DIRECTORS' REPORT

To,

The Members,
Popular Vehicles and Services Limited

Your Directors are pleased to present the Company's 38th Annual Report together with the report of the statutory auditors and the audited financial statements of the Company for the financial year ended on 31st March, 2022.

The volatile world we live in is slowly recouping from a devastating pandemic, but the offshoots of climate change and geopolitical tensions are still looming large at us. In this turbulent phase, businesses the world over, provide the ray of hope in building a sustainable, equitable and fair future.

Coming to the auto industry, apart from the aforesaid factors, supply chain disruptions, RBI counter inflationary measures, chip shortage, rising commodity and fuel prices - all have created upheavals, but your Company has shown remarkable resilience and adaptability amidst all these.

During the year, your Company has sold 26142 Maruti Vehicles as compared to 26123 during the previous year. The launch of new-Baleno and new-Celerio models in addition to product refreshers in Wagon-R etc., helped in maintaining our OEM, Maruti Suzuki India Ltd., as the best preferred car brand in the country. Amidst the tight competition, 8 out of the top 10 bestselling passenger vehicles are from the Maruti Suzuki stable.

In Service, your Company was ranked last year as the pan India Highest in Periodic Maintenance Service Load, Bodyshop Load, Service Load, Total Load and Spare Sales amongst all the Maruti Dealers. In the All India Maruti Suzuki Dealer Conference for FY 2021-22, PVSL Service Division won awards for the Highest 1st Periodic Maintenance Service Retention in both Arena and NEXA channels. Your Company also had the maximum new Service Outlet activations last year among Dealers, opening 15 new outlets. With regard to the retention of Maruti Insurance customers from the first year and MI to MI categories, PVSL came right on top in Kerala. As an equal opportunity employer, Smt. Nisha A. S. became the first Lady General Manager in Service in the history of your Company. Another lady who brought laurels for us was Ms. Sincy Varghese from Thodupuzha Service, who became the first Lady "Suzuki Service Qualification Standard Silver Master" in India.

In the Maruti True Value Pre-Owned car segment, your Company won the recognition of being the No.1 Maruti True Value Dealer in the Country for the second year in a row. Sales grew by 4% clocking 9736 cars in volume. In revenue, it translated into 10% growth at Rs.2,404 million. With a wide network of 29 retail outlets across Kerala and Chennai, PVSL successfully launched few low-cost pre-owned car selling outlets in rural markets last year. The newly introduced Vehicle Return Policy entitling a Customer to a full refund if vehicle is returned before 250 kms usage or 3 days, whichever is earlier, enhanced the credibility and transparency of our Used Car Business. The newly introduced warranty scheme for lower-end vehicles including non-MSIL cars, was another step we took in the same direction. Today our Direct Vehicle Procurement Business Channel procures 300 high quality vehicles on an average every month directly from the market to strengthen quality vehicle supply to customers.

In our future course, trends in consumer spending and the government spending on infrastructure, especially roads, would determine the extent of pick-up in demand, amidst the supply constraints owing to limited availability of semi-conductors.

We remain indebted to our large family of stakeholders for their unstinting support at all times. As always, their faith makes us stronger and ambitious to achieve more. We remain committed to make an even bigger difference by reimagining and improving our work, investing in our people and cementing a sustainable future.

Key highlights of financial performance of your Company on standalone and consolidated basis for the financial year 2021-22 are provided below:

1. **Standalone Performance**

On a standalone basis, our sales were at Rs.18,655.31 million for the current year as against Rs. 16,916.85 million in the previous year, with an increase of 10.28%. There is a profit before tax of Rs. 137.18 million in the current year as against a Profit before tax of Rs. 222.30 million in the previous year recording a dip of 38.29%.

(In INR millions, except earnings per share data)

Particulars	**For the financial year ended March 31, 2022**	**For the financial year ended March 31, 2021**
Revenue from Operations	18,655.31	16,916.85
Other Income	120.84	125.68
Total Revenue	**18,776.15**	**17,042.53**
Employee Benefits expense	1,584.75	1,373.44
Finance costs	374.61	336.59
Depreciation and amortization expense	416.42	392.20
All other expenses	16263.19	14718.00
Total Expenses	**18,638.97**	**16,820.23**
Profit / (Loss) Before Tax and exceptional item	137.18	222.30
Exceptional item	-	-
Profit / (Loss) Before Tax	**137.18**	**222.30**
TaxExpense CurrentTax DeferredTax charge / (credit)	60.93 6.50	45.92 17.87
Total Tax Expense/(income)	**67.43**	**63.79**
Profit for the year	**69.75**	**158.51**
Earnings per equity share(in Rs) Basic Diluted	5.56 5.56	12.64 12.64

2. **Consolidated Performance**

On a consolidated basis, our sales increased to Rs. 34,658.79 million for the current year as against Rs. 28,935.25 million in the previous year, recording an increase of around 19.78%. Our Profit Before Tax increased to Rs.485.46 million for the current year as against Rs 472.52 million in the previous year, recording a hike of around2.74%.

(In INR millions, except earnings per share data)

Particulars	For the financial year ended March 31, 2022	For the financial year ended March 31, 2021
Revenue from Operations	34,658.79	28,935.25
Other Income	183.11	257.27
Total Revenue	**34,841.90**	**29,192.52**
Employee Benefits expense	2,420.12	2,035.07
Finance costs	608.60	551.10
Depreciation and amortization expense	692.57	724.91
All other expenses	30635.15	25,408.92
Total Expenses	**34,356.44**	**28,720**
Profit / (Loss) Before Tax	**485.46**	**472.52**
Tax Expense: Current Tax Deferred Tax charge/(credit)	 129.42 19.35	 99.86 48.11
Total Tax Expense	**148.77**	**147.97**
Profit for the year	**336.69**	**324.55**
Earnings per equity share(in Rs) Basic Diluted	26.85 26.85	25.88 25.88

The standalone and consolidated financial statements for the financial year ended 31st March,2022, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards(Ind AS)as notified by the Ministry of Corporate Affairs.

3. Share Capital

During the year under report, there is nochange in the Authorized and Paid up Equity Share Capital of the Company.

As on 31st March, 2022, the Authorised Share Capital of your Company stood at Rs.15,00,00,000/- comprising of 1,50,00,000 Equity Shares of face value of Rs.10/- each and the paid-up equity share capital of your Company stood at Rs. 12,54,42,890/- consisting of 12,544,289 equity shares of Rs. 10/- each fully paid-up.

4. Dividend & Reserves

During the financial year ended 31st March, 2022, your Directors does not recommend any amount to be paid as dividend.

No amount is proposed to be transferred to general reserves for the financial year ended 31st March, 2022.

5. Material changes and commitments after the end of the financial year.

The COVID-19 pandemic, continued to be a global challenge, creating disruption across the world especially with the lockdowns being imposed again in China.

6. Change in the nature of business, if any.

There was no change in the nature of business of the Company during the financial year ending on 31st March 2022.

7. Significant and Material Orders

During the year under review, there were no significant or material Orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

8. Details of Subsidiary/Joint Ventures/Associate Companies

Your Company does not have any Joint Ventures or Associate Companies to be reported. The Subsidiaries of the Company as on 31st March, 2022 are listed below:

Sl. No.	Name of Subsidiary
1	Popular Mega Motors India Private Limited
2	Popular Autoworks Private Limited
3	Vision Motors Private Limited
4	Popular Auto Dealers Private limited
5	Kuttukaran Cars Private Limited (Erstwhile Prabal Motors Private Limited)
6.	Kuttukaran Green Private Limited (Erstwhile Kuttukaran Pre Owned Cars Private Limited)

There has been no material change in the nature of business of the subsidiaries during the financial year. Kuttukaran Cars Private Limited commenced the dealership business of electric two wheelers from Ather Energy. Kuttukuaran Green Private Limited entered into dealership business of electric three-wheelers of Piaggio Vehicles.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is appended as Annexure A to the report.

9. Board of Directors, Key Managerial Personnel, Board Committees and its Meetings

a) Composition of the Board

During the year, the Board of Directors of your Company comprised of seven Directors i.e. Mr. John K. Paul, Managing Director, Mr. Francis K Paul, Whole time Director, Mr.Naveen Philip, Director, Mr. Rahul G. Kurup, Nominee Director, Mr.Jacob Kurian, Independent Director, Ms. Preeti Reddy, Independent Director and Mr.George Joseph, Independent Director.
Appointment of Mr. George Joseph as Independent Director was approved by the members in the 37th Annual General Meeting of the Company.

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.
The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

In accordance with the Articles of Association Mr. Naveen Philip, - Director retires by rotation at the ensuing Annual General Meeting. Mr. Naveen Philip being eligible seek re-appointment at the Annual General Meeting.

b) Board Meetings

During the Financial Year 2021-22 the Company has held seven (7) meetings of the Board of Directors on 10th June, 2021, 01st July, 2021, 04th August, 2021, 31st August, 2021, 20th October, 2021, 16th February, 2022 and 30th March, 2022. The intervening gap between the Meetings is within the period as prescribed under Section 173 (1) of the Companies Act, 2013.

c) Board Committees

The Board of Directors have constituted Audit Committee, Nomination and Remuneration Committee and CSR committee as per the requirement of the Companies Act, 2013.

The Company has also constituted Finance and Authorisation Committee (sub-committee) with Mr. Naveen Philip (Chairman), Mr. Rahul Kurup, Mr. John K Paul and Mr. Francis K Paul as members.
During the Financial Year 2021-22 the Company has held twelve (12) meetings of the Finance and Authorisation Committee on 18th June, 2021, 09th July, 2021, 06th August, 2021, 02nd September, 2021, 25th October, 2021, 22nd November, 2021, 16th December, 2021, 11th January, 2022, 09th February, 2022, 17th February, 2022, 09th March, 2022 and 21st March, 2022.

The Company has also constituted Stakeholders Relationship Committee and Risk Management Committee as per SEBI (LODR) Regulations, 2015 in the Board meeting held on 10th June, 2021.

Audit Committee has been re-constituted with Mr. George Joseph(Chairman), Mr.Jacob Kurian,Ms.Preeti Reddy and Mr.Naveen Philip as members.
During the Financial Year 2021-22 the Company has held three (3) meetings of the Audit Committee on 01st July, 2021, 17th December, 2021 and 30th March, 2022.

Nomination and Remuneration Committee has been re-constituted with Ms.Preeti Reddy(Chairperson), Mr.Jacob Kurian,Mr.George Joseph and Mr.Rahul G.Kurup as members.
During the Financial Year 2021-22 the Company has held three (3) meetings of the Nomination and remuneration Committee on 01st July, 2021, 31st August, 2021 and 30th March, 2022.

Corporate Social Responsibility Committee is constituted with Mr.Francis K. Paul(Chairman), Mr.John K. Paul, Mr. Rahul G Kurup and Mr.Jacob Kurian as members.
During the Financial Year 2021-22 the Company has held one (1) meeting of the Corporate Social Responsibility Committee on 30th March, 2022.

At the Board Meeting held on 14.06.2022, the Stakeholders Relationship Committee has been re-constituted with Mr. George Joseph(Chairman), Ms. Preeti Reddy, Mr.Naveen Philip and Mr. Rahul G.Kurup as members.

Risk Management Committee has been re-constituted with Mr. Naveen Philip(Chairman), Mr. Jacob Kurian, Mr. Francis K Paul, Mr.George Joseph and Ms. Preeti Reddy as members.

The Stakeholders Relationship Committee and Risk Management Committee did not meet during the FY 2021-22.

d) Managing Director and Whole Time Director.

The Shareholders at their 37th Annual General Meeting has re-appointed Mr.JohnK.Paul as the Managing Director of the Company till 31st March, 2024, subject to the approval of Central Government which is under process.

Mr. Francis K. Paul has been re-appointed as the Whole Time Director of the Company till 31st

March, 2024.

On recommendation of the Nomination and Remuneration Committee, Board of Directors at their meeting held on 14th June 2022 has, subject to the approval of the Shareholders at the ensuing AGM, appointed Mr. Naveen Philip as the Managing Director and re-designated Mr. John K Paul as Whole Time Director w.e.f 15.06.2022 subject to such other approvals, if any, required.

e) Key Managerial Personnel(KMPs)

Pursuant to the provisions of Section 203 of the Companies Act, 2013, your Company has appointed the following Key Managerial Personnel:

(i) Mr.John Verghese as Chief Financial Officer
(ii) Mr.Varun TV as Company Secretary

Mr.Philip Chacko M, who was appointed as the Chief Executive Officer of the Company has resigned from his position with effect from 7th January, 2022.

The Board of Directors places its appreciation to the contributions made by Mr. Philip Chacko M during his tenure as the CEO of the Company.

10. Evaluation of Directors, Board and Committees

The Company has devised a policy for performance evaluation of the individual directors and the Board, which includes criteria for performance evaluation.
The Board has carried out an annual performance evaluation of its own performance and the directors . The Board's performance was evaluated based on inputs received from all the Directors after considering criteria such as Board's composition and structure, effectiveness of the Board, performance of the Board, processes and information provided to the Board, etc.

A separate meeting of the Independent Directors was also held for the evaluation of the performance of Non-Independent Directors, performance of the Board as a whole and that of the Chairman of the Board.

11. Directors' Responsibility Statement

In terms of clause(*c*) of sub-section (*3*) of Section 134 read with subsection(5)of Section 134 of the Companies Act,2013,the Directors hereby state and confirm that—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments 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 and of the profit of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. Public Deposits

Your Company has not accepted any public deposits and, as such no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet. Thus no particulars are reported as required under Rule 8(5(v) of Companies (Accounts)Rules, 2014.

13. Statutory Auditors

M/s B.S.R Associates LLP, 3rd Floor, Syama Business Centre, N.H Bye pass Road, Vytilla, Kochi- 682019, Firm Registration No 116231W/W-100024 has been re-appointed as Statutory Auditors of the company by the members for a term of five consecutive years, from the conclusion of 37th Annual General Meeting until the conclusion of the 42nd Annual General Meeting of the company to be held in the year 2026.

14. Statutory Auditor's Report

The Statutory Auditors' Report for the financial year ending 31st March, 2022 does not contain any qualification, reservation or adverse remarks.

15. Particulars of loans, guarantees or investments

During the year under review, the Company has given Corporate Guarantees amounting to Rs. 30 crores for Popular Mega Motors (India) Private Limited, Rs. 1 crore for Kuttukaran Cars Private Limited and Rs. 6 crores for Vision Motors Private Limited for availing credit facility from Bank/NBFCs by the Subsidiary Companies.

The Company has also renewed various guarantees provided for its subsidiaries during the year.

During the year under review, the Company has extended an Inter-corporate Loan of Rs. 1.5 crores to its subsidiary Kuttukaran Cars Private Limited.

The details of the investments made and loans given by the company in the Subsidiary Companies are given in the notes to the financial statements and are in compliance with the relevant provisions of section 186 of the Companies Act,2013 read with the rules thereon.

16. Particulars of contracts or arrangements with related parties

The transactions with related parties are in compliance with the provisions contained in Section 188(1) of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014. Information on transactions with related parties pursuant to Section 134(3(h) of the Act read with rule 8(2) of the Companies(Accounts)Rules,2014 are given in Annexure B in Form AOC-2 and the same forms part of this report.

17. Managerial remuneration

In terms of the provisions of Section 197(12) of the Act read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, the particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are as follows:

Name	Designation	Educational Qualification	Age	Experience (in years)	Date of Joining	Remuneration for the FY(in millions)	Nature of Employment	Previous Employment and Designation	% of Share Holding in the Company	whether any such employee is a relative of any director or manager of the company
Mr. Philip Chacko M*	CEO	PGDBM IIM B.Tech IIT	50	22	01.08.2016	10.00	In the rolls of the Company	Talwandi Sabo Power Ltd, COO	Nil	No

**Resigned w.e.f 7th January, 2022*

17. Disclosure under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act,2013.

The Company has constituted an Internal Committee as required under the said Act to take necessary preventive actions as may be possible and also to carry out redressal of complaints, if any,on sexual harassment and for matters connected therewith or incidental thereto. Summary of sexual harassment complaints received and disposed of during the financial year 2021-22 are as follows:

No of complaints received	: 1
No of complaints disposed off	: 1

18. Conservation of Energy/Technology Absorption and Foreign Exchange Earnings and outgo

The company uses power saving lighting equipments for its office and workshop and saves power wherever there is scope for energy saving.

No technology absorption has taken place during the year under consideration.

There was no foreign exchange inflow during the year. The Foreign Exchange outflow was Rs. 2,29,000/-.

19. Corporate Social Responsibility.

The company since its inception has seen responsible to the society and has pioneered in undertaking activities which promote various social and charitable objectives. Company has also, over the years, undertaken various social and charitable activities directly and through NGOs.

Ason31st March, 2022 the CSR committee consist of:

(i) Mr.John K Paul, Managing Director
(ii) Mr.Francis K Paul, Whole-Time Director
(iii) Mr.Jacob Kurian, Independent Director
(iv) Mr. Rahul G Kurup, Nominee Director

Committee has extended its support to the society by facilitating and promoting the inborn entrepreneurial ability and skills among the under-privileged in the society, especially focusing on women. Provided financial assistance to enhance the current social status of women, increase women's family household income and improve quality of life. This was executed through "K.P.Paul Foundation" in association with "Rajagiri Out-reach" an NGO well-recognized for its CSR activities by various local and international bodies.

Annual report on CSR Activities as per companies (Corporate Social Responsibility Policy) Rules, 2014 is given in Annexure-C.

20. Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013 the Company has appointed Mr. M.C. Sajumon, Practising Company Secretary, Kochi as Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year ending 31st March, 2022. The report of Secretarial Auditor for the financial year 2021-22 is annexed to this report. The secretarial auditor's report does not contain any qualifications reservations or adverse remarks or disclaimer.

21. Annual Return

The Annual Return of the company is available on the website of the Company at https://www.popularmaruti.com/investor-relations/financials/annual-reports/annual-returns/ .

22. Vigil mechanism

In accordance with Section 177 of the Companies Act, 2013, the Company has formulated a Vigil Mechanism to address the genuine concerns, if any, of the Directors and employees, the policy has been overseen by Audit Committee. The details of the policy can also be accessed on the Company's website https://popularmaruti.com/investor-relations/wp-content/uploads/2022/01/Whistle-Blower-Policy.pdf.

23. Risk Management and Adequacy of Internal Financial Controls.

The Company has in place a mechanism to identify, access, monitor and mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuous basis.

The Company's Internal Control Systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Board.

24. Credit Rating

During the year under review, CRISIL Ratings have re-affirmed CRISIL BBB/Stable rating for Long term facilities and short term rating of 'CRISIL A3+' for the debt instruments/facilities. The stable outlook on the rating has been re-affirmed.

25. Internal Audit

Company has established a full-fledged internal audit team headed by a qualified Chartered Accountant. Audit team conducts regular reviews of the business process, operations and financial transactions to ensure adequacy and existence of effective control systems; investigate probable risks, deviations, fraud or misappropriations.

26. Reporting of Fraud by Auditors

During the year under review, the Statutory Auditors has not reported to the Board under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against the Company by its Officers or employees.

27. Human Resources Management

Human Resource Department plays a pivotal role in achieving organizational excellence. Your Company constantly strives to develop quality human resources, to meet the challenges of competitive business environment and to build critical capabilities in achieving the Company's objectives and goals. The Company is continuously renewing and updating the knowledge and skill of its employees at all levels through training and development.

As on 31st March, 2022, the Company had a total head count of 6616 employees, an increase of 598 employees over the previous year. Your Company takes significant efforts on employee development by imparting training to employees at the various levels.

Your Company wishes to put on record its deep appreciation for the co-operation and efforts of its employees for the betterment of the organization.

