar, New Delhi-110085

.....	.....
Name of the member/proxy (in BLOCK Letters)	Signature of the member/proxy

*Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Notice for reference to the AGM.*

**Vaksons Automobiles Limited**  
CIN: L51502DL2003PLC119052

**Registered Off:** 105, 01<sup>st</sup> Floor, Barodia Tower, Plot No.12, D Block, Central Market, Prashant Vihar, New Delhi-110085

**MGT-11**  
**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s):  
Registered Address:  
E-mail Id:  
Folio No / Client Id: DP ID:

I / We, being the member(s) of shares of the above mentioned Company, hereby appoint

1. Name: Address:  
E-mail Id:  
Signature: , or failing him/her
2. Name: Address:  
E-mail Id:  
Signature: , or failing him/her
3. Name: Address:  
E-mail Id:  
Signature:

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **18<sup>th</sup> Annual General Meeting** of the Company to be held on the Thursday, 30<sup>th</sup> September, 2021 at 3:30 p.m. at its registered office at 105, 01<sup>st</sup> Floor, Barodia Tower, Plot No.12, D Block, Central Market, Prashant Vihar, New Delhi-110085 and at any adjournment thereof, in respect of such resolutions as are indicated below:

\*\*I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolution:	For	Against
1.	To consider and adopt the Standalone Financial Statements of the company for the year ending on 31 <sup>st</sup> March 2021 and Director's report and Auditor's report thereon.		
2.	To consider and adopt the Consolidated Financial Statements of the company for the year ending on 31 <sup>st</sup> March 2021.		
3.	To appoint a Director in place of Mr. Atul Jain (holding DIN 00004339), who retire by rotation and being eligible offers himself for re-appointment		
4.	To re-appoint M/s DGMS & co for further period of five years as Statutory Auditors of the Company		
5.	To Regularise Appointment of Ms Darshana Rajan Gotad from additional director to director		
6.	To Regularise Appointment of Ms Vandana Jain from additional director to director .		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2021 \_\_\_\_\_  
Signature of shareholder

Affix Revenue  
Stamp

Signature of first proxy holder Signature of Second proxy holder

Signature of Third proxy holder

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48hrs before the commencement of the meeting.
2. A proxy need not be a member of the Company
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholders.

4. \*\*This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appoint a proxy does not prevent member from attending the meeting in person if he so wishes.
6. In the case of join holders, the signature of any one holder will be sufficient, but name of all the joint holders should be stated.

Route Map