28. Industrial Relations

During the year under review, the company enjoyed cordial relationship with workers and employees at all levels and the Directors thank all the employees for their continued support, co-operation and valuable contributions.

29. Policy on Appointment and Remuneration for Directors, Key Managerial Personnel and Senior Management Employees

The NRC of the Board has devised a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Employees. The Committee has formulated the criteria for determining the qualifications, positive attributes and independence of Directors, which has been put up on the Company's website https://popularmaruti.com/investor-relations/wp-content/uploads/2022/02/Remuneration-Policy-for-Directors-and-Senior-Management.pdf.

30. Secretarial Standards

The relevant secretarial standards issued by the Institute of Company Secretaries of India (ICSI) related to the Board Meetings and General Meetings have been complied with by the Board.

31. Disclosure about the application as made or any proceeding is pending under the Insolvency and Bankruptcy Code (IBC), 2016 during the year along with their status as at the end of the financial year.
Not applicable

32. **Disclosure about the difference between the amounts of the valuation executed at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof**.
Not applicable

33. Acknowledgements

We thank our clients, vendors, investors and bankers, for their continued support during the year. We place on record our appreciation for the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support. We thank the Government of India, particularly the Ministry of Labour and Employment, the Ministry of Commerce and Industry, the Ministry of Finance, the Ministry of Corporate Affairs, the State Governments of Kerala and Tamil Nadu, the Central Board of Direct Taxes, the Central Board of Indirect Taxes and Customs, GST authorities, the Reserve Bank of India, various departments under the state governments and other government agencies for their support, and look forward to their continued support in the future.

For and on Behalf of Board of Directors of
Popular Vehicles and Services Limited

	Sd/-	**Sd/-**
Place: Kochi-25	**John K Paul**	**Francis K Paul**
Date: 14.06.2022	**(Managing Director)**	**(Whole Time Director)**
	DIN:00016513	**DIN:00018825**

Annexure A

FORM AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSISIDARIES OR ASSOCIATE COMPANIES OR JOINT VENTURES

(PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

(In millions)

Sl. No	Name of Subsidiary	Financial period ended	Date since when subsidiary was acquired	Reporting Currency	Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover	PBT	Provision for Tax	Profit After tax	Proposed Dividend	% of shareholding
1	Popular Mega Motors India Private Limited	March 31,2022	21.06.2004	INR	69.44	860.54	2,938.27	2,938.27	281.96	10,150.53	146.79	27	119.79	-	100%
2	Popular Autoworks Private Limited	March 31, 2022	09.01.2014	INR	251.12	(96.15)	952.37	952.37	-	1629.62	4.35	(2.77)	1.58	-	100%
3	Vision Motors Private Limited	March 31, 2022	20.06.2012	INR	146.77	124.36	705.23	705.23	0	3192.39	127.34	30.54	96.80	-	100%
4	Popular Auto Dealers Private limited	March 31, 2022	01.10.2015	INR	5.10	256.74	661.99	661.99	6.22	1781.12	80.22	23.48	56.74	-	100%
5	Kuttukaran Cars Private Limited	March 31, 2022	06.01.2014	INR	20.00	(23.66)	39.67	39.67	0	22.62	(4.20)	0.83	(3.36)	-	100%
6	Kuttukaran Green Private Limited (Former Kuttukaran Pre Owned Cars Private Limited)	March 31, 2022	13.06.2017	INR	0.10	(4.89)	45.21	45.21	0.00	28.15	(6.23)	(1.62)	(4.61)	-	100%

Company does not have any associate companies or joint ventures as on March, 31,2022.

For and on Behalf of Board of Directors of
Popular Vehicles and Services Limited

Sd/-
John K Paul
(Managing Director)
DIN:00016513

Sd/-
Francis K Paul
(Whole Time Director)
DIN:00018825

Place: Kochi-25
Date:14.06.2022

FORM NO. AOC -2
ANNEXURE B TO THE DIRECTORS' REPORT

(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 arms-length transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at Arm's length basis –**

SL. No.	Particulars	Details
A	Name (s) of the related party & nature of relationship	NOT APPLICABLE
B	Nature of contracts/arrangements/transaction	
C	Duration of the contracts/arrangements/transaction	
D	Salient terms of the contracts or arrangements or transaction including the value, if any	
E	Justification for entering into such contracts or arrangements or transactions'	
F	Date (s) of approval by the Board	
G	Amount paid as advances, if any	
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. **Details of contracts or arrangements or transactions at Arm's length basis.**

SL. No.	Particulars	1	2	3	4	5	6	7	8
a) 1.	Name (s) of the related party & nature of relationship	Popular Auto Dealers Private Limited	Prabal Motors Private Limited	Popular Mega Motors (India) Private Limited	Popular Autoworks Private Limited	Popular Auto Dealers Private Limited	Popular Auto Dealers Private Limited	Vision Motors Private Limited	Popular Mega Motors (India) Private Limited
2	Nature of contracts/ arrangements/ transaction	Revenue from Operations	Revenue from Operations	Revenue from Operations	Revenue from Operations	Purchase of Accessories and spares	Expenses met by the Company	Purchase of Accessories and spares	Expenses met by the Company
3	Duration of the contracts /arrangements/ transaction	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of goods in the ordinary course of business amounting to Rs 4.70 million.	Sale of goods in the ordinary course of business amounting to Rs 1.90 million.	Sale of goods in the ordinary course of business amounting to Rs 1.42 million.	Sale of goods in the ordinary course of business amounting to Rs. 0.07 million.	Purchase of Accessories and spares in the ordinary course of business amounting to Rs 114.30 million.	Expenses met by the Company in the ordinary course of business amounting to Rs 0.20 Millions	Purchase of Accessories and spares in the ordinary course of business amounting to Rs 25.31 million.	Expenses met by the Company in the ordinary course of business amounting to Rs 0.03 Millions
5	Dates of approval by the Board, if any	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.200 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.200 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions
6	Amount paid as advance, if any	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

SL. No.	Particulars	9	10	11	12	13	14	15
1.	Name (s) of the related party & nature of relationship	Popular Autoworks Private Limited	Popular Auto Dealers Private Limited	Popular Autoworks Private Limited	Kuttukaran Institute for Human Resource Development	Popular Mega Motors (India) Private Limited	Prabal Motors Private Limited	Kuttukaran Homes LLP
2	Nature of contracts/ arrangements/ transaction	Expenses met by the Company	Expenses met on behalf of the Company	Expenses met on behalf of the Company	Expenses met on behalf of the Company	Expenses met on behalf of the Company	Expenses met on behalf of the Company	Expenses met on behalf of the Company
3	Duration of the contracts /arrangements/ transaction	Multiple transactions	Multiple transactions	Multiple transaction s	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Expenses met by the Company in the ordinary course of business amounting to Rs 0.12 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 0.63 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 1.07 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 0.08 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 4.76 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 1.46 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 0.24 Millions
5	Dates of approval by the Board, if any	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions
6	Amount paid as advance if any	Nil	Nil	Nil	Nil	Nil	Nil	

SL. No.	Particulars	16	17	18	19	20	21	22
1.	Name (s) of the related party & nature of relationship	Kuttukaran Trading Ventures	Vision Motors Private Limited	Vision Motors Private Limited	Popular Mega Motors (India) Private Limited	Popular Auto Dealers Private Limited	Popular Mega Motors (India) Private Limited	Prabal Motors Private Limited
2	Nature of contracts/ arrangements/ transaction	Sale of assets	Expenses met on behalf of the Company	Repairs & Maintenance	Repairs & Maintenance	Repairs & Maintenan ce	Purchase of assets	Sale of assets
3	Duration of the contracts /arrangements/ transaction	Single transaction	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactio ns	Single transactio n	Single transactio n
4	Salient terms of the contracts or arrangements or transaction including the value if any	Sale of fixed asset amounting to Rs.0.3 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 2.23 Millions	Repair and maintenance of vehicles in the ordinary course of business amounting to Rs.0.03 Millions	Repair and maintenance of vehicles in the ordinary course of business amounting to Rs.0.54 Millions	Repair and maintenan ce of vehicles in the ordinary course of business amounting to Rs.0.05 Millions	Purchase of fixed asset amounting to Rs. 3.65 Millions.	Sale of fixed asset amounting to Rs.0.08 Millions
5	Dates of approval by the Board or General Meeting, if any	Board meeting dated 30.03.2022 sanctioned an overall limit of Rs.0.3 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.100 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.10 millions	Board meeting dated 20.01.2021 sanctioned an overall limit of Rs.10 millions
6	Amount paid as advance if any	Nil	Nil	Nil	Nil	Nil	Nil	

SL. No.	Particulars	23	24
1.	Name (s) of the related party & nature of relationship	Kuttukaran Trading Ventures	Kuttukaran Trading Ventures
2	Nature of contracts/ arrangements/ transaction	Leasing	Leasing
3	Duration of the contracts /arrangements/ transaction	3 years	6 years
4	Salient terms of the contracts or arrangements or transaction including the value if any	Leasing of building amounting to Rs. 25.36 million.	Leasing of building amounting to Rs.23.09million.
5	Dates of approval by the Board or General Meeting, if any	Board meeting dated 30.03.2022 sanctioned an overall limit of Rs. 0.704 millions per month	Board meeting dated 30.03.2022 sanctioned an overall limit of Rs.0.64 millions per month
6	Amount paid as advance if any	Nil	Nil

For and on Behalf of Board of Directors of
Popular Vehicles and Services Limited

Date:14.06.2022
Place: Kochi

Sd/-

John K Paul
(Managing Director)
DIN:00016513

Sd/-

Francis K Paul
(Whole Time Director)
DIN:00018825

Annexure C

Annual Report on Corporate Social Responsibility (CSR)
(Pursuant to Companies (Corporate Social Responsibility Policy)Rules, 2014)

1. **Brief outline of the Company's CSR Policy**

CSR policy encompasses the company's philosophy for delineating its responsibility as a corporate Citizen and lays down the guidelines and mechanism for carrying out socially useful activities/projects and programs for welfare and sustainability, development of community at large. The Company since its inception has seen responsible to the society and has pioneered in undertaking activities which promote various social and charitable objectives. The Company has also, over the years, undertaken various social and charitable activities directly and through NGOs. The Company has already spent amounts for social and charitable activities over the past several years.

Areas of activities to be undertaken

The activities will be executed directly or through registered and accredited trust, society or NGO or in collaboration with other companies. The Company shall be undertaking activities in the following areas.

i. Eradicating hunger, poverty and malnutrition, promoting health careincludingpreventivehealthcareandsanitationandmakingavailablesafedrinkingwater.

ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, youth, and elderly and the differently abled persons and livelihood enhancement projects.

iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old-age homes, day-care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conversation of natural resources and maintaining quality of soil, air and water.

v. Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art and setting up of public libraries.

vi. Measures for the benefit of armed forces veterans, war-widows and their dependents.

vii. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports.

viii. ContributiontothePrimeMinister'sNationalReliefFundoranyotherfundsetupbytheCentral Government for socio-economic development and relief and welfare of the Schedules Castes, the Scheduled Tribes, other backward classes, minorities and women.

ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

x. Rural Development Projects

2. **Composition of CSR Committee:**

Sl.No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Francis K. Paul	Chairman	1	1
2	John K. Paul	Member	1	1
3	Rahul G. Kurup	Member	1	1
4	Jacob Kurian	Member	1	1

During the Financial Year ended 31.03.2022,the CSR Committee has met once,on30th March, 2022.

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.:

Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the Company's website at https://popularmaruti.com/investor-relations/wp-content/uploads/2022/01/Policy-on-CSR.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule(3)of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach there port).:N/A

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy)Rules,2014 and amount required for set-off for the financial year, if any: Nil

6. Average net-profit of the company as per section 135(5):
(Rs.In millions)

FinancialYear2018-19	1,89.58
FinancialYear2019-20	(163.51)
FinancialYear2020-21	222.30
Total Net Profits	248.37

The average net profit of the company for the last three financial years is Rs.82.79 million

7. (a)Two percent of average net-profit of the company as per section135(5) :Rs.1.65 million

(b)Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set-off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year(7a+7b-7c):Rs.1.65million

8. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year.(in Rs.)	Amount Unspent(in Rs.)				
	Total Amount transferred to Unspent CSR Account as persection 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section135(5).		
	Amount.	Date of transfer.	ne of the Fund	Amount.	Date of transfer.
16,50,000	Nil	NA			

(b) Details of CSR amount spent against ongoing projects for the financial year :NA

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	ıme of the Project	Item from the list of activities in schedule VII to the Act.	Local area(Yes/ No).	ation of the project.		Amount spent for the project(in Rs.).	Mode of implementation -Direct(Yes/No).	Mode of implementation h implementing agency.	
				State.	District.			Name.	CSR Registration number
1.	jagiri Out Reach	Women Empowerment	Yes	Kerala, Thrissur		16,50,000	No	K P Paul Foundation	CSR00015233
	Total					16,50,000			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year(8b+8c+8d+8e): Rs.16,50,000

(g) Excess amount for setoff, if any: Nil

9. (a)Details of Unspent CSR amount for the preceding three financial years:

(Rs. In millions)

Sl. No	**Year**	**CSR requirement (2%)**	**Amount already spent**	**Unspent Amount**	**Excess Spending**
1.	2018-19	4.29	7.14	-	2.85
2.	2019-20	5.20	5.20	-	-
3.	2020-21	2.012	2.20	-	0.008

(b)Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year :Nil

11. Specify the reason(s),if the company has failed to spend two percent of the average net-profit as per section135(5).:N/A

For and on Behalf of Board of Directors of
Popular Vehicles and Services Limited

	Sd/-	**Sd/-**
Place: Kochi-25 **Date:14.06.2022**	**John K Paul** **(Managing Director)** **DIN:00016513**	**Francis K Paul** **(Whole Time Director)** **DIN:00018825**

SECRETARIAL AUDIT REPORT

POPULAR VEHICLES AND SERVICES LIMITED
(For the financial year ended on 31.03.2022)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members
Popular Vehicles and Services Limited
Kuttukaran Centre
Mamangalam Cochin
Ernakulam Kerala 682025

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Popular Vehicles and Services Limited (CIN: U50102KL1983PLC003741) (hereinafter called the Company), having registered office at Kuttukaran Centre, Mamangalam, Cochin, Ernakulam, Kerala, Pin- 682025 and incorporated on 05.07.1983, carrying on the business of purchase, sale and services of automobiles, spare parts and accessories. The Company has four subsidiaries and two step down subsidiaries. Popular Mega Motors (India) Private Limited, Popular Auto Dealers Private Limited, Kuttukaran Cars Private Limited (Formerly known as Prabal Motors Private Limited) and Popular Auto Works Private Limited are subsidiaries and Vision Motors Private Limited and Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned Cars Private Limited) are step down subsidiaries and are engaged in the business of purchase, sale and services of automobiles, spare parts and accessories. Secretarial Audit of M/s Popular Vehicles And Services Limited for the financial year ending on 31.03.2022 was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2022, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31.03.2022 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- Not applicable as the company is an unlisted public company;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; The company has dematerialized its share certificates and appointed M/s Link Intime India Private Limited having Registered office at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai, Mumbai City, Maharashtra- 400083 as Registrar and Transfer Agent (RTA) to comply with the provisions of the Act. However, as on 31.03.2022, certificates of 18,308 shares (0.15%) are held in physical form.

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; There was no Foreign Direct Investment in the company and the company has not made any new Overseas Direct Investment and also had not availed External Commercial Borrowings during the period under report.

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (LODR) Regulations, 2015- Not applicable as the company is an unlisted public company; However the Company has in connection with its proposed IPO complied with Regulations of SEBI (LODR) Regulations, 2015 to the extent applicable to it.

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- Not applicable as the company is an unlisted public company;

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015- Not applicable as the company is an unlisted public company;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not applicable as the company is an unlisted public company;

e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999-Not applicable as the company is an unlisted public company and has not offered any Employee Stock Option Scheme and Employee Stock Purchase Scheme during the period under review;

f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable as the company is an unlisted public company and has not offered any shares or granted any options pursuant to any Employee Benefit Scheme during the period under review**;**

g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **-** Not applicable as the company is an unlisted public company and has not issued and listed any debt securities during the period under review;

h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 **-** Not applicable as the company is an unlisted public company and not registered as Registrars to an Issue and Share Transfer Agent;

i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **-** Not applicable as the company is an unlisted public company**;** and

j) The Securities and Exchange Board of India (Buyback of Securities) Regulations,2018 **-** Not applicable as the company is an unlisted public company and has not bought back any securities during the period under review**.**

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India and Memorandum of Association of the company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, to the extent applicable to the company.

VI. The company has identified and informed me that the industry/sector specific laws, applicable to the company under Central and/or State legislations, are:

a) Motor Vehicles Act,1988 and rules made thereunder;

VII. The company has also identified and informed me that the following Environmental Laws, Labour laws and General laws are specifically applicable to the company under Central and/or State legislations: **Environmental laws** viz; Environment Protection Act, 1986 and rules made there under; Water (Prevention and Control of Pollution) Act, 1974 and rules made there under; Air (Prevention and Control of Pollution) Act, 1981 and rules made there under; Noise Pollution (Regulation and Control) Rules, 2000, The Hazardous Wastes (Management Handling and Trans boundary Movement) Rules, 2008 and **Labour laws** viz; The Employees' State Insurance Act, 1965 and rules made there under, The Contract Labour (Regulation and Abolition) Act, 1970 and rules made there under, The Employees' Provident Fund & Misc. Provisions Act, 1952 and rules made there under; Apprentices Act, 1961 and rules made thereunder; and Kerala Shops and Commercial Establishments Act, 1960 and **other General laws** viz; The Factories Act 1948 and rules made there under; The Industrial Disputes Act, 1947 and rules made thereunder; vis-a-vis The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

For the purpose of examining the adequacy of compliances with industry/sector specific laws and Environmental laws, reliance has been placed on information/records produced by the Company during the course of audit and the Compliance Certificate issued by the Managing Director of the company and the reporting is limited to that extent and based on that I am of the opinion that the company has generally complied with the specific laws and Environmental laws etc.

I further report that the compliance by the company of the financial laws like direct and indirect tax laws and various labour laws and other laws has not been reviewed in this audit, since they do not come under the scope of this audit. However based on the information received and records maintained by the company and on their examination I 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 general laws like labour laws, Competition law, environmental laws, rules, regulations and guidelines.

I 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. The company has appointed whole time Key Managerial Personnel viz; Managing Director, Company Secretary and Chief financial Officer. During the period under report, the directors of the company have filed Web-Form DIR-3 KYC WEB or Form DIR-3-KYC as the case may be with MCA/ROC as it has been made mandatory for the DIN holders to update the DIN Status within the stipulated date by the MCA for updating its register with latest and personal information of DIN holders vide notification dated 5th July 2018. The following changes in the composition of the Board of directors and other KMPs took place during the audit period and were carried out in compliance with the provisions of the Act:

a) At the Extra Ordinary General Meeting held on 08.07.2021, Mr. Rahul. G. Kurup having DIN: 07496119, the representative/nominee of M/s Banyan Tree Growth Capital II LLC, the private equity investor, was re-appointed as Nominee Director of the Company with effect from 23.04.2021, to hold office for a further period of five years, pursuant to the Articles of Association of the Company and Section 161(3) and other applicable provisions of the Companies Act, 2013.

b) Mr. John Kuttukaran Paul (DIN: 00016513), Director, who retired by rotation in terms of Section 152 of the Companies Act, 2013 was re-appointed as Director of the Company at the 37th Annual General Meeting held on 28.09.2021 as recommended by the Board at their meeting held on 31.08.2021.

c) The Company in the Annual General Meeting held on 28.09.2021, by a Special resolution decided to reappoint Mr. John Kuttukaran Paul, as Managing Director (DIN: 00016513) and Mr. Francis Kuttukaran Paul, as Wholetime Director (DIN: 00018825) of the company, for a period commencing from 01.04.2022 to 31.03.2024, liable to retire by rotation and to pay remuneration and benefits to them, even if in any financial year the Company has no profits or inadequate profits. Nomination and Remuneration Committee and the Board of Directors at their meeting held on 31.08.2021 considered and approved and recommended for the reappointment of Mr. John Kuttukaran Paul, as Managing Director and Mr. Francis Kuttukaran Paul, as Wholetime Director of the company and for payment of remuneration and benefits to them for the period as aforesaid. The Shareholders at the EGM held on 08.07.2021, accorded consent for payment of Performance Incentive as part of the remuneration to Mr. John Kuttukaran Paul, Managing Director and Mr. Francis Kuttukaran Paul, Wholetime Director of the company for the financial year 2021-22, even if in any financial year the Company has no profits or inadequate profits.

d) As per the recommendation of the Nomination and Remuneration Committee at the meeting held on 01.07.2021, Mr. George Joseph having DIN: 00253754 who has complied with the provisions of sub section (3) to (5) of Section 152 and meets the criteria of independence as per Section 149(6) of the Companies Act, 2013, was appointed as an Additional Director of the Company under Independent Category in terms of Article 142 of the Company's Articles of Association, with effect from 01st July, 2021, at the Board Meeting held on 01.07.2021. At the same Board Meeting, he was appointed as Independent Director of the Company to hold office for 5 consecutive years with effect from 01st July 2021. Further, his appointment was regularised at the Annual General Meeting held on 28.09.2021.

e) Mr. Philip Chacko Mundanilkunnathil (PAN: AFQPM6649Q) has resigned from the position of Chief Executive Officer (CEO) of the Company w.e.f. 07.01.2022.

I further report that the company has held Seven (7) Board meetings during the period under report, respectively on 10.06.2021, 01.07.2021, 04.08.2021, 31.08.2021, 20.10.2021, 16.02.2022 and 30.03.2022. During the financial year 2021-22, One (1) Circular Resolution was passed on 04.01.2022 and it was noted in the subsequent board meeting held on 16.02.2022. Adequate notice was given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent in advance duly complying with the time limits specified 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. The proceedings of the above meetings have been recorded and signed by the Chairman.

In addition to the general business and statutory matters, the Board has in the meeting held on 30.03.2022 considered and accorded omnibus approval for related party transactions (in the nature of sale and supply of goods or materials, availing/rendering of services, Selling or otherwise disposing off or buying property of any kind and Leasing of property of any kind) between the company and the subsidiary companies/other related parties to be carried out on arms length basis in the ordinary course of business during the financial year 2022-23. Approval for entering into related party transactions during the financial year 2021-22 was accorded at the Board Meeting held on 20.01.2021.

Regarding evaluation of the performance of Independent Directors by the Board, in accordance with schedule IV, u/s 149 (8) of the Companies Act, 2013, it is explained by the company that since there is no mention, in the schedule, as to such evaluation on yearly basis and is said to be taken to decide on their reappointment, it has not been taken on yearly basis. The Board at the meetings held respectively on 10.06.2021 and 01.07.2021 took note of the declaration u/s 149(7) of the Act regarding whether Independent Directors meet the criteria of Independence u/s 149(6) and ensured it and also noted that independent directors are not disqualified to act as such. The Board also noted the declaration given by the directors pursuant to section 164(2) of the Act and ensured that none of the directors are disqualified under the provisions of section 164(2) of the Act. The Board also noted the Disclosure of interest and shareholding of Directors received pursuant to section 184(1) of the Act. The Board in the meeting held on 01.07.2021 had considered and approved the draft financial statements as on 31.03.2021 as well as Auditor's Report and Board's Report thereon. The Board of Directors at their meeting held on 31.08.2021 had fixed the date of 37th Annual General Meeting of the Company for the Financial Year ended 31.03.2021 and approved draft Notice of 37th AGM.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

The Committees of the Board consists of Audit committee, Nomination and Remuneration Committee and Finance and Authorisation Committee (subcommittee), CSR Committee and IPO Committee. During the reporting period the Company has constituted Stakeholders Relationship Committee, pursuant to Section 178(5) of the Companies Act, 2013. Further the Company has constituted Risk Management Committee, pursuant to the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year 2021-22, the Audit Committee, constituted by a meeting of the Board held on 16.01.2019, was reconstituted by the Board of Directors at their meeting held on 01.07.2021 and the terms of reference of Audit Committee was revised at the Board Meetings held respectively on 10.06.2021, 01.07.2021 and 04.08.2021. During the period under report, the Audit committee has met three (3) times respectively on 01.07.2021, 17.12.2021 and 30.03.2022. The Audit Committee Meeting held on 01.07.2021 has considered, discussed and recommended to the Board Standalone & Consolidated Financial Statements of the company as on 31.03.2021 and Auditors Report thereon. Audit committee also scrutinized the Investments, Corporate Guarantee and Security made by the Company. In the Audit Committee Meetings held respectively on 17.12.2021 and 30.03.2022, the Internal Auditor made a presentation to the Committee and answered to the queries raised by the members. The Audit Committee held on 30.03.2022 gave omnibus approval for entering into Related Party Transactions for the Financial Year 2022-23. The Audit committee has also made the evaluation of transaction of the company with related parties and also considered matters such as remuneration and terms of appointment of auditors of the company.

The company has an Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Audit Committee at their meeting held on 30.03.2022 took note of the Annual Report for the Calendar Year 2021 submitted by the Internal Complaints Committee of the Company and Subsidiaries under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has established Vigil Mechanism and formulated Vigil Mechanism Policy/Whistle Blower Policy pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and new Policy was adopted by the Board of Directors at their meeting held on 10.06.2021 and is disclosed on the website of the Company (www.popularmaruti.com). The proceedings of the above committee meetings were recorded and signed by the Chairman.

Separate meeting of the Independent Directors without the attendance of non-independent directors and the members of the management was held on 30.03.2022 for the financial year 2021-22 in order to comply with the requirement as per provisions of section 149(8) and schedule IV (Code of Conduct of Independent Directors-Para VII) and reviewed the performance of non-independent directors and the Board as a whole and also reviewed the performance of the Chairman of the company. The proceedings of the above meeting was duly recorded and signed by the Chairman.

During the reporting period, the Nomination and Remuneration Committee was reconstituted by the Board of Directors at their meeting held respectively on 01.07.2021 and 04.08.2021 and the terms of reference of the Nomination and Remuneration Committee was revised at the Board Meeting held on 10.06.2021. During the financial year 2021-22, the Nomination and Remuneration Committee has met three (3) times respectively on 01.07.2021, 31.08.2021 and 30.03.2022. At the Nomination and Remuneration Committee meeting held on 30.03.2022, the Committee had identified the eligible Non-Executive Directors and made a recommendation to the Board regarding the amount of profit related commission Payable. Further the Committee considered appointment of Independent Director, Reappointment of Managing Director and Wholetime Director, remuneration and sitting fee payable, Term of service of KMPs etc. in the respective meetings. The proceedings of the above committee meetings were duly recorded and signed by the Chairman.

CSR Committee Meeting held on 30.03.2022 reviewed the CSR activities undertaken during the financial year 2021-22 and noted the amount spent towards it. The specified CSR amount to be spent for the financial year 2021-22 was Rs. 1.65 Million and the said amount was spent towards CSR through an implementation Agency K P Paul Foundation bearing CSR Registration Number CSR00015233. The Committee also approved CSR budget for the financial year 2022-23 and proceedings of the meeting was duly recorded and signed by the Chairman.

During the financial year ending 31.03.2022, Meetings of sub-committee, viz; Finance and Authorisation Committee were held on 18.06.2021, 09.07.2021, 06.08.2021, 02.09.2021, 25.10.2021, 22.11.2021, 16.12.2021, 11.01.2022, 09.02.2022, 17.02.2022, 09.03.2022 and 21.03.2022 respectively. The proceedings of the above committee meetings were duly recorded and signed by the Chairman.

During the financial year 2021-22, the IPO Committee, constituted by a meeting of the Board held on 20.08.2018, was reconstituted by the Board of Directors at their meeting held on 10.06.2021. During the reporting period, IPO Committee meetings were held on 10.06.2021, 17.07.2021 and 11.10.2021 respectively and the proceedings were duly recorded and signed by the Chairman.

In view of the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 13th January 2021 read with circulars dated 5th May, 2020, 8th April, 2020 and 13th April, 2020 (collectively referred to as “MCA Circulars”) permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means (“VC / OAVM”), without physical presence of the Members at a common venue. Accordingly, the 37th Annual General Meeting of the company for the financial year ending 31.03.2021 was held on 28.09.2021 through Video Conference, adhering to the provisions of MCA Circulars 02/2021 dated 13th January 2021, 20/2020 dated 5th May, 2020, 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020.

Further MCA vide its Circular No.39/2020 dated 31.12.2020 has directed that Companies may conduct Extra Ordinary General Meeting through Video Conferencing or Other Audio Visual Means (“VC / OAVM”), adhering to the provisions as laid down in Circular No.20/2020 dated 5th May, 2020, 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020. Accordingly an Extra Ordinary General Meeting of the Members of the Company was duly called and held on 08.07.2021 through Video Conference. The proceedings of the above General Meetings were recorded and signed by the Chairman.

During the period under report the Company has filed the following eforms with ROC:

(i) MSME Form 1 in respect of outstanding payments to Micro or small enterprises suppliers exceeding 45 days pursuant to Order dated 22nd January 2019 issued under Section 405 of the Companies Act, 2013.

(ii) e-Form DPT-3 Pursuant to Rule 16 of the Companies (Acceptance of Deposits) Rules 2014, for filing particulars of transactions by a company not considered as deposits as per Rule 2(1)(c) of the Companies (Acceptance of Deposits), Rules 2014.

(iii) eForm PAS-6 pursuant to sub-rule (8) of Rule 9A Companies (Prospectus and Allotment of Securities Rules, 2014, in respect of Reconciliation of share Capital Audit Report for the half year ended 31.03.2021 and 30.09.2021, respectively.

(iv) eForm MR-2 for filing Application to the Central Government in respect of Reappointment of Mr. John Kuttukaran Paul, as Managing Director (DIN: 00016513) of the company, for a period commencing from 01.04.2022 to 31.03.2024 and payment of remuneration and benefits to him, pursuant to Section 196(4), Part I of Schedule V of the Companies Act, 2013 and Rule 7 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. In this regard the Company had received a letter from Central Government seeking additional information/clarification and the Company had given reply letter and is waiting for getting Form MR-2 approved

I further report that based on the information received and records maintained by the company 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.

I further report that during the audit period the company has the following specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc; in addition to creation, modification and satisfaction of charges:

1) As recommended by the Board of Directors at their meeting held on 10.06.2021, the shareholders at the Extra Ordinary General Meeting held on 08.07.2021 accorded consent to create, issue, offer & allot equity shares of the Company of face value Rs.10/- each up to an aggregate amount of Rs.150 Crore in the course of proposed Initial Public Offering (IPO) comprising of Fresh issue & offer for sale, at a price to be determined by the book building process in terms of SEBI ICDR Regulations and subject to Memorandum and Articles of Association and to list the equity shares in the offer in one or more recognized stock exchanges in India.

2) As recommended by the Board of Directors at their meeting held on 10.06.2021, the Company has altered Articles of Association by passing a Special Resolution at the Extra Ordinary General Meeting of the members of the Company held on 08.07.2021 by adopting an amended new set of Articles of Association as the Company has to ensure that the Articles of Association of the Company conform to the requirements prescribed by relevant stock exchanges prior to filing of the draft red herring prospectus with the Securities and Exchange Board of India and the relevant stock exchanges, in order to undertake the proposed Initial Public Offering (IPO).

3) As per the recommendation of the Audit Committee, the Board of Directors at their meeting held on 30.03.2022 had given consent to purchase, pursuant to Sections 179(3)(e) and 188(1)(a) of the Act, 10,000 Equity shares of Rs.10/- each of M/s Kuttukaran Green Private Limited from M/s Popular Auto Dealers Private Limited at a total consideration of Rs.1,00,000/- in order to make the stepdown Subsidiary M/s Kuttukaran Green Private Limited a wholly owned Subsidiary of M/s Popular Vehicles and Services Limited. Further pursuant to Section 187(1) of the Companies Act, 2013, it was decided to hold

one share of Rs.10/- each of M/s Kuttukaran Green Private Limited in the name of Mr.Naveen Philip, Director as nominee of M/s Popular Vehicles and Services Limited to ensure that the number of members of M/s Kuttukaran Green Private Limited is not reduced below the statutory limit.

4) The shareholders at the Annual General Meeting held on 28.09.2021 accorded consent for the payment of sitting fees of Rs.1 lakh for attending each meeting of the Board and committees of the Board, to the Independent Directors of the Company in addition to reimbursement of actual expenses incurred for attending the meetings. Nomination and Remuneration Committee and Board of Directors at their meeting held on 31.08.2021 considered and approved and recommended for the payment of sitting fees as aforesaid.

5) The shareholders at the Annual General Meeting held on 28.09.2021 accorded consent for payment of Commission on Profits to Non-Executive Directors at the rate not exceeding 1% of the net profits of the Company computed in the manner as laid down under Sections 197 and 198 of the Companies Act, 2013, as amended, in each year to the Directors of the Company other than the Managing Director, Whole Time Directors of the Company (apart from sitting fees and expenses incurred for attending the meeting of the Board or the Committee(s) thereof) for a further period of five years effective from 01st April, 2021. The Nomination and Remuneration Committee and the Board of Directors at their meeting held on 31.08.2021 considered and approved and recommended for the payment of Commission on Profits as aforesaid.

6) The Company has issued 15 duplicate share certificates with the approval of Board of Directors/ Finance and Authorisation Committee of the Company and the procedures with regard to issue of duplicate share certificates have been complied with by the Company.

7) As decided at the Finance and Authorisation Committee meeting held on 18.06.2021, the company has renewed and enhanced corporate guarantee furnished in favour of Kotak Mahindra Prime Limited Rs.21 Crore to Rs.27 Crore in relation to the Credit facilities availed by subsidiary company M/s Vision Motors Private Limited.

8) As decided at the Finance and Authorisation Committee meeting held on 06.08.2021, the company has made renewal of the corporate guarantee furnished in favour of Tata Capital Financial Services Limited (TCFSL) in relation to the Channel Finance facility upto Rs.4 Crore availed by subsidiary company M/s Popular Auto Dealers Private Limited.

9) The company has made renewal of the corporate guarantee furnished in favour of Tata Capital Financial Services Limited (TCFSL) in relation to the Channel Finance facility of Rs.3 Crore availed by subsidiary company M/s Popular Autoworks Private Limited as decided at the Finance and Authorisation Committee meeting held on 02.09.2021.

10) As decided at the Finance and Authorisation Committee meeting held on 25.10.2021, the company has granted corporate guarantee for the subsidiary company M/s Popular Mega Motors (India) Private Limited in favour of Standard Chartered Bank to secure the Channel Finance Facility upto an amount of Rs.8 Crore granted by Standard Chartered Bank to M/s Popular Mega Motors (India) Private Limited.

11) As decided at the Finance and Authorisation Committee meeting held on 22.11.2021, the company has granted corporate guarantee for the subsidiary company M/s Popular Mega Motors (India) Private Limited in favour of ICICI Bank Limited to secure the Inventory Funding Facility of Rs.12 Crore granted by ICICI Bank Limited to M/s Popular Mega Motors (India) Private Limited.

12) The company decided to furnish a Corporate Guarantee in favour of Hero FinCorp Limited, pursuant to and in consideration for the facility of Rs.1 Crore extended by HFCL to M/s Kuttukaran Cars Private Limited, wholly owned subsidiary of the Company, as decided at the Finance and Authorisation Committee meeting held on 11.01.2022.

13) The company has made renewal of the corporate guarantee furnished in favour of Indusind Bank in relation to the credit facility of Rs.20 Crore availed by wholly owned subsidiary company M/s Popular Mega Motors (India) Private Limited as decided at the Finance and Authorisation Committee meeting held on 09.03.2022.

14) As authorized by the Board of Directors at their meeting held on 10.06.2021, the Finance and Authorisation Committee at their meeting held on 09.03.2022 decided to extent an Intercorporate Loan up to an amount of Rs.1,50,00,000/- for a period of Seven years to wholly owned subsidiary M/s Kuttukaran Cars Private Limited.

15) The company decided to furnish a Corporate Guarantee in favour of Federal Bank Limited, in relation to the OD-EDFS facility of Rs.10 Crore availed M/s Popular Mega Motors (India) Private Limited, wholly owned subsidiary of the Company, as decided at the Finance and Authorisation Committee meeting held on 21.03.2022.

16) The Audit Committee at their Meeting held on 01.07.2021 had decided to reduce the Interest rate on the Inter corporate loan of Rs.8 Crore extended by the Company to M/s Popular Autoworks Private Limited (PAWL) from 9.10% to 8.85% with effect from 01st July, 2021, upon the request received from PAWL due to reduction of interest rate by the Lenders.

The Shareholders at the EGM held on 03.06.2019 had given their consent by a Special Resolution for providing loans, providing guarantee and security or making investments by the Company upto a sum not exceeding Rs.500 Crore over and above the paid up capital of the Company and its free reserves.

This report is to be read with our letter of even date which is annexed hereto as Annexure A and forms an integral part of this report.

Sd/-

M.C SAJUMON

Practising Company Secretary

ACS No: 9868, C P. No.: 2385

ICSI Unique Code: I1995KE067800

Peer Review Cert. No. 713/202

UDIN**:**

Place: Kochi-18

Date: 14.06.2022

‘Annexure A’

ANNEXURE TO SECRETARIAL AUDIT REPORT

To

The Members
Popular Vehicles And Services Limited
Kuttukaran Centre
Mamangalam Cochin
Ernakulam Kerala 682025

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial or other statutory records is the responsibility of the management of the company. My responsibility is to express an opinion on these records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the Secretarial records.

3. The verification was done on test basis to ensure that correct facts are reflected in records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

4. I have not verified the correctness and appropriateness of financial records and books of Accounts of the company.

5. Whereever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.

7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-

UDIN**:**
Place: Kochi-18
Date: 14.06.2022

M.C SAJUMON
Practising Company Secretary
ACS No: 9868, C P. No.: 2385
ICSI Unique Code: I1995KE067800
Peer Review Cert. No. 713/202

B S R & Associates LLP
Chartered Accountants

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Syama Business Centre,
NH-47 Bypass Road,
Vyttila, Kochi – 682 019 - India

Telephone: +91 484 4148 500
Fax: +91 484 4148 501

Independent Auditor's Report

To the Members of Popular Vehicles and Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Popular Vehicles and Services Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the* Standalone *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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

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

In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 28 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 39 (a) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 39 (b) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231W/W-100024

Baby Paul

Partner

Membership No.: 218255

ICAI UDIN:22218255AKXTOV8362

Place: Kochi

Date: 14 June 2022

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Popular Vehicles and Services Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee, except as disclosed in Note 34, certain lease agreements where Company is in the process of executing the lease agreements.) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment including Right of Use assets or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year.. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Popular Vehicles and Services Limited for the year ended 31 March 2022 *(Continued)*

Amount in Indian Rupees Millions

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Whether return/statement subsequently rectified
Q1	Federal Bank	Inventory	2,622.50	3,040.00	(417.50)	No. Refer Note 14(b) to Standalone Financial Statements
Q2			1,497.14	1,692.90	(195.76)	
Q3			1,057.64	1,140.00	(82.36)	
Q4			2,022.21	2,420.00	(397.79)	
Q1	Federal Bank	Other current liabilities (Trade payable and Contract liabilities)	2,342.91	2,020.00	322.91	No. Refer Note 14(b) to Standalone Financial Statements
Q2			839.65	530.73	308.92	
Q3			862.87	410.00	452.87	
Q4			952.06	970.00	(17.94)	

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in companies, firms, limited liability partnership or any other parties. The Company has provided guarantee and security and has granted loans and advances in the nature of loans to Companies during the year in respect of which the requisite information is as below. The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to limited liability partnership or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or stood guarantee as below:

Amount in Indian Rupees Millions

Particulars	Guarantees	Loans
Aggregate amount during the year Subsidiaries*	243.48	15.00
Balance outstanding as at balance sheet date Subsidiaries*	763.54	61.88

**As per the Companies Act, 2013*

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the sales and service of automobiles and related services. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of Customs.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or Cess or other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Popular Vehicles and Services Limited for the year ended 31 March 2022 *(Continued)*

of the records of the Company, statutory dues relating to Income-Tax, Service Tax and Sales Tax which have not been deposited on account of any dispute are as follows:

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Popular Vehicles and Services Limited for the year ended 31 March 2022 *(Continued)*

Annexure A to the Independent Auditor’s Report on the Standalone Financial Statements of Popular Vehicles and Services Limited for the year ended 31 March 2022 *(Continued)*

Name of the statute	Nature of dues	Disputed Amount (in Rs.)	Amount paid under protest (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Kerala Value Added Tax Act, 2003	Sales tax, interest and penalty	1,094,492	381,473	2011-12 & 2012-13	KVAT Appellate Tribunal, Ernakulam
Kerala Value Added Tax Act, 2003	Sales tax, interest and penalty	50,980	15,294	2014-15	Commissioner of Commercial Taxes, Trivandrum
Kerala Value Added Tax Act, 2003	Sales tax, interest and penalty	96,427,318	847,760	2011-12 to 2015-16	Deputy Commissioner of Appeals, Ernakulam
Kerala Value Added Tax Act, 2003	Sales tax, interest and penalty	726,576	393,323	2006-07 to 2011-12	Deputy Commissioner of Appeals, Trivandrum
Finance Act, 1994	Service tax, interest and penalty	5,692,710	361,428	2006-07 to 2017-18	Commissioner Appeals, Ernakulam
Finance Act, 1994	Service tax, interest and penalty	5,145,957	604,882	2006-07 to 2013-14	Customs Excise and Service Tax Appellatte Tribunal, Bangalore
Finance Act, 1994	Service tax, interest and penalty	2,452,049	318,053	2006-07 to 2016-17	Customs Excise and Service Tax Appellatte Tribunal, Chennai
Finance Act, 1994	Service tax, interest and penalty	465,580	17,460	2015-16	Commissioner Appeals, Chennai

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Popular Vehicles and Services Limited for the year ended 31 March 2022 *(Continued)*

Income Tax Act, 1961	Income tax and interest	3,745,118	5,037,642	2003-04 & 2007-08	Income tax Appellate Tribunal, Ernakulam
Income Tax Act, 1961	Income tax and interest	9,469,518	9,052,909	2002-03 & 2011-12	Commissioner of Income Tax (Appeals), Ernakulam
Income Tax Act, 1961	Income tax and interest	3,832,125	3,832,125	2006-07 to 2008-09	Central Processing Centre, Bangalore
Income Tax Act, 1961	Income tax and interest	2,443,990	287,560	2011-12	Additional Commissioner of Income Tax, Ernakulam
Income Tax Act, 1961	Income tax and interest	376,259	Nil	2001-02	The Kerala High Court

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Popular Vehicles and Services Limited for the year ended 31 March 2022 *(Continued)*

(including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explainations given to us, the Group does not have any CIC as part of the Group. Accordingly, clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Popular Vehicles and Services Limited for the year ended 31 March 2022 *(Continued)*

period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231W/W-100024

Baby Paul

Partner

Place: Kochi

Membership No.: 218255

Date: 14 June 2022

ICAI UDIN:22218255AKXTOV8362

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Popular Vehicles and Services Limited for the year ended 31 March 2022 *(Continued)*

Annexure

Annexure B to the Independent Auditor's Report on the standalone financial statements of Popular Vehicles and Services Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(_) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Popular Vehicles and Services Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

Annexure B to the Independent Auditor’s Report on the standalone financial statements of Popular Vehicles and Services Limited for the year ended 31 March 2022 *(Continued)*

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**

Chartered Accountants

Firm’s Registration No.:116231W/W-100024

Baby Paul

Partner

Place: Kochi

Membership No.: 218255

Date: 14 June 2022

ICAI UDIN:22218255AKXTOV8362

Popular Vehicles and Services Limited

Standalone Balance Sheet as at 31 March 2022

(All amounts in Indian Rupees million)

	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	**4**	1,586.25	1,424.38
Capital work-in-progress	**4**	120.03	161.16
Right-of-use assets	**34**	2,223.56	1,403.63
Intangible assets	**5**	40.28	49.80
Financial assets			
Investments	**6**	607.58	620.08
Other financial assets	**12**	248.79	225.81
Income tax assets (net)	**27**	38.95	30.71
Deferred tax assets (net)	**27**	82.52	90.30
Other non-current assets	**7**	171.99	78.37
Total non-current assets		**5,119.95**	**4,084.24**
Current assets			
Inventories	**8**	2,004.64	1,425.34
Financial assets			
Investments	**6**	15.89	-
Trade receivables	**9**	661.15	858.97
Cash and cash equivalents	**10**	50.00	354.62
Bank balances other than cash and cash equivalents	**11**	1.84	22.82
Other financial assets	**12**	70.46	54.68
Other current assets	**7**	284.94	234.69
Total current assets		**3,088.92**	**2,951.12**
Assets classified as held for sale	**38**	15.42	15.42
Total assets		**8,224.29**	**7,050.78**
Equity and liabilities			
Equity			
Equity share capital	**13**	125.44	125.44
Other equity		1,915.33	1,841.79
Total equity		**2,040.77**	**1,967.23**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	**14**	602.69	673.35
Lease liabilities	**34**	2,542.36	1,689.90
Other non-current liabilities	**17**	97.14	203.58
Provisions	**16**	34.89	31.22
Total non-current liabilities		**3,277.08**	**2,598.05**
Current liabilities			
Financial liabilities			
Borrowings	**14**	1,550.04	1,305.55
Lease liabilities	**34**	123.92	109.34
Trade payables	**18**		
- Total outstanding dues of micro and small enterprises		22.13	9.83
- Total outstanding dues of creditors other than micro and small enterprises		478.26	329.25
Other financial liabilities	**15**	141.77	133.68
Provisions	**16**	20.62	31.18
Income tax liabilities (net)	**27**	-	3.15
Other current liabilities	**17**	569.70	563.52
Total current liabilities		**2,906.44**	**2,485.50**
Total equity and liabilities		**8,224.29**	**7,050.78**
Significant accounting policies	**3**		

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Baby Paul
Partner
Membership No.: 218255

Kochi
14 June 2022

for and on behalf of the Board of Directors of
Popular Vehicles and Services Limited
CIN: U50102KL1983PLC003741

John K Paul
Managing Director
DIN: 00016513

Francis K Paul
Whole Time Director
DIN: 00018825

John Verghese
Chief Financial Officer

Varun T V
Company Secretary
Membership no. 22044

Kochi
14 June 2022

Popular Vehicles and Services Limited

Standalone Statement of Profit and Loss for the year ended 31 March 2022

(All amounts in Indian Rupees million)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	**19**	18,655.31	16,916.85
Other income	**20**	120.84	125.68
Total income		**18,776.15**	**17,042.53**
Expenses			
Purchases of stock-in-trade	**21**	15,848.89	13,275.32
Changes in inventories of stock-in-trade	**22**	(579.30)	739.52
Employee benefits expense	**23**	1,584.75	1,373.44
Finance costs	**24**	374.61	336.59
Depreciation and amortisation expense	**25**	416.42	392.20
Impairment loss on trade receivables	**33**	-	11.04
Other expenses	**26**	993.60	692.12
Total expenses		**18,638.97**	**16,820.23**
Profit before tax		**137.18**	**222.30**
Income tax expense			
Current tax	**27**	60.93	45.92
Deferred tax charge	**27**	6.50	17.87
Total tax expense		**67.43**	**63.79**
Profit for the year		**69.75**	**158.51**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit plan		5.07	(9.78)
Income tax credit/ (charge) relating to item that will not be reclassified to profit or loss		(1.28)	3.42
Other comprehensive income/(loss) for the year, net of income tax		**3.79**	**(6.36)**
Total comprehensive income for the year		**73.54**	**152.15**
Earnings per share (equity share of face value of INR 10 each)	**29**		
Basic (in INR)		5.56	12.64
Diluted (in INR)		5.56	12.64
Significant accounting policies	**3**		

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Baby Paul
Partner
Membership No.: 218255

Kochi
14 June 2022

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John Verghese
Chief Financial Officer

Varun T V
Company Secretary
Membership no. 22044

Kochi
14 June 2022

Popular Vehicles and Services Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2022
(All amounts in Indian Rupees million)

A. Equity share capital

Particulars	Notes	Equity shares (in millions)	Amount
Balance as at 1 April 2020		**12.54**	**125.44**
Share issued during the year	13	-	-
Balance as at 31 March 2021		**12.54**	**125.44**
Share issued during the year		-	-
Balance as at 31 March 2022	13	**12.54**	**125.44**

B Other equity

Particulars	Reserves and surplus			Items of other comprehensive income	Total other equity attributable to equity holders of the Company
	Securities premium	General reserve	Retained earnings	Remeasurement of net defined benefit liability/ (asset), net of tax	
Balance as at 1 April 2020	**636.68**	**36.33**	**1,016.63**	**-**	**1,689.64**
Total comprehensive income for the year					
Profit for the year	-	-	158.51	-	158.51
Other comprehensive loss, net of tax	-	-	-	(6.36)	(6.36)
Total comprehensive income	-	-	**158.51**	**(6.36)**	**152.15**
Transferred to retained earnings	-	-	(6.36)	6.36	-
Balance as at 31 March 2021	**636.68**	**36.33**	**1,168.78**	**-**	**1,841.79**
Total comprehensive income for the year					
Profit for the year	-	-	69.75	-	69.75
Other comprehensive income, net of tax	-	-	-	3.79	3.79
Total comprehensive income	-	-	**69.75**	**3.79**	**73.54**
Transferred to retained earnings	-	-	3.79	(3.79)	-
Balance as at 31 March 2022	**636.68**	**36.33**	**1,242.32**	**-**	**1,915.33**

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

a) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

b) General reserve

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

c) Retained earnings

This represents the profits / losses of the Company earned till date, net of appropriations.

d) Remeasurement of net defined benefit liability/ (asset)

Remeasurement of net defined benefit liability/ (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

Baby Paul
Partner
Membership No: 218255

Kochi
14 June 2022

for and on behalf of the Board of Directors of
Popular Vehicles and Services Limited
CIN: U50102KL1983PLC003741

John K Paul
Managing Director
DIN: 00016513

Francis K Paul
Whole Time Director
DIN: 00018825

John Verghese
Chief Financial Officer

Varun T V
Company Secretary

Kochi
14 June 2022

Popular Vehicles and Services Limited
Standalone statement of cash flows for the year ended 31 March 2022
(All amounts in Indian Rupees million)

	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Profit before tax	**137.18**	**222.30**
Adjustments:		
Finance costs	374.61	336.59
Depreciation and amortisation expense	416.42	392.20
Impairment loss on trade receivables	-	11.04
Liabilities/ provisions no longer required written back	(36.95)	(33.29)
Interest income	(21.61)	(23.39)
(Gain)/ loss on sale of property, plant and equipment (net)	(4.47)	2.72
Rent concession received	(21.12)	(39.90)
Gain on derecognition of right-of-use assets	(0.78)	(0.20)
Net gain on financial assets measured at fair value through profit and loss	(0.32)	(5.21)
Operating cash flow before working capital changes	**842.96**	**862.86**
Working capital movements:		
(Increase) / decrease in inventories	(579.30)	739.52
Decrease/ (increase) in trade receivables	177.28	(357.90)
(Increase) / decrease in loans and other financial assets and other assets	(161.97)	309.77
Increase/(decrease) in liabilities and provisions	70.67	(815.25)
Cash generated from operations	**349.64**	**739.00**
Income taxes (paid)/refund , net	(72.32)	13.08
Net cash generated from/ (used in) operating activities (A)	**277.32**	**752.08**
Cash flows from investing activities		
Acquisition of investments in a subsidiary	-	(1.25)
Acquisition of other investments	(3.07)	86.42
Intercorporate loan (given to)/ repaid by wholly owned subsidiary	14.02	4.10
Interest received	21.61	23.39
Acquisition of property, plant and equipment including capital advances	(317.22)	(143.55)
Acquisition of intangible assets	(1.05)	(8.87)
Proceeds from sale of property, plant and equipment	12.63	60.57
Net cash (used in) / generated from investing activities (B)	**(273.08)**	**20.81**
Cash flows from financing activities		
Interest paid	(161.57)	(170.72)
Long-term borrowings availed	99.51	491.25
Long-term borrowings repaid	(76.49)	(93.01)
Short-term borrowings availed/ (repaid), net	150.80	(518.36)
Lease payments during the year	(319.44)	(269.62)
Net cash used in financing activities (C)	**(307.19)**	**(560.46)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(302.95)**	**212.43**
Cash and cash equivalents at the beginning of the year	352.95	140.52
Cash and cash equivalents at the end of the year	**50.00**	**352.95**

Popular Vehicles and Services Limited

Standalone statement of cash flows for the year ended 31 March 2022

(All amounts are in Indian Rupees in millions, unless otherwise stated)

Reconciliation of financial liabilities forming part of financing activities in accordance with Ind AS 7:

Particulars	As at 1 April 2021	Cash flows	Non cash changes		As at 31 March 2022
			Fair value changes	Others	
Non current borrowings (Refer note 14)	673.35	(70.66)	-	-	602.69
Current borrowings (Refer note 14)	1,305.55	244.49	-	-	1,550.04
Lease liabilities (refer note 34)	1,799.24	(319.44)	-	1,186.48	2,666.28

Particulars	As at 1 April 2020	Cash flows	Non cash changes		As at 31 March 2021
			Fair value changes	Others	
Non current borrowings (Refer note 14)	286.39	386.96	-	-	673.35
Current borrowings (Refer note 14)	1,812.63	(507.08)	-	-	1,305.55
Lease liabilities (refer note 34)	1,699.45	(269.62)	-	369.41	1,799.24

Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

(Refer to note 10 - Cash and cash equivalents)

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Baby Paul
Partner
Membership No.: 218255

Kochi
14 June 2022

for and on behalf of the Board of Directors of
Popular Vehicles and Services Limited
CIN:U50102KL1983PLC003741

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Managing Director
DIN: 00016513

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Whole Time Director
DIN: 00018825

John Verghese
Chief Financial Officer

Varun T V
Company Secretary
Membership no. 22044

Kochi
14 June 2022

Basis of preparation and significant accounting policies

1. Company overview

Popular Vehicles and Services Limited ('the Company'/'Popular') was incorporated in 1983 as a Public Limited Company and got converted into Private limited as on 24 March 2015. The Company is engaged in the business of sale and service of automobiles, sale of spare parts and accessories, finance and insurance commission. The Company is headquartered in Kochi, India and has operations in Kerala and Tamil Nadu. The Company primarily operates as the Maruti Suzuki vehicle dealer in Kerala and was amongst the first batch of dealers appointed by Maruti Suzuki in the country. The Company got converted to a public limited company on 10 July 2018 consequent to which the name of the Company is changed to Popular Vehicles and Services Limited.

The Company has six subsidiaries; Popular Mega Motors (India) Private Limited, Vision Motors Private Limited, Popular Auto Dealers Private Limited, Kuttukaran Cars Private Limited, Kuttukaran Green private Limited (formerly known as Kuttukaran Pre Owned Cars Private Limited) and Popular Auto Works Private Limited which are engaged in the business of sale and services of automobiles, sale of spare parts and accessories, finance and insurance commission.

2. Basis of preparation

A. Statement of compliance

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

The standalone financial statements were authorised for issue by the Company's Board of Directors on 14 June 2022

Details of the Company's accounting policies are included in Note 3.

B. Functional and presentation currency

These financial statements have been prepared on the historical cost basis and on an accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are presented in Indian Rupees in millions, unless otherwise stated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Certain financial assets (including investment) and liabilities	Fair value

2. Basis of Preparation (continued)

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in Note 35 - Lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment for the year ended 31 March 2022 is included in the following notes:

Note 32 – measurement of defined benefit obligations: key actuarial assumptions;

Notes 28 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 27 – recognition of deferred tax asset: availability of future taxable profit against which tax losses carried forward can be used;

Note 33 – financial instruments.

E. Measurement of fair values

A number of the Company’s accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3. Significant accounting policies

3.1 Property, plant and equipment

A. Recognition and measurement

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

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

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

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

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

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

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

B. Subsequent expenditure

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

C. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the profit or loss. Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower. Freehold land is not depreciated.

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

Class of assets	**Useful life**
Building owned	60
Motor cars	8
Motor cycles and trucks	10
Office Equipment	5
Plant and machinery	15
Tools and Equipment	5
Electrical fittings	10
Furniture and fittings	10
Computer equipment	3

* The useful life of items of property, plant and equipment is in line with the Schedule II of the Companies Act 2013.

3. Significant accounting policies (continued)

3.2 Intangible assets

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

The estimated useful lives are as follows:

Class of assets	Years
Software	3
Brand	15

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

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

3.3 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

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

Defined benefit plans

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

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling').

3. Significant accounting policies (continued)

3.3 Employee benefits (continued)

Defined benefit plans (continued)

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long term employee benefits

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3.4 Investments

Non-current investments are carried at cost less any other than temporary diminution in value, determined separately for each investment.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

The cost of investment includes acquisition charges such as brokerage, fees and duties.

The acquisition cost of investments acquired, or partly acquired by the issue of shares or other securities, is the fair value of the securities issued.

Profit or loss on sale of investments, if any, is determined separately for each investment.

3.5 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

3. Significant accounting policies (continued)

3.6 Revenue

i) Sale of products

Revenue on sale of vehicles, spare parts and accessories is recognised when the risk and rewards are transferred to the customer and is accounted net of goods and service tax and discounts, if any. Revenues are recognised when collectability of the resulting receivable is reasonably assured.

The Company generates revenue from sale of vehicles, services, spare parts and accessories and other operating avenues. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs its obligation under the contract.

ii) Rendering of services

Revenues from services including income from driving school are recognised when services are rendered and related costs are incurred.

iii) Commission, discount and incentive income

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

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

iv) Other Income

In calculating the interest income, the effective interest rate is applied to the gross carrying amount of the assets (when the assets is not credit impaired). Dividend income is recognized in the statement of profit and loss on the date on which the right to receive payment is established.

3.7 Inventories

Inventories are carried at lower of cost and net realisable value. Cost comprises purchase price, cost of conversion and other costs incurred in bringing the inventory to its present location and condition. The cost is calculated on specific identification basis.

The comparison of cost and net realisable value of inventory is made on an item by item basis. Spares, lubricants, accessories and other supplies are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the goods will exceed their net realisable value. Cost is ascertained based on First -in First-out (FIFO) adjusted for indirect taxes.

The provision for inventory obsolescence is assessed annually and is provided as considered necessary.

3.8 Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.
A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

3. Significant accounting policies (continued)

3.8 Financial instruments (continued)

ii) Classification and subsequent measurement

Financial assets

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

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

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

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

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

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

3. Significant accounting policies (continued)

3.8. Financial instruments (continued)

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) De recognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.
If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

3. Significant accounting policies (continued)

3.8. Financial instruments (continued)

Financial liabilities

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

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

iv) Off setting

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

3.9 Impairment

i) Impairment of financial instruments

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

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

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

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off.

3. Significant accounting policies (continued)

3.9. Impairment (continued)

ii) Impairment of non- financial assets

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

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

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

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

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

3.10 Leases

i. Determining whether an arrangement contains a lease

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

ii. Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

3. Significant accounting policies (continued)

3.10 Leases (continued)

ii. Company as a lessee (continued)

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

iii. Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

3.11 Recognition of interest income or interest expense

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

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

3. Significant accounting policies (continued)

3.12 Income tax

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the profit or loss. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3.13 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

3. Significant accounting policies (continued)

3.14 Earnings per share

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

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

3.15 Cash-flow statement

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

3.16 Cash and cash equivalents

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

3.17 Contingent liabilities and assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. The existence of a contingent liability is disclosed in the notes to the financial statements.

Contingent assets are neither recognised nor disclosed.

3.18 Non-current assets classified as held for sale

Assets are classified as held for disposal and stated at the lower of carrying amount and fair value less costs to sell. To classify any Asset as “Asset classified as held for sale” the asset must be available for immediate sale and its sale must be highly probable. Such assets or group of assets are presented separately in the Balance Sheet, in the line “Assets classified as held for sale”. Once classified as held for sale, intangible assets and Property Plant Equipment are no longer amortised or depreciated.

3.19 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

(a) Ind AS 16 - Property, plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The Company has evaluated the amendment and there is no impact on its financial statements

3. Significant accounting policies (continued)

3.19 Recent accounting pronouncements (continued)

(b) Ind AS 37 - Provisions, contingent liabilities and contingent assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The Company has evaluated the amendment and there is no material impact on its financial statements.

(All amounts in Indian Rupees million)

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

Particulars	Freehold land	Buildings #	Leasehold improvements	Furniture and fixtures	Electrical equipment	Plant and machinery	Tools and equipment	Motor car	Computer equipment	Office equipment	Motor cycles and trucks	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying value														
Balance at 1 April 2020	107.39	134.67	656.06	107.79	100.06	364.99	65.44	237.48	77.01	50.40	10.16	1,911.45	232.24	2,143.69
Additions	-	-	107.46	18.18	15.33	40.80	5.91	28.87	12.99	4.72	0.13	234.39	110.03	344.42
Disposals / write off	15.42	2.86	7.75	0.79	0.15	2.79	-	69.15	0.06	-	1.05	100.02	181.11	281.13
Balance at 31 March 2021	**91.97**	**131.81**	**755.77**	**125.18**	**115.24**	**403.00**	**71.35**	**197.20**	**89.94**	**55.12**	**9.24**	**2,045.82**	**161.16**	**2,206.98**
Balance at 1 April 2021	91.97	131.81	755.77	125.18	115.24	403.00	71.35	197.20	89.94	55.12	9.24	2,045.82	161.16	2,206.98
Additions	-	-	209.05	25.56	25.08	54.38	9.01	4.70	12.91	7.54	4.40	352.63	249.17	601.80
Disposals / write off	-	-	0.68	0.01	0.35	3.34	0.33	48.58	47.03	2.51	2.14	104.97	290.30	395.27
Balance at 31 March 2022	**91.97**	**131.81**	**964.14**	**150.73**	**139.97**	**454.04**	**80.03**	**153.32**	**55.82**	**60.15**	**11.50**	**2,293.48**	**120.03**	**2,413.51**
Accumulated Depreciation														
Balance at 1 April 2020	-	**12.19**	**160.69**	**32.75**	**35.20**	**88.93**	**25.87**	**60.36**	**44.54**	**22.24**	**2.64**	**485.41**	-	**485.41**
Depreciation for the year	-	8.14	39.23	13.31	12.35	32.92	7.28	30.32	19.07	9.10	1.04	172.76	-	172.76
Disposals / write off	-	0.13	1.11	0.64	0.12	2.06	-	32.23	0.01	-	0.43	36.73	-	36.73
Balance at 31 March 2021	**-**	**20.20**	**198.81**	**45.42**	**47.43**	**119.79**	**33.15**	**58.45**	**63.60**	**31.34**	**3.25**	**621.44**	**-**	**621.44**
Balance at 1 April 2021	-	20.20	198.81	45.42	47.43	119.79	33.15	58.45	63.60	**31.34**	**3.25**	**621.44**	-	**621.44**
Depreciation for the year	-	8.04	55.87	13.92	12.44	33.21	7.00	25.62	16.52	8.94	1.04	182.60	-	182.60
Disposals / write off	-	-	0.37	0.01	0.28	2.09	0.31	42.57	46.81	2.36	2.01	96.81	-	96.81
Balance at 31 March 2022	**-**	**28.24**	**254.31**	**59.33**	**59.59**	**150.91**	**39.84**	**41.50**	**33.31**	**37.92**	**2.28**	**707.23**	**-**	**707.23**
Net carrying amount														
At 31 March 2022	**91.97**	**103.57**	**709.83**	**91.40**	**80.38**	**303.13**	**40.19**	**111.82**	**22.51**	**22.23**	**9.22**	**1,586.25**	**120.03**	**1,706.28**
At 31 March 2021	**91.97**	**111.61**	**556.96**	**79.76**	**67.81**	**283.21**	**38.20**	**138.75**	**26.34**	**23.78**	**5.99**	**1,424.38**	**161.16**	**1,585.54**

Include buildings constructed on leasehold land

Particulars	As at 31 March 2022		As at 31 March 2021	
	Gross block	Net block	Gross block	Net block
Buildings	126.71	86.34	126.71	86.36

a) Title deeds of Immovable Properties not held in name of the Company:

Description	As at 31 March 2022	As at 31 March 2021
Title deeds held in the name of	Popular Vehicles and Services Limited	
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	NA	
Reason for not being held in the name of the Company	NA	

(All amounts in Indian rupees million)

4 Property, plant and equipment and capital work-in-progress (continued)

b) Ageing of capital work-in-progress

Capital work-in-progress represents expenditure towards construction of new workshops/ service centres.

As at 31 March 2022

Description	Amount in CWIP for a period of			
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years
Projects in progress	119.81	0.22	-	-
Projects temporarily suspended	-	-	-	-

As at 31 March 2021

Description	Amount in CWIP for a period of			
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years
Projects in progress	45.35	79.68	19.64	16.49
Projects temporarily suspended	-	-	-	-

c) Details of capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its orginal plan

As at 31 March 2022

Description	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
Project - Trivandrum Commercial Vehicles Showroom	1.67	-	-	-	1.67

As at 31 March 2021

Description	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
Project - Corporate Office renovation	5.50	-	-	-	5.50
Project – Payyannur PDI	18.49	-	-	-	18.49
Project Arena Kannur	44.33	-	-	-	44.33
Project Irrity Service	0.55	-	-	-	0.55
Project Nedumanagadu Service	3.31	-	-	-	3.31

d) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder, for years ended 31 March 2022 and 31 March 2021.

e) For details of property, plant and equipment pledged, refer note 14.

(All amounts in Indian Rupees million)

5 Intangibles assets

Particulars	Computer software	Brand	Total
Reconciliation of carrying amount			
Gross carrying amount			
Balance at 1 April 2020	**28.96**	**49.47**	**78.43**
Additions	8.87	-	8.87
Balance at 31 March 2021	**37.83**	**49.47**	**87.30**
Balance at 1 April 2021	**37.83**	**49.47**	**87.30**
Additions	1.05	-	1.05
Balance at 31 March 2022	**38.88**	**49.47**	**88.35**
Accumulated amortisation			
Balance at 1 April 2020	**11.65**	**12.84**	**24.49**
Amortisation for the year	9.85	3.16	13.01
Balance at 31 March 2021	**21.50**	**16.00**	**37.50**
Balance at 1 April 2021	**21.50**	**16.00**	**37.50**
Amortisation for the year	7.41	3.16	10.57
Balance at 31 March 2022	**28.91**	**19.16**	**48.07**
Net carrying amount			
At 31 March 2022	**9.97**	**30.31**	**40.28**
At 31 March 2021	**16.33**	**33.47**	**49.80**

(All amounts in Indian Rupees million)

		As at 31 March 2022	As at 31 March 2021
6	**Investments**		
	Non-current investments, unquoted		
	Investments in equity instruments of subsidiaries (at cost less provision for other than temporary impairment), fully paid-up		
	Investment in subsidiaries		
	Popular Auto Dealers Private Limited 51,034 (31 March 2021: 51,034) equity shares of face value of INR 100 each	49.95	49.95
	Popular Mega Motors (India) Private Limited 6,943,963 (31 March 2021: 6,943,963) equity shares of face value of INR 10 each	309.57	309.57
	Popular Autoworks Private Limited 25,111,780 (31 March 2021: 25,111,780) equity shares of face value of INR 10 each	247.23	247.23
	Kuttukaran Cars Private Limited (formerly known as Prabal Motors Private Limited) 2,000,000 (31 March 2021: 2,000,000) equity shares of face value of INR 10 each	15.50	15.50
	Less: Provision for diminution in value	(15.50)	(15.50)
	Investments in preference shares at FVTPL		
	Prabal Motors Private Limited (formerly known as Popular Kuttukaran Cars Private Limited) 20,000 (31 March 2021 : 20,000) preference shares of face value of INR 10 each	0.20	0.20
	Investment in others at FVTPL		
	Quoted		
	Muthoot Finance Limited 469 (31 March 2021: 469) equity shares of face value of INR 10 each	0.63	0.57
	Investment in mutual funds at FVTPL		
	Unquoted		
	Aditya Birla Sunlife Equity Fund - Regular Growth Nil (31 March 2021: 4,181.58)	-	3.92
	HDFC Small Cap Fund - Regular Growth Nil (31 March 2021: 79567.949)	-	4.20
	Kotak Emerging Equity Scheme Fund - Regular Growth Nil (31 March 2021: 77226.847)	-	4.44
	Total investments	**607.58**	**620.08**
	Aggregate value of non-current investments-unquoted	606.95	619.51
	Aggregate book/ market value of non-current investments-quoted	0.63	0.57
	Aggregate provision for impairment in value of investment	(15.50)	(15.50)
	Current investments		
	Investment in debentures at FVTPL		
	Investment in debentures measured at fair value through profit or loss	15.89	-
		15.89	**-**
	Aggregate value of current investments-unquoted	**15.89**	**-**
7	**Other assets**		
	Non-current		
	Unsecured, considered good		
	Capital advances	18.86	0.98
	Less:Allowances for expected credit loss	(4.18)	-
	Prepayments	135.13	55.31
	Balance with statutory / government authorities *	22.18	22.08
		171.99	**78.37**
	Current		
	Unsecured, considered good		
	Prepayments	20.89	16.05
	Advance to staff	0.55	0.14
	Balance with statutory / government authorities	218.25	156.30
	Balance with Life Insurance Corporation Gratuity Fund, net (refer note 32)	-	11.62
	Payment to vendors for supply of goods and services	45.25	50.58
		284.94	**234.69**
		456.93	**313.06**

* Represents amounts paid under protest against various tax cases and proceedings .

Note (i) The company has incurred an expenditure of Rs. 58.20 million for the year ended 31 March 2022 towards the proposed initial public offer which has been classified as "other non-current assets" in the financial statements. The Company expects to recover certain amounts from the shareholders and the balance amount would be charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon the shares being issued.

The Company has not given any loan to their directors during the years ended 31 March 2022 and 31 March 2021.

(All amounts in Indian Rupees million)

		As at 31 March 2022	As at 31 March 2021
8	**Inventories**		
	(Valued at lower of cost and realisable value)		
	New vehicles	1,335.27	885.52
	Pre-owned vehicles	392.04	333.03
	Spares and lubricants	180.94	157.66
	Accessories	113.96	68.67
		2,022.21	**1,444.88**
	Less: Provision for obsolete inventory	(17.57)	(19.54)
		2,004.64	**1,425.34**

Closing stock includes value of goods in transit of new vehicles for Rs.645.16 million (31 March 2021 :Rs 504.44 million), accessories for Rs.27.78 million (31 March 2021:Rs 18.86 million).

		As at 31 March 2022	As at 31 March 2021
9	**Trade receivables**		
	Current		
	Unsecured		
	Considered good	661.15	858.97
	Considered doubtful	20.16	26.96
		681.31	**885.93**
	Allowances for expected credit loss (refer note 33 B(ii))	(20.16)	(26.96)
	Net trade receivables	**661.15**	**858.97**
	Of the above, trade receivables from related parties are as below:		
	Total trade receivables from related parties	2.35	10.65
	Net trade receivables	**2.35**	**10.65**

For details of trade receivables from related parties, refer note 36.
The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 33.

Trade receivables ageing schedule

As at 31 March 2022

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i)Undisputed Trade receivables – considered good	644.66	8.44	8.05	-	-	661.15
ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii)Undisputed Trade Receivables – credit impaired	11.55	2.10	6.51	-	-	20.16
	656.21	**10.54**	**14.56**	**-**	**-**	**681.31**

As at 31 March 2021

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i)Undisputed Trade receivables – considered good	857.77	1.20	-	-	-	858.97
ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii)Undisputed Trade Receivables – credit impaired	8.53	4.92	13.51	-	-	26.96
	866.30	**6.12**	**13.51**	**-**	**-**	**885.93**

The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 33.

		As at 31 March 2022	As at 31 March 2021
10	**Cash and cash equivalents**		
	Balance with banks		
	Balances with banks in current accounts	37.11	343.35
	Cash on hand	6.78	6.71
	Cheques on hand	6.11	4.56
	Cash and cash equivalents in balance sheet	**50.00**	**354.62**
	Book overdrafts used for cash management purposes	-	1.67
	Cash and cash equivalents in the statement of cash flows	**50.00**	**352.95**
11	**Bank balances other than cash and cash equivalents**		
	Balance with banks held as margin money	1.84	22.82
		1.84	**22.82**
12	**Other financial assets**		
	Non-current		
	Unsecured, considered good		
	Dues from related parties (refer note 36)	50.02	67.08
	Rent and other deposits	172.26	158.73
	Balance with bank held as margin money	26.51	-
		248.79	**225.81**
	Current		
	Unsecured, considered good		
	Rent and other deposits	58.60	45.86
	Dues from related parties (refer note 36)	11.86	8.82
	Dues from others	5.00	5.00
	Less: Allowances for expected credit loss	(5.00)	(5.00)
		70.46	**54.68**
		319.25	**280.49**

(All amounts and number of shares in Indian rupees million)

13 Equity share capital

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Authorised				
Equity shares of INR 10 each	15.00	150.00	15.00	150.00
	15.00	**150.00**	**15.00**	**150.00**
Issued, subscribed and paid-up				
Equity shares of INR 10 each fully paid-up				
At the beginning of the year	12.54	125.44	12.54	125.44
Add: Bonus issue of shares	-	-	-	-
Add: Right issue of shares	-	-	-	-
At the end of the year	**12.54**	**125.44**	**12.54**	**125.44**

(a) Terms and rights attached to equity shares

The Company has a single class of equity shares. All the equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to share of paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on the shares may lead to the forfeiture of shares. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, remaining after the distribution of all preferential amounts in proportion to the number of equity shares held.

The Company is largely held by individuals and accordingly does not have a holding/ ultimate holding company.

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

	As at 31 March 2022		As at 31 March 2021	
Equity shares of INR 10 each fully paid up held by	**Number of shares**	**% holding in the class**	**Number of shares**	**% holding in the class**
a) BanyanTree Growth Capital II, LLC	4.27	34.01%	4.27	34.01%
b) Francis K Paul - Promoter	2.75	21.93%	2.75	21.93%
c) John K Paul - Promoter	2.75	21.93%	2.75	21.93%
d) Naveen Philip - Promoter	2.75	21.93%	2.75	21.93%

(c) Details of shares held by promoters at the end of the year

	As at 31 March 2022		As at 31 March 2021	
Name of the promoters	**Number of shares**	**% holding in the class**	**Number of shares**	**% holding in the class**
a) Francis K Paul - Promoter	2.75	21.93%	2.75	21.93%
b) John K Paul - Promoter	2.75	21.93%	2.75	21.93%
c) Naveen Philip - Promoter	2.75	21.93%	2.75	21.93%

(d) Details of bonus shares issued during the five years immediately preceding the balance sheet date.

During the year ended 31 March 2019, 8.62 million equity shares of Rs. 10 each, fully paid up, has been allotted as bonus shares by capitalisation of general reserve.

(e) Details of buyback and shares issued for consideration other than for cash in the five years immediately preceding the balance sheet date.

The Company has not bought back any class of equity shares nor has there been any issue for consideration other than for cash during the period of five years immediate preceding the balance sheet date.

(All amounts in Indian Rupees million)

	As at 31 March 2022	As at 31 March 2021
14 Borrowings		
Non-current		
Secured		
Term loans from banks	596.58	665.93
Vehicle loans from financial institutions	6.11	7.42
	602.69	**673.35**
Current		
Secured		
Short term loan from banks	1,323.40	1,175.56
Current maturities of long-term borrowings	172.81	99.88
Unsecured		
Short term loans from banks	15.40	-
Short term loans from financial institutions	38.43	30.11
	1,550.04	**1,305.55**
Total borrowings	**2,152.73**	**1,978.90**

Information about the Company's exposure to interest rate and liquidity risks are included in note 33.

Details of securities, terms and conditions of borrowings from banks and financial institutions

Lenders name	Security terms	Nature of borrowings	Tenure	As at 31 March 2022	As at 31 March 2021
Yes Bank Limited	Secured by personal guarantees of John K Paul and Francis K Paul, directors of the Company and lien on the vehicle booked.	Short term loan from banks - Secured	60 days	11.70	-
Axis Bank Limited	Secured by personal guarantees John K Paul and Francis K Paul, directors of the Company.	Short term loan from banks - Secured	60 days	346.02	437.32
Indusind Bank Limited	Secured by personal guarantees of John K Paul and Francis K Paul, directors of the Company.	Short term loan from banks - Unsecured	60 Days	-	179.03
ICICI Bank Limited	Secured by exclusive charge on the stock and receivables, equitable mortgage on residential property and personal guarantees of John K Paul and Francis K Paul, directors of the Company.	Short term loan from banks - Secured	60 Days	72.75	57.87
Kotak Mahindra Prime Limited	Secured by hypothecation of vehicles purchased using the fund and personal guarantees of John K Paul and Francis K Paul, directors of the Company.	Short term loan from financial institutions - Unsecured	60 days	15.40	-
ICICI Bank Limited	Secured by hypothecation of vehicles purchased using the fund and personal guarantees of John K Paul and Francis K Paul, directors of the Company.	Vehicle loan - Secured	36 months - 24 Months	2.05	3.50
Axis Bank Limited	Secured by personal guarantees John K Paul and Francis K Paul, directors of the Company.	Long term loan from banks - Secured	60 months	87.05	88.90
Federal bank Limited	Secured by 2nd charge on equitable mortgage over immovable properties of the Company	Long term loan from banks - Secured	60 months	104.15	110.00
ICICI Bank Limited	Secured by 2nd charge on equitable mortgage over immovable properties of the Company and Secured by personal guarantees John K Paul and Francis K Paul, directors of the Company.	Long term loan from banks - Secured	60 months	31.70	31.70
Indusind Bank Limited	Secured by personal guarantees of John K Paul and Francis K Paul, directors of the Company.	Long term loan from banks - Secured	60 months	29.45	29.45
Yes Bank Limited	Secured by personal guarantees of John K Paul and Francis K Paul, directors of the Company.	Long term loan from banks - Secured	60 months	39.41	-
State Bank of India	Secured by 2nd charge on equitable mortgage over immovable properties of the Company	Long term loan from banks - Secured	60 months	119.00	119.03

(All amounts in Indian Rupees million)

14 Borrowings (continued)

Lenders name	Security terms	Nature of borrowings	Tenure	As at 31 March 2022	As at 31 March 2021
Sundaram Finance Limited	Secured by hypothecation of vehicles purchased using the fund and personal guarantees of John K Paul and Francis K Paul, directors of the Company.	Vehicle loan -Secured	36 months - 24 Months	9.89	29.18
Sundaram Finance Limited	Secured by personal guarantees of John K Paul and Francis K Paul, directors of the Company.	Short term loan from financial institutions - Unsecured	30 days	17.97	20.40
Indusind Bank Limited	Secured by personal guarantees of John K Paul and Francis K Paul, directors of the Company.	Short term loan from banks - Secured	30 days	218.31	-
Mahindra and Mahindra Financial Services Limited	Secured by personal guarantees of John K Paul and Francis K Paul, directors of the Company.	Short term loan from financial institutions - Unsecured	45 days	5.11	1.37
Cholamandalam Investment and Finance Company Limited	Secured by personal guarantees of John K Paul and Francis K Paul, directors of the Company.	Short term loan from financial institutions - Unsecured	45 days	15.35	8.33
Federal bank Limited	Secured by equitable mortgage of showroom building and movable fixed assets of the company other than those covered by term loan from SBI and KMPL ,current assets of the company and personal guarantees of John K Paul, Francis K Paul and Naveen Philip, directors of the	Term loan from banks - Secured	84 months	292.72	361.48
Federal bank Limited	Securedby advances,receivables and stock of new vehicles of the company and personal guarantees of John K Paul, Francis K Paul and Naveen Philip, directors of the Company.	Short term loan from banks - Secured	60 days	79.18	79.35
State Bank of India	Equitable mortgage of showroom building belonging to directors and personal guarantee of John K Paul and Francis K Paul, directors of the Company.	Short term loan from banks - Secured	45 Days	477.63	321.99
Federal bank Limited	Secured by hypothecation of stocks of used cars, accessories and spares and receivables.	Short term loan from banks - Secured	NA	99.94	100.00
HDFC Bank Limited	Secured by hypothecation of stocks and book debts under parippassu agreement.	Short term loan from banks - Secured	45 Days	17.86	-
State Bank of India	Secured by first charge on assets created out of this facility and second charge on inventory,receivables and advances.	Long term loan from banks - Secured	60 months	60.09	-
				2,152.73	**1,978.90**

Borrowings from banks / financial institutions carry interest rates from 8% to 10% per annum

The Company has utilised the loans availed for the purpose it was availed.

The Company has availed working capital facilities from banks on the basis of security of current assets and have submitted quarterly returns of current assets and current liabilities to the bankers. Following is the summary of reconciliations and reasons for differences between such returns and book of accounts.

Quarter ended	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Whether return/statement subsequently rectified
30 June 2021	Federal Bank	Inventory	2,622.50	3,040.00	(417.50)	No
30 September 2021	Federal Bank	Inventory	1,497.14	1,692.90	(195.76)	
31 December 2021	Federal Bank	Inventory	1,057.64	1,140.00	(82.36)	
31 March 2022	Federal Bank	Inventory	2,022.21	2,420.00	(397.79)	
30 June 2021	Federal Bank	Other current liabilities	2,342.91	2,020.00	322.91	No
30 September 2021	Federal Bank	Other current liabilities	660.54	530.73	129.81	
31 December 2021	Federal Bank	Other current liabilities	862.87	410.00	452.87	
31 March 2022	Federal Bank	Other current liabilities	952.06	970.00	(17.94)	

The Company has been sanctioned working capital limits from banks/financial institution on the basis of security of current assets which consists of inventory. The value declared to the banks is inclusive of GST paid on it as banks/financial. However, the value considered in the financial statement is exclusive of GST and since such GST portion was not considered as part of cost inventory.

As per the condition upon which banks/financial institutions have funded the working capital requirements, the Company is also required to provide details of its trade payable and other current liabilities on a periodic basis. As the working capital support is for meeting the day today operational requirements, the Company did not consider trade payable and other current liabilities pertaining to its corporate office functions while providing periodic statement to banks/financial institutions. However, the trade payable and other current liabilities disclosed in the financial statement is inclusive of trade payables and other current liabilities pertaining to its corporate office functions.

(All amounts in Indian Rupees million)

	As at 31 March 2022	As at 31 March 2021
15 Other financial liabilities		
Current		
Interest accrued but not due on borrowings	0.76	0.13
Accrued salaries and benefits	122.27	125.30
Dues to creditors for capital goods	18.74	6.58
Book overdraft	-	1.67
	141.77	**133.68**

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 33.

	As at 31 March 2022	As at 31 March 2021
16 Provisions		
Non-current		
Provision for employee benefits		
Net defined benefit liability - Gratuity *	3.29	-
Compensated absences	31.60	31.22
	34.89	**31.22**
Current		
Provision for employee benefits		
Compensated absences	20.62	31.18
	20.62	**31.18**
	55.51	**62.40**

* Also refer note 32

17 Other liabilities		
Non-current		
Advance from vendors for rebates	97.14	203.58
	97.14	**203.58**
Other liabilities		
Current		
Contract liabilities	451.67	453.74
Advance from vendors for rebates	74.69	67.51
Statutory dues payables	43.34	42.27
	569.70	**563.52**
	666.84	**767.10**
Movement in contract liabilities		
Opening balance at the beginning of the year	453.74	392.12
Less : Revenue recognised during the year	(453.74)	(392.12)
Add: Additions to advances from customers during the year	451.67	453.74
Closing balance at the end of the year	**451.67**	**453.74**

The contract liabilities primarily relate to the advance consideration received from the customers for the purchase of vehicles. This will be recognised as revenue as and when the Company meet the performance obligation by delivering the vehicles. Refer Note 16 for more details.

18 Trade payables		
Total outstanding dues of micro and small enterprises	22.13	9.83
Total outstanding dues of creditors other than micro and small enterprises	478.26	329.25
	500.39	**339.08**

Trade payable ageing schedule

As at 31 March 2022

Particulars	**Outstanding for following periods from due date of payment**				**Total**
	Less than 1 year	**1-2 years**	**1-2 years**	**More than 3 years**	
i)MSME	22.13	-	-	-	22.13
ii)Others	417.23	61.03	-	-	478.26
iii)Disputed Dues-MSME	-	-	-	-	-
iv)Disputed Dues-Others	-	-	-	-	-
v)Unbilled dues	-	-	-	-	-
	439.36	**61.03**	**-**	**-**	**500.39**

As at 31 March 2021

Particulars	**Outstanding for following periods from due date of payment**				**Total**
	Less than 1 year	**1-2 years**	**1-2 years**	**More than 3 years**	
i)MSME	9.83	-	-	-	9.83
ii)Others	328.58	0.67	-	-	329.25
iii)Disputed Dues-MSME	-	-	-	-	-
iv)Disputed Dues-Others	-	-	-	-	-
v)Unbilled dues	-	-	-	-	-
	338.41	**0.67**	**-**	**-**	**339.08**

All trade payables are 'current'.
The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 33.
Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:

The principal amount remaining unpaid to any supplier as at the end of the year	22.13	9.83
The interest due on the principal remaining outstanding as at the end of the year	*	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under	-	-
The amount of interest accrued and remaining unpaid at the end of the year .	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-

		Year ended 31 March 2022	Year ended 31 March 2021
19	**Revenue from operations**		
	Sale of products		
	Sales of new vehicles including labour income	12,073.59	11,257.56
	Sale of spare parts and accessories	1,867.78	1,560.44
	Sale of pre-owned vehicles	2,330.41	2,120.26
		16,271.78	**14,938.26**
	Sale of services	**1,584.55**	**1,236.23**
		17,856.33	**16,174.49**
	Other operating revenues		
	Income from schemes and incentives	392.89	338.61
	Finance and insurance commission	388.05	390.61
	Income from driving school	18.04	13.14
		18,655.31	**16,916.85**
	Reconciliation of revenue from sale of products and services		
	Gross revenue	17,366.36	16,681.16
	Less: Discount allowed	489.97	506.67
		17,856.33	**16,174.49**

(A) Disseggregate of revenue information

The table below presents disaggregated revenues from contracts with customers for the below years ended by offerings and contract type. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainity of our revenues and cashflows are effected by industry, market and other economic factors.

Particulars	Year ended 31 March 2021	Year ended 31 March 2021
Revenue by contract type		
Fixed price	18,655.31	18,655.31
	18,655.31	**18,655.31**

(B) Contract balances

The following table provides information about trade receivables and contract liabilities from contract with customers.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Trade receivables	661.15	858.97
Contract liabilities	451.67	453.74

(C) Transaction price allocated to remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Within 1 year	451.67	453.74
More than 3 years	-	-
Closing balance	**451.67**	**453.74**

		Year ended 31 March 2022	Year ended 31 March 2021
20	**Other income**		
	Interest income based on effective interest rate		
	Fixed deposits with banks	2.60	2.52
	Rent deposits	12.59	5.26
	Interest on income-tax refund	-	7.97
	Loan to related parties (refer note 36)	6.42	7.64
	Gain on sale of property, plant and equipment (net)	4.47	-
	Liabilities no longer required written back	36.95	33.29
	Rent concession received	14.77	39.90
	Gain on disposal of right-of-use assets	0.78	0.20
	Financial assets at FVTPL - net change in fair value	0.32	5.21
	Other non-operating income	41.94	23.69
		120.84	**125.68**
21	**Purchases of stock-in-trade**		
	New vehicles	12,022.78	10,033.92
	Pre-owned vehicles	2,208.26	2,022.76
	Spares, lubricants and accessories	1,617.85	1,218.64
		15,848.89	**13,275.32**
22	**Change in inventories of stock-in-trade**		
	Opening inventory	1,425.34	2,164.86
	Closing inventory	2,004.64	1,425.34
		(579.30)	**739.52**

(All amounts in Indian Rupees million)

		Year ended 31 March 2022	Year ended 31 March 2021
23	**Employee benefits expense**		
	Salaries and allowances	1,418.59	1,215.53
	Contribution to provident and other fund (refer note 32)	96.99	96.06
	Staff welfare expense	69.17	61.85
		1,584.75	**1,373.44**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

		Year ended 31 March 2022	Year ended 31 March 2021
24	**Finance costs**		
	Interest on bank borrowings	146.44	135.84
	Interest on lease liabilities (refer note 34)	212.41	172.02
	Other borrowing costs	15.76	28.73
		374.61	**336.59**
25	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment	182.60	172.76
	Amortisation on intangible assets	10.57	13.01
	Depreciation on right-of-use asset (refer note 34)	223.25	206.43
		416.42	**392.20**
26	**Other expenses**		
	Rent	83.76	38.18
	Advertising and sales promotion	103.71	87.92
	Consumables	198.44	111.60
	Repairs and maintenance:		
	Plant and machinery	6.33	5.00
	Building	25.17	22.53
	Others	67.44	52.29
	Power, water and fuel	80.35	64.62
	Travelling and conveyance	53.80	45.19
	Housekeeping and security and other contract charges	118.27	39.94
	Office expenses	40.06	25.48
	Communication	34.82	36.41
	Refurbishment charges on pre-owned vehicles	40.90	35.09
	Loss on sale of property, plant and equipment (net)	-	2.72
	Pre-delivery inspection charges	18.10	15.23
	Rates and taxes	9.70	12.01
	Transportation charges	16.54	16.37
	Bank charges	14.71	15.96
	Insurance	30.22	27.68
	Management fee on pre-owned vehicles	12.86	9.93
	Legal and professional (refer note 30)	12.60	8.22
	Commission	4.11	3.56
	Donation and charity	0.13	0.15
	Expenditure on corporate social responsibility ('CSR') (refer note (i) below)	1.70	2.02
	Miscellaneous expenses	19.88	14.02
		993.60	**692.12**

	Details of Corporate social responsibility expenditure		
(i)	Gross amount required to be spent during the year	1.70	2.02
(ii)	Amount approved by the Board to be spent during the year	1.70	2.02
(iii)	Amount spent during the year on ;		
	Construction/ acquisition of asset	-	-
	On purposes other than above	1.70	2.02
	Unspent amount in relation to:		
	Ongoing project	-	-
	Other than ongoing project	-	-
(iv)	(Shortfall) / Excess at the end of the year	-	-
(v)	Total of previous years shortfall	-	-
(vi)	Details of related party transactions	-	-
(vii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period/year should be shown separately	-	-
(viii)	Reason for shortfall:		
	For the year ending 31 March 2022 and 31 March 2021	N.A	N.A
(ix)	Nature of CSR activities:		
	a) Payment to Prime minister national relief fund	-	-
	b) Skill development	1.70	2.02
	c) Education	-	-
	d) Rural development	-	-

Details of ongoing project and other than ongoing project

Particulars	**Opening balance**		**Amount required to be spent**	**Amount Spent during the year**		**Closing balance**	
	With Company	**In separate CSR unspent A/c**		**From Company's bank A/c**	**From separate CSR unspent A/c**	**With Company**	**In separate CSR unspent A/c**
As at 31 March 2022	-	-	1.70	1.70	-	-	-
As at 31 March 2021	-	-	2.02	2.02	-	-	-

(All amounts in Indian Rupees million)

27 Income taxes

	As at 31 March 2022	As at 31 March 2021
Income tax assets	38.95	30.71
Income tax liabilities	-	(3.15)
Net income tax assets at the end of the year	**38.95**	**27.56**

(i) Tax expense recognised in statement of profit and loss	Year ended 31 Mar 2022	Year ended 31 March 2021
Current tax (including MAT)	60.93	70.33
Income tax for expense - earlier years	-	(24.41)
Deferred tax charge (including MAT credit entitlement)	6.50	17.87
Tax expenses	**67.43**	**63.79**

(ii) Amount recognised in other comprehensive income	Year ended 31 March 2022			Year ended 31 March 2021		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Remeasurement of the net defined benefit plans	5.07	(1.28)	3.79	(9.78)	3.42	(6.36)
	5.07	**(1.28)**	**3.79**	**(9.78)**	**3.42**	**(6.36)**

(iii) Reconciliation of effective tax rate	Year ended 31 March 2022	Year ended 31 March 2021
Profit before income taxes	137.18	222.30
Enacted tax rates in India *	25.17%	34.94%
Tax using the company's statutory tax rate	34.53	77.67
Income at differential rate - long term capital gain	0.89	-
On account of change in tax rate	25.26	-
Other permanent differences	6.75	(13.88)
Tax expense	67.43	63.79
Effective tax rate	**49.15%**	**28.70%**

* The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the year and re-measured its deferred tax asset basis the rate prescribed in the said section. Accordingly, deferred tax asset have reduced by Rs. 25.26 million. The tax charge for the year have increased by Rs.25.26 million.

Recognised deferred tax assets and (liabilities)
(i) Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax asset		
Allowance for expected credit loss	5.07	9.42
Provision for employee benefits	14.80	17.75
Other timing differences	5.47	-
MAT credit entitlement	-	-
Lease liabilities, impact on account of Ind AS 116	111.43	138.24
Total deferred tax assets (A)	**136.77**	**165.41**
Deferred tax liabilities		
Excess of depreciation on property,plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(54.25)	(75.11)
Total deferred tax liability (B)	**(54.25)**	**(75.11)**
Deferred tax asset/ (liability) net (A+B)	**82.52**	**90.30**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Company has recognised deferred tax assets arising out of tax losses (unabsorbed depreciation) to the extent of net deferred tax liability on account of taxable temporary differences.

(All amounts in Indian Rupees million)

27 Income taxes (continued)

(ii) Movement in temporary differences

Movement during the year ended 31 March 2022	**As at 1 April 2021**	**Recognised through retained earning**	**Charge/ (Credit) in the Statement of Profit and Loss**	**Charge/ (Credit) in other comprehensive Income**	**As at 31 March 2022**
Allowance for expected credit loss	9.42	-	4.35	-	5.07
Provision for employee benefits	17.75	-	1.67	1.28	14.80
Other timing differences	-	-	(5.47)	-	5.47
Lease liabilities, impact on account of Ind AS 116	138.24	-	26.81	-	111.43
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under	(75.11)	-	(20.86)	-	(54.25)
Net deferred tax assets/ (liabilities)	**90.30**	**-**	**6.50**	**1.28**	**82.52**

Movement during the year ended 31March 2021	**As at 1 April 2020**	**Recognised through retained earning**	**Charge/ (Credit) in the Statement of Profit and Loss**	**Charge/ (Credit) in other comprehensive Income**	**As at 31 March 2021**
Allowance for expected credit loss	12.74	-	3.32	-	9.42
Provision for employee benefits	10.65	-	(3.68)	(3.42)	17.75
Other timing differences	22.75	-	22.75	-	-
Lease liabilities, impact on account of Ind AS 116	117.14	-	(21.10)	-	138.24
MAT credit entitlement	17.67	-	17.67	-	-
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(76.20)	-	(1.09)	-	(75.11)
Net deferred tax assets/ (liabilities)	**104.75**	**-**	**17.87**	**(3.42)**	**90.30**

(All amounts in Indian Rupees million)

28 Contingent liabilities and commitments

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Contingent liabilities		
Claims against the Company not acknowledged as debts		
Service tax related matters	13.75	11.55
KVAT related matters	98.24	98.48
Income tax related matters	19.87	83.90
Employees' state insurance/provident fund demand	7.95	7.95
Customer claims	86.67	83.15
Commitments		
Corporate guarantees	763.54	520.06
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	93.40	158.00

Details of claims against the Company

a) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timing of cash flows, if any, in respect of the above as it is determinable only on receipt of judgement/ decision pending with various forums/ authorities. The Company has received all its pending litigations and proceedings and has adequately provided for when provision is required and disclosed as contingent liabilities where applicable, in the financial information. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

b) There are certain claims raised by various customers, pending before various consumer forums. The management does not expect the outcome of the action to have a material effect on its financial position.

c) On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Company has re-computed its liability towards PF for the month of March 2019. In respect of the earlier periods/years, the Company has been legally advised that there are numerous interpretative challenges on the application of the judgment retrospectively. Based on such legal advice, the management believes that it is impracticable at this stage to reliably measure the provision required, if any, and accordingly, no provision has been made towards the same. Necessary adjustments, if any, will be made to the books as more clarity emerges on this subject.

29 Earnings per share

A. Basic earnings per share

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

i) Net profit attributable to equity share holders

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Net profit for the year, attributable to the equity share holders (A)	69.75	158.51

ii) Weighted average number of equity shares (basic and diluted)

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Number of equity shares at the beginning of the year (refer note 13)	12.54	12.54
Weighted average number of shares issued during the year (right issue)	-	-
Weighted average number of shares issued during the year (bonus issue)	-	-
Weighted average number of equity shares of INR 10 each outstanding during the year (C)	12.54	12.54
Earnings per share, basic and diluted (A/C)	**5.56**	**12.64**

B. Diluted earnings per share

There are no potential dilutive equity shares as at balance sheet dates.

30 Auditors' remuneration (included under legal, professional and other consultancy charges, net of goods and service tax)

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Statutory audit	1.50	1.50
Certification and other services	0.24	0.24
	1.74	**1.74**

(All amounts in Indian Rupees million)

31 Segment reporting

The Company has a single reportable business segment which is reviewed by Chief operating decision maker ('CODM'). The Company is engaged in the business of purchase and sale of vehicles and related services. The entire operations are organised and managed as one organisational unit with the same set of risks and returns, hence the same has been considered as representing a single primary segment. The Company renders its services in India only and does not have any operations in economic environments with different risks and returns; hence it is considered operating in a single geographic segment.The Company has no significant customer whose carrying value exceeds 10% of the revenue from operations; hence no separate disclosure is made on the same.

Accordingly, no segment disclosure has been made in these financial statements.

32 Employee benefits

A Defined contribution plan

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

B Defined benefit plan

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

The Gratuity Plan entitles an employee, who has rendered atleast five years of continuous service, to receive one-half month’s salary for each year of completed service (service of six months or above is rounded off to one year) at the time of retirement/ exit, restricted to a sum of INR 2.00 million.

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

Reconciliation of the projected defined benefit obligation

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Defined benefit liability	183.71	169.68
Plan assets	180.42	181.30
Net defined benefit liability/ (asset)	**3.29**	**(11.62)**
Liability for compensated absences	52.22	62.40
Total employee benefit liability	**55.51**	**50.78**
Non-current defined benefit liability	34.89	19.60
Current defined benefit liability	20.62	31.18

C Reconciliation of net defined benefit (assets)/ liability - -

i) Reconciliation of present values of defined benefit obligation

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

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Defined benefit obligation as at the beginning of the year	**169.68**	143.06
Current service cost	22.47	17.23
Past service Cost		-
Interest cost	10.33	8.60
Benefits paid	(13.70)	(9.10)
Re-measurements		
Actuarial gain/(loss) recognised in other comprehensive income		
- changes in demographic assumptions		-
Actuarial gain/(loss) recognised in other comprehensive income		
- changes in financial assumptions	(7.40)	13.84
- changes in experience over the past period	2.33	(3.95)
Defined benefit obligation as at the end of the year	**183.71**	**169.68**

ii) Reconciliation of present value of plan assets

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Plan assets at the beginning of the year	181.30	164.62
Contributions paid into the plan	1.13	14.71
Benefits paid	(13.70)	(9.10)
Interest income	11.69	10.96
Re-measurements		
Return on plan assets excluding amount included in net interest on the net defined liability/(asset)	-	0.11
Balance at the end of the year	**180.42**	**181.30**
Net defined benefit liability/ (asset)	**3.29**	**(11.62)**

D Expenses recognised in the standalone statement of profit and loss

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

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Current service cost	22.47	17.23
Past service cost	-	-
Net interest on net defined liability	(1.36)	(2.36)
Net gratuity cost	**21.11**	**14.87**

(All amounts in Indian Rupees million)

32 Employee benefits (continued)

ii) Reconciliation of present value of plan assets

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Plan assets at the beginning of the year	**181.30**	164.62
Contributions paid into the plan	1.13	14.71
Benefits paid	(13.70)	(9.10)
Interest income	11.69	10.96
Re-measurements		
Return on plan assets excluding amount included in net interest on the net defined liability/(asset)	-	0.11
- return on plan asset		-
Balance at the end of the year	**180.42**	**181.30**
Net defined benefit liability	**3.29**	**(11.62)**

(ii) Remeasurements recognised in other comprehensive income

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Acturial (gain)/ loss on defined benefit	(5.07)	9.89
Loss/ (return) on plan asset excluding interest income	-	(0.11)
Net gratuity (gain)/ cost	**(5.07)**	**9.78**

E Plan Asset

Plan asset comprises of the following:

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Funds managed by Life Insurance Corporation of India	180.42	181.30

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

F Defined Benefit Obligation

(i) Actuarial Assumptions

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

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Discount rate	6.90%	6.45%
Salary growth rate	6.00%	6.00%
Attrition rate	Up to 35 years: 25% p.a 35 yrs & above: 3% p.a.	Up to 35 years: 25% p.a 35 yrs & above: 3% p.a.
Weighted average duration of defined benefit	9 years	9 years

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

Assumptions regarding future mortality experience are set in accordance with the standard table - IALM 20012-14. The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

(ii) Sensitivity analysis

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

Particulars	**As at 31 March 2022**		**As at 31 March 2021**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(14.74)	17.17	(13.84)	16.19
Future salary growth (1% movement)	16.90	(14.81)	15.87	(13.83)
Attrition rate (1% movement)	0.79	(0.96)	0.18	(0.24)

Although the analysis does not take account of the full distribution of the cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

(All amounts in Indian Rupees million)

33 Financial Instruments- Fair vlaues and risk management

A Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 31 March 2022

Particulars	Note	Carrying amount				Fair value			
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Financial assets									
Cash and cash equivalents	10	50.00	-	-	50.00	-	-	-	-
Trade receivables	9	661.15	-	-	661.15	-	-	-	-
Other financial assets	12	319.25	-	-	319.25	-	-	-	-
Financial asset measured at fair value									
Investments *	6	-	0.83	-	0.83	0.63	-	0.20	0.83
Total		**1,030.40**	**0.83**	**-**	**1,031.23**	**0.63**	**-**	**0.20**	**0.83**
Financial liabilities measured at amortised cost									
Trade payables	18	-	-	500.39	500.39	-	-	-	-
Borrowings	14	-	-	2,152.73	2,152.73	-	-	-	-
Lease liabilities	34	-	-	2,666.28	2,666.28	-	-	-	-
Other financial liabilities	15	-	-	141.77	141.77	-	-	-	-
Total		**-**	**-**	**5,461.17**	**5,461.17**	**-**	**-**	**-**	**-**

As at 31 March 2021

Particulars	Note	Carrying amount				Fair value			
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Financial assets									
Cash and cash equivalents	10	354.62	-	-	354.62	-	-	-	-
Trade receivables	9	858.97	-	-	858.97	-	-	-	-
Other financial assets	12	280.49	-	-	280.49	-	-	-	-
Financial asset measured at fair value									
Investments *	6	-	13.33	-	13.33	0.57	12.56	0.20	13.33
Total		**1,494.08**	**13.33**	**-**	**1,507.41**	**0.57**	**12.56**	**0.20**	**13.33**
Financial liabilities measured at amortised cost									
Trade payables	18	-	-	339.08	339.08	-	-	-	-
Borrowings	14	-	-	1,978.90	1,978.90	-	-	-	-
Lease liabilities	34	-	-	1,799.24	1,799.24	-	-	-	-
Other financial liabilities	15	-	-	133.68	133.68	-	-	-	-
Total		**-**	**-**	**4,250.90**	**4,250.90**	**-**	**-**	**-**	**-**

Note 1:The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents, trade receivables, trade payables etc., because their carrying amounts are a reasonable approximation of fair value.
* Excludes investments in associates and subsidiaries measured at cost.

Measurement of fair values
The fair value of the financial instruments is determined using discounted cash flow analysis. The discount rates used is based on management estimates.
Level 1 fair values
Investment in equity shares that has a quoted price and which are actively traded on the stock exchanges. It is been valued using the closing price as at the reporting period on the stock exchanges.
Level 3 fair values
If one or more of the significant inputs is not based on observable data, the instrument is included in level 3.
The quantitative sensitivity analysis of level 3 fair value of financial instrument as at 31 March 2022 and 31 March 2021 has not been disclosed as it is not material to the Company.

(All amounts in Indian Rupees million)

33 Financial Instruments- Fair values and risk management (continued)

B Measurement of fair values

The following methods and assumptions were used to estimate the fair values:

The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at balance sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors

C Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk.

i) **Risk management framework**

ii) **Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from company's receivables from customers, loans and investment in mutual funds.

The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. To manage this the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables. The carrying amount of financial assets represents maximum credit risk exposure.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to INR 661.15 million (31 March 2021:INR 858.97 million).

The Company has no significant customer whose carrying value exceeds 10% of the revenue from operations. There is no significant concentration of credit risk.

The movement in allowance for credit loss in respect of trade receivables during the year was as follows:

Allowance for credit loss	**As at 31 March 2022**	**As at 31 March 2021**
Balance at the beginning of the year	26.96	31.46
Provision created during the year	(4.26)	11.04
Impairment loss recognised/ (reversed)	(2.54)	(15.54)
Balance at the end of the year	**20.16**	**26.96**

Credit risk on cash and cash equivalents and other bank balances is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

The Company allocates each exposure to a credit risk grade based on the historic trend of receivables movement between the ageing buckets. The loss rates are calculated based on the simple average of the trend in receivable ageing.

Ageing Period	**Average Loss Rate**	
	As at 31 March 2022	**As at 31 March 2021**
Not due	-	-
Less than 6 months	656.21	866.30
6 months - 1 year	10.54	6.12
1 - 2 years	14.56	13.51
2 - 3 years	-	-

iii) **Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2022:

Particulars	**Payable within 1 year**	**More than 1 year**
Trade payables	500.39	-
Borrowings	1,550.04	602.69
Lease liabilities	123.92	2,542.36
Other financial liabilities	141.77	-

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2021:

Particulars	**Payable within 1 year**	**More than 1 year**
Trade payables	339.08	-
Borrowings	1,305.55	673.35
Lease liabilities	109.34	1,689.90
Other financial liabilities	133.68	-

iv) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

Foreign currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currency of the Company. The functional currency of the Company is INR and the Company does not have any material foreign currency transactions during the years ended 31 March 2022 and 31 March 2021 .

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The interest rate on the Company's financial instruments is based on market rates. The Company monitors the movement in interest rates on an ongoing basis.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the year are as follows:

Financial liabilities (bank borrowings)	**As at 31 March 2022**	**As at 31 March 2021**
Variable rate long term borrowings including current maturities	627.72	598.86

Sensitivity

Particulars	**Impact on profit or (loss)**	
	As at 31 March 2022	**As at 31 March 2021**
1% increase in variable rate	(6.28)	(5.99)
1% decrease in variable rate	6.28	5.99

The interest rate sensitivity is based on the closing balance of variable interest rate borrowings from banks and financial institutions.

(All amounts in Indian Rupees million)

34 Leases

The Company has taken showrooms and service centres on lease from various parties from where business operations are performed. The leases typically run for a period of 1 year - 30 years. Lease payments are renegotiated nearing the expiry to reflect market rentals.

(i) Lease liabilities

Following are the changes in the lease liabilities for the year ended 31 March 2022 and 31 March 2021:

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Balance as at 1 April	1,799.24	1,699.45
Additions	969.46	156.71
Finance cost accrued during the period	212.41	172.02
Derecognition of lease liability during the year	(1.53)	(3.03)
Remeasurement on account of modification	20.91	83.61
Rent concession received *	(14.77)	(39.90)
Payment of lease liabilities	(319.44)	(269.62)
Balance as at 31 March 2022	**2,666.28**	**1,799.24**
Non-current lease liabilities	2,542.36	1,689.90
Current lease liabilities	123.92	109.34

* The Croup has renegotiated with certain landlords on the rent concession due to COVID 19 pandemic. These rent concessions are short term in nature and meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24th July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1st April 2020. Thus, in accordance with the said notification, the Company has elected to apply exemption as the concession does not necessitate a lease modification as envisaged in the Standard by recording in the "Other income".

(ii) Maturity analysis – contractual undiscounted cash flows

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Less than one year	325.91	265.19
One to five years	1,377.66	993.32
More than five years	3,477.30	1,705.24
Total undiscounted lease liabilities	**5,180.87**	**2,963.75**

(iii) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Balance at 1 April	1,403.63	1,372.58
Addition to right-of-use assets	1,023.03	156.71
Disposal	(0.76)	(2.84)
Rent modification	20.91	83.61
Depreciation for the year	(223.25)	(206.43)
Balance at 31 March	**2,223.56**	**1,403.63**

(iv) Amounts recognised in statement of profit or loss

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Interest on lease liabilities	212.41	172.02
Depreciation on right-of-use assets	223.25	206.43

(v) Amounts recognised in statement of cash flows

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Total cash outflow for leases	(319.44)	(269.62)

(vi)Operating leases *

The Company is obligated under cancellable operating leases for its certain office premises which are renewable at the option of both the lessor and lessee. Total rental expenses under such leases amounted to Rs.83.76 million (31 March 2021:Rs 38.18 million). These arrangements do not qualify as a lease as per the requirements of Ind AS 116.

(b) Operating lease as a lessor

The Company has leased out building under operating lease. There is escalation and renewal clause in the lease agreements and sub-letting is not permitted. The lease is cancellable and the total lease income recognised during the year was INR 2.77 million(31 March 2021:Rs 2.52 million).

35 Capital Management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio. For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Total equity attributable to the equity shareholders of the Company (A)	**2,040.77**	**1,967.23**
Long-term borrowings	602.69	673.35
Short-term borrowings	1,550.04	1,305.55
Total borrowings	**2,152.73**	**1,978.90**
Less: cash and cash equivalents	(50.00)	(352.95)
Adjusted net debt (B)	**2,102.73**	**1,625.95**
Adjusted net debt to total equity ratio (B/A)	**1.03**	**0.83**

(All amounts in Indian Rupees million)

36 Related parties

I. Names of related parties and description of relationship:

(a) Entity having significant influence over the Company — BanyanTree Growth Capital II, LLC, Mauritius

(b) Subsidiaries and step down subsidiaries —
Popular Mega Motors (India) Private Limited, India
Popular Autoworks Private Limited, India
Vision Motors Private Limited, India
Kuttukaran Cars Private Limited ,India
Popular Auto Dealers Private Limited, India
Kuttukarn Green Private Limited(Formerly Kuttukaran Pre Owned Cars Private Limited, India)
Avita Insurance Broking LLP, India (till 29 October 2021)

(c) Other related parties with whom the Company had transactions during the year

- Key management personnel and their relatives (KMP) —
Mr. Francis K Paul, Whole Time Director
Mr. John K Paul, Managing Director
Mr.Naveen Philip, Director
Mr. Jacob Kurian, Director
Mrs. Preeti Reddy, Director
Mr. George Joseph, Director
Mr. Rahul Kurup, Nominee Director
Mr . John Verghese, Chief Financial Officer
Mr . Philip Chacko Mundanilkunnathil , Chief Executive Officer (till 7 January 2022)
Mr .Varun Thazhathu Veedu , Company Secretary

- Entities in which KMP has significant influence —
Prabal Motors Private Limited,India
Kuttukaran Homes LLP,India
Kuttukaran Institute for Human Resource Development, India
Keracon Equipment Private Limited, India

II. Related party transactions:

(a) The Company has entered into the following transactions with related parties during the year ended 31 March 2022 and 31 March 2021 :

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations		
Popular Auto Dealers Private Limited	4.70	1.56
Popular Mega Motors (India) Private Limited	1.42	1.15
Prabal Motors Private Limited	1.90	0.03
Vision Motors Private Limited	-	0.16
Popular Autoworks Private Limited	0.07	0.01
Kuttukaran Institute for Human Resource Development	-	0.04
Lease Rental		
Francis K Paul	2.35	1.92
John K Paul	0.79	0.69
Popular Mega Motors (India) Private Limited	0.12	0.11
Kuttukaran Homes LLP	16.68	13.25
Vision Motors Private Limited	0.23	0.24
Guarantee commission received		
Popular Autodealers Private Limited	0.62	0.64
Popular Mega Motors (India) Private Limited	3.31	2.90
Vision Motors Private Limited	0.58	0.18
Income from rent		
Popular Auto Dealers Private Limited	2.31	2.17
Popular Mega Motors (India) Private Limited	0.46	0.36
Intercorporate loan repaid by subsidiaries		
Popular Autoworks Private Limited	29.02	4.10
Intercorporate loan given		
Kuttukaran Cars Private Limited	15.00	-
Interest on loan to related parties		
Popular Autoworks Private Limited	6.42	7.64
Purchase of assets		
Popular Mega Motors (India) Private Limited	3.65	0.80
Prabal Motors Private Limited	-	0.12
Popular Auto Dealers Private Limited	-	0.15
Vision Motors Private Limited	-	0.01
Investment		
Popular Autoworks Private Limited	-	-
Popular Auto Dealers Private Limited	-	1.25
Popular Mega Motors (India) Private Limited	-	-
Purchase of vehicles/accessories and spares		
Popular Auto Dealers Private Limited	114.30	73.08
Popular Mega Motors (India) Private Limited	-	0.24
Vision Motors Private Limited	25.31	33.78
Expense met by the Company		
Kuttukaran Institute for Human Resource Development	-	0.04
Popular Auto Dealers Private Limited	0.20	0.05
Popular Autoworks Private Limited	0.12	-
Popular Mega Motors (India) Private Limited	0.03	-
Vision Motors Private Limited	-	0.05

(All amounts in Indian Rupees million)

36 Related parties (continued)

II. Related party transactions (continued)

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Expense met on behalf of the Company		
Kuttukaran Institute for Human Resource Development	0.08	0.10
Popular Auto Dealers Private Limited	0.63	0.31
Popular Autoworks Private Limited	1.07	0.52
Popular Mega Motors (India) Private Limited	4.76	2.14
Kuttukaran Cars Private Limited	0.02	-
Prabal Motors Private Limited	1.46	0.61
Vision Motors Private Limited	2.23	1.10
Kuttukaran Homes LLP	0.24	0.16
Kuttukarn Green Private Limited(Formerly Kuttukaran Pre Owned Cars Private Limited, India)		
Repairs and maintenance		
Popular Auto Dealers Private Limited	0.05	-
Vision Motors Private Limited	0.03	0.01
Popular Mega Motors (India) Private Limited	0.54	0.41
Sale of assets		
Popular Mega Motors (India) Private Limited	-	0.75
Popular Autoworks Private Limited		
Prabal Motors Private Ltd	0.08	0.02
Remuneration (Key Management Personnel)*		
Francis K Paul	7.38	5.67
John K Paul	7.38	5.67
John Verghese	6.27	5.46
Philip Chacko Mundanilkunnathil	10.00	10.61
Varun Thazhathu Veedu	2.38	2.05
Sitting fees to independent directors	3.38	0.95
Commission and incentive		
Francis K Paul	1.50	-
John K Paul	1.50	-

III. Balance receivable from/ (payable) to related parties as at the balance sheet date:

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Loans to related parties		
Popular Autoworks Private Limited	46.88	75.90
Kuttukaran Cars Private Limited	15.00	-
Trade receivables		
Kuttukaran Institute for Human Resource Development	-	0.01
Popular Auto Dealers Private Limited	0.71	5.12
Popular Autoworks Private Limited	0.10	1.30
Popular Mega Motors (India) Private Limited	1.21	4.00
Prabal Motors Private Limited	0.12	-
Vision Motors Private Limited	0.22	0.21
Commission and incentive payable		
Francis K Paul	2.00	1.50
John K Paul	2.00	1.50
Others	1.10	-
Dues to creditors for expenses and others		
Popular Auto Dealers Private Limited	(14.37)	(9.18)
Kuttukaran Homes LLP	(1.55)	(1.59)
Popular Mega Motors (India) Private Limited	(0.01)	(0.02)
Vision Motors Private Limited	(1.91)	(1.14)
Francis K Paul	-	(0.22)
John K Paul	-	(0.06)
Rent deposit payable		
Popular Auto Dealers Private Limited	(0.20)	(0.20)
Corporate guarantees		
Popular Auto Dealers Private Limited	101.59	105.60
Popular Mega Motors (India) Private Limited	648.21	386.52
Vision Motors Private Limited	13.74	27.94

All the related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

37 Covid-19 outbreak was declared as a global pandemic by World Health Organisation. The Company has been in operation consistently with work from home arrangements and in compliance with the directives issued by the Government authorities. Accordingly, as on balance sheet date of 31 March 2022 and 31 March 2021, based on facts and circumstances existing as of that date, the Company does not anticipate any material uncertainities which affects its liquidity position and also ability to continue as a going concern. However, the impact assessment of Covid-19 is a continuing process given the uncertainities associated with its nature and duration.

38 Asset held for sale

In respect of the owned land at Elayavoor Panchayath at Kannur, the Company has an notice from the Special Tahasildar & Competent Authority, (LA) NH Unit on 10 August 2020 for the acquisition of 25.79 ares of land with an acquisition award of Rs. 31.47 million. The Company have filed and appeal with Hon'ble District Collector, Kannur, Kerala on 19 January 2021 for additional compensation. As at 31 March 2021, the same has been disclosed as asset held for sale at carrying value (being lower of their fair value less cost to sell). The sale is expected to be completed within a period of one year.

39 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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Independent Auditor's Report

To the Members of Popular Vehicles and Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Popular Vehicles and Services Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the* Consolidated *Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matter" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matter

We did not audit the financial statements of six subsidiaries, whose financial statements/financial information reflect total assets (before consolidation adjustments) of Rs. 5,342.74 Million as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. 16,190.07 Million and net cash outflows (before consolidation adjustments) amounting to Rs. 65.66 Million for the year ended on that date, as considered in the consolidated financial statements. 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, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matter" paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matter" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 28 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 39 (a) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 39 (b) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditor/other auditors to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.

e. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231W/W-100024

Baby Paul

Partner

Place: Kochi

Membership No.: 218255

Date: 14 June 2022

ICAI UDIN:22218255AKXTUH6281

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Popular Vehicles and Services Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by its auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Popular Vehicles and Services Limited	U50102KL1983PLC003741	Holding Company	(i)(c) and (ii)(b)

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231W/W-100024

Baby Paul

Partner

Membership No.: 218255

ICAI UDIN:22218255AKXTUH6281

Place: Kochi

Date: 14 June 2022

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Popular Vehicles and Services Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Popular Vehicles and Services Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Popular Vehicles and Services Limited for the year ended 31 March 2022 *(Continued)*

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to six subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Popular Vehicles and Services Limited for the year ended 31 March 2022 *(Continued)*

Our opinion is not modified in respect of above matters.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231W/W-100024

Baby Paul

Partner

Membership No.: 218255

ICAI UDIN:22218255AKXTUH6281

Place: Kochi

Date: 14 June 2022

Popular Vehicles and Services Limited

Consolidated Balance Sheet as at 31 March 2022

(All amounts are in Indian Rupees in millions, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	4	2,464.05	2,244.20
Capital work-in-progress	4	123.28	173.09
Right-of-use assets	33	3,129.94	2,329.47
Goodwill	5	11.80	11.80
Intangible assets	5	39.05	49.87
Financial assets			
Investments	6	44.31	49.21
Other financial assets	7	329.37	277.57
Income tax assets (net)	27	85.46	67.73
Deferred tax assets (net)	27	157.69	177.84
Other non-current assets	8	229.70	143.19
Total non-current assets		**6,614.65**	**5,523.97**
Current assets			
Inventories	9	3,620.39	3,116.83
Financial assets			
Investments	6	15.89	-
Trade receivables	10	1,766.00	1,607.27
Cash and cash equivalents	11	183.96	555.08
Bank balances other than cash and cash equivalents	12	19.56	38.92
Other financial assets	7	58.93	46.36
Other current assets	8	338.08	285.51
Total current assets		**6,002.81**	**5,649.97**
Assets classified as held for sale	37	15.42	15.42
Total assets		**12,632.88**	**11,189.36**
Equity and liabilities			
Equity			
Equity share capital	13	125.44	125.44
Other equity		2,673.42	2,334.58
Total equity		**2,798.86**	**2,460.02**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	880.55	893.29
Lease liabilities	33	3,570.07	2,665.08
Other non-current liabilities	17	97.14	204.48
Provisions	16	62.79	48.19
Income tax liabilities (net)	27	1.05	2.09
Total non-current liabilities		**4,611.60**	**3,813.13**
Current liabilities			
Financial liabilities			
Borrowings	14	2,838.55	2,637.13
Lease liabilities	33	269.94	304.35
Trade payables	18		
- Total outstanding dues of micro and small enterprises		27.67	11.49
- Total outstanding dues of creditors other than micro and small enterprises		840.63	651.94
Other financial liabilities	15	164.16	156.90
Provisions	16	27.13	36.49
Income tax liabilities (net)	27	-	3.15
Other current liabilities	17	1,054.34	1,114.76
Total current liabilities		**5,222.42**	**4,916.21**
Total equity and liabilities		**12,632.88**	**11,189.36**
Significant accounting policies	3		

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Baby Paul
Partner
Membership No.: 218255

Kochi
14 June 2022

for and on behalf of the Board of Directors of
Popular Vehicles and Services Limited
CIN:U50102KL1983PLC003741

John K Paul
Managing Director
DIN: 00016513

Francis K Paul
Whole Time Director
DIN: 00018825

John Verghese
Chief Financial Officer

Varun T V
Company Secretary
Membership no. 22044

Kochi
14 June 2022

Popular Vehicles and Services Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2022
(All amounts are in Indian Rupees in millions, unless otherwise stated)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	**19**	34,658.79	28,935.25
Other income	**20**	183.19	257.27
Total income		**34,841.98**	**29,192.52**
Expenses			
Purchases of stock-in-trade	**21**	29,671.25	24,573.83
Changes in inventories of stock-in-trade	**22**	(503.56)	(243.55)
Employee benefits expense	**23**	2,420.12	2,035.07
Finance costs	**24**	608.60	551.10
Depreciation and amortisation expense	**25**	692.57	724.91
Impairment loss on trade receivables	**32**	9.42	24.76
Other expenses	**26**	1,458.12	1,053.88
Total expenses		**34,356.52**	**28,720.00**
Profit before tax		**485.46**	**472.52**
Income tax expense	**27**		
Current tax		129.42	99.86
Deferred tax charge		19.35	48.11
Total tax expense		**148.77**	**147.97**
Profit after tax for the year		**336.69**	**324.55**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit plan income / (loss)		2.94	9.09
Income tax charge relating to the item that will not be reclassified to profit or loss		(0.79)	(1.34)
Other comprehensive income for the year, net of income tax		**2.15**	**7.75**
Total comprehensive income for the year		**338.84**	**332.30**
Earnings per share (equity share of face value of INR 10 each)	**29**		
Basic (in INR)		26.85	25.88
Diluted (in INR)		26.85	25.88
Significant accounting policies	**3**		

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Baby Paul
Partner
Membership No.: 218255

Kochi
14 June 2022

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Chief Financial Officer

Varun T V
Company Secretary
Membership no. 22044

Kochi
14 June 2022

Popular Vehicles and Services Limited

Consolidated Statement of Changes in Equity for the year ended 31 March 2022

(All amounts are in Indian Rupees in millions, unless otherwise stated)

A. Equity share capital

Particulars	Note	Equity shares (in millions)	Amount
Balance as at 01 April 2020		**12.54**	**125.44**
Share issued during the year	**13**	**-**	**-**
Balance as at 31 March 2021		**12.54**	**125.44**
Share issued during the year	**13**	**-**	**-**
Balance as at 31 March 2022		**12.54**	**125.44**

B Other equity

Particulars	Reserves and surplus					Items of other comprehensive income	Total other equity attributable to equity holders of the Company
	Securities premium	General reserve	Other reserves	Capital reserve	Retained earnings	Remeasurement of net defined benefit liability/ (asset), net of tax	
Balance as at 1 April 2020	**636.68**	**43.41**	**(16.82)**	**21.75**	**1,317.26**	**-**	**2,002.28**
Total comprehensive income for the year							
Profit for the year	-	-	-	-	324.55	-	324.55
Other comprehensive income, net of tax	-	-	-	-	-	7.75	7.75
Total comprehensive income	-	-	-	-	**324.55**	**7.75**	**332.30**
Transferred to retained earnings	-	-	-	-	7.75	(7.75)	-
Balance as at 31 March 2021	**636.68**	**43.41**	**(16.82)**	**21.75**	**1,649.56**	**-**	**2,334.58**
Balance as at 1 April 2021	**636.68**	**43.41**	**(16.82)**	**21.75**	**1,649.56**	**-**	**2,334.58**
Total comprehensive income for the year							
Profit for the year	-	-	-	-	336.69	-	336.69
Other comprehensive loss, net of tax	-	-	-	-	-	2.15	2.15
Total comprehensive income / (loss)	-	-	-	-	**336.69**	**2.15**	**338.84**
Transferred to retained earnings	-	-	-	-	2.15	(2.15)	-
Balance as at 31 March 2022	**636.68**	**43.41**	**(16.82)**	**21.75**	**1,988.40**	**-**	**2,673.42**

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

a) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

b) General reserve

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

c) Other reserve

This reserve represents the difference between the value of net asset acquired and the consideration paid on account of acquisition of minority interests.

d) Capital reserve

This reserve represents the difference between the value of net asset transferred from the Group and the consideration received on account of scheme of demerger.

e) Retained earnings

This represents the profits / losses of the Group earned till date, net of appropriations.

f) Remeasurement of net defined benefit liability/ (asset)

Remeasurement of net defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Baby Paul
Partner
Membership No.: 218255

Kochi
14 June 2022

for and on behalf of the Board of Directors of
Popular Vehicles and Services Limited
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John Verghese
Chief Financial Officer

Varun T V
Company Secretary
Membership no. 22044

Kochi
14 June 2022

Popular Vehicles and Services Limited

Consolidated Statement of cash flows for the year ended 31 March 2022

(All amounts are in Indian Rupees in millions, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Profit before tax	**485.46**	**472.52**
Adjustments:		
Finance costs	608.60	551.10
Depreciation and amortisation	692.57	724.91
Impairment loss on financial assets	9.42	24.76
Liabilities/ provisions no longer required written back	(60.01)	(56.67)
Interest income	(31.98)	(26.13)
Rent concession received	(34.82)	(70.35)
Gain on derecognition of right-of-use assets	(0.78)	(28.10)
Net gain on financial assets measured at fair value through profit and loss	(6.89)	(19.24)
(Gain)/ loss on sale of property, plant and equipment (net)	(8.20)	(20.74)
Operating cash flow before working capital changes	**1,653.37**	**1,552.06**
Working capital movements:		
Increase in inventories	(503.56)	(243.55)
Increase in trade receivables	(208.23)	(543.12)
(Decrease) / increase in loans and other financial assets and other assets	(191.77)	604.90
Increase / (decrease) in liabilities and provisions	101.57	(423.00)
Cash generated from operations	**851.38**	**947.29**
Income taxes (paid) / refund, net	(151.34)	4.55
Net cash generated fromoperating activities (A)	**700.04**	**951.84**
Cash flows from investing activities		
(Acquisition) / sale of investments	(4.10)	81.85
Interest received	31.98	15.68
Acquisition of property, plant and equipment	(482.75)	(273.41)
Acquisition of intangible assets	(2.47)	(20.87)
Proceeds from sale of property, plant and equipment	39.32	130.25
Net cash used in investing activities (B)	**(418.02)**	**(66.50)**
Cash flows from financing activities		
Interest paid	(286.70)	(277.86)
Long-term borrowings availed	266.43	638.99
Long-term borrowings repaid	(179.03)	(218.69)
Short-term borrowings availed /(repaid), net	101.28	(380.90)
Lease payments during the year	(573.53)	(468.40)
Net cash used in financing activities (C)	**(671.55)**	**(706.86)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(389.53)**	**178.48**
Cash and cash equivalents at the beginning of the year	553.41	374.93
Cash and cash equivalents at the end of the year	**163.88**	**553.41**

(Refer to note 11 - Cash and cash equivalents)

(All amounts are in Indian Rupees in millions, unless otherwise stated)

Reconciliation of financial liabilities forming part of financing activities in accordance with Ind AS 7:

Particulars	As at 1 April 2021	Cash flows	Non cash changes		As at 31 March 2022
			Fair value changes	Others	
Non current borrowings (refer note 14)	893.29	(12.74)	-	-	880.55
Current borrowings (refer note 14)	2,637.13	201.42	-	-	2,838.55
Lease liabilities (refer note 33)	2,969.43	(573.53)	-	1,444.11	3,840.01

Particulars	As at 1 April 2020	Cash flows	Non cash changes		As at 31 March 2021
			Fair value changes	Others	
Non current borrowings (refer note 14)	472.99	420.30	-	-	893.29
Current borrowings (refer note 14)	3,018.03	(380.90)	-	-	2,637.13
Lease liabilities (refer note 33)	2,961.46	(468.40)	-	476.37	2,969.43

Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

(Refer to note 11 - Cash and cash equivalents)

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Baby Paul
Partner
Membership No.: 218255

Kochi
14 June 2022

for and on behalf of the Board of Directors of
Popular Vehicles and Services Limited
CIN:U50102KL1983PLC003741

John K Paul
Managing Director
DIN: 00016513

Francis K Paul
Whole Time Director
DIN: 00018825

John Verghese
Chief Financial Officer

Varun T V
Company Secretary
Membership no. 22044

Kochi
14 June 2022

Basis of preparation and significant accounting policies

1. Company overview

Popular Vehicles and Services Limited ('the Company'/'Popular') was incorporated in 1983 as a Public Limited Company and got converted into Private limited as on 24 March 2015. The Company is engaged in the business of sale and service of automobiles, sale of spare parts and accessories, finance and insurance commission. The Company is headquartered in Kochi, India and has operations in Kerala and Tamil Nadu. Popular Vehicles was amongst the first batch of dealers appointed by Maruti Suzuki in the country. The Company got converted to a public limited company on 10 July 2018 consequent to which the name of the Company is changed to Popular Vehicles and Services Limited.

These consolidated financial statements of the Group comprise the Company and its subsidiaries (collectively referred to as the 'Group'). The Company has seven subsidiaries; Popular Mega Motors (India) Private Limited, Vision Motors Private Limited, Popular Auto Dealers Private Limited, Kuttukaran Cars Private Limited, Kuttukarn Green Private Limited (Formerly known as Kuttukaran Pre Owned Cars Private Limited), Popular Auto Works Private Limited and Avita Insurance Broking LLP which are engaged in the business of sale and services of automobiles, sale of spare parts and accessories, finance and insurance commission. These subsidiaries have operations in Kerala, Tamil Nadu and Karnataka.

2. Basis of preparation

A. Statement of compliance

These financial statements have been prepared on the historical cost basis and on an accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services

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

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 14th June, 2022.

Details of the Company's accounting policies are included in Note 3.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts are presented in Indian Rupees in millions, unless otherwise stated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Certain financial assets (including investment) and liabilities	Fair value

2. Basis of Preparation (continued)

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in Note 34 - Lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment for the year ended 31 March 2022 is included in the following notes:

Note 32 – measurement of defined benefit obligations: key actuarial assumptions;

Notes 29 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 28 – recognition of deferred tax asset: availability of future taxable profit against which tax losses carried forward can be used;

Note 33 – financial instruments;

Note 33 – impairment of financial assets

E. Measurement of fair values

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

F. Recent Accounting Pronouncements

Amendments:

'Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Basis of Preparation (continued)

Ind AS 16 – Property, plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing. If any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, contingent liabilities and contingent assets

The amendment specifies the that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The Company has evaluated the amendment and there is no material impact on its financial statements.

3. Significant accounting policies

3.1 Basis of consolidation

The consolidated financial statements include the results of the subsidiaries/ step down subsidiaries as listed in below:

Name of the company	Country	Proportion of ownership interest (%)	Proportion of voting power held directly or indirectly (%)	Proportion of ownership interest (%)	Proportion of voting power held directly or indirectly (%)
		As at 31 March 2022		As at 31 March 2021	
Subsidiaries					
Popular Mega Motors (India) Private Limited	India	100%	100%	100%	100%
Popular Auto Dealers Private Limited	India	100%	100%	100%	100%
Popular Auto Works Private Limited	India	100%	100%	100%	100%
Kuttukaran Cars Private Limited	India	100%	100%	100%	100%
Step-down subsidiaries					
Vision Motors Private Limited	India	100%	100%	100%	100%
Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned Cars Private Limited)	India	100%	100%	100%	100%

3. Significant accounting policies

3.1 Basis of consolidation (continued)

The consolidated financial statements have been prepared in the following basis:

The financial statement of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealized profits in full.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its separate financial statements. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

i. Business Combination

In accordance with Ind AS 103, the Group accounts for the business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently, and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income (OCI), as appropriate.

Business combinations (common control business combinations)

Business combinations arising from transfers of interest in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the value of net assets and the consequent reduction in value of investment held by the Group is transferred to the capital reserve or to the accumulated balance of profit and loss.

ii. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group till the date on which the control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. Significant accounting policies

3.1 Basis of consolidation (continued)

iii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions and grouped under other reserves.

iv. Associates

Associates are all entities over which the Group has significant influence but not control or joint control over the financial and operating policies.

Interests in an associate is accounted for using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees until the date on which significant influence ceases.

Equity method:

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from an associate is recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

v. Transactions eliminated on consolidation

Intra - Group balances and transactions, and any unrealised income and expenses arising from intra - Group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the Investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Property, plant and equipment

A. Recognition and measurement

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

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

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

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

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

3. Significant accounting policies (continued)

3.2 Property, plant and equipment (continued)

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

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

B. Subsequent expenditure

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

C. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the profit or loss. Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower. Freehold land is not depreciated.

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

Class of assets	**Useful life**
Building owned	60
Motor cars	8
Motor cycles and trucks	10
Office Equipment	5
Plant and machinery	15
Tools and Equipment	5 – 15
Electrical fittings	10
Furniture and fittings	10
Computer equipment	3

* The useful life of items of property, plant and equipment is in line with the Schedule II of the Companies Act 2013.

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

3.3 Intangible assets and goodwill

Intangible assets other than goodwill:

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

The estimated useful lives are as follows:

Class of assets	**Years**
Software	3

Brand	15

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

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Goodwill:

For measurement of goodwill that arise from business combination [see note 3.1 (i)] above. Subsequent measurement is at cost less any accumulated impairment loss.

3. Significant accounting policies (continued)

3.4 Employee benefits

Short-term employee benefits

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

Post-employment benefits

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

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

Defined benefit plans

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

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling').

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

Other long term employee benefits

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3. Significant accounting policies (continued)

3.5 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognizes any impairment loss on the assets associated with that contract.

3.6 Revenue

i) Sale of products

Revenue on sale of vehicles, spare parts and accessories is recognised when the risk and rewards are transferred to the customer and is accounted net of goods and service tax and discounts, if any. Revenues are recognised when collectability of the resulting receivable is reasonably assured.

The Group generates revenue from sale of vehicles, services, spare parts and accessories and other operating avenues. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

ii) Rendering of services

Revenues from services including income from driving school are recognised when services are rendered and related costs are incurred.

iii) Commission, discount and incentive income

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

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

iv) Other Income

In calculating the interest income, the effective interest rate is applied to the gross carrying amount of the assets (when the assets is not credit impaired). Dividend income is recognized in the statement of profit and loss on the date on which the right to receive payment is established.

3.7 Inventories

Inventories are carried at lower of cost and net realisable value. Cost comprises purchase price, cost of conversion and other costs incurred in bringing the inventory to its present location and condition. The cost is calculated on specific identification basis.

The comparison of cost and net realisable value of inventory is made on an item by item basis. Spares, lubricants, accessories and other supplies are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the goods will exceed their net realisable value. Cost is ascertained based on First -in First-out (FIFO) adjusted for indirect taxes.

The provision for inventory obsolescence is assessed annually and is provided as considered necessary.

3. Significant accounting policies (continued)

3.8 Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.
A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

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

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

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets: Business model assessment

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

- the stated policies and objectives for each of such investments and the operation of those policies in practice.

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

3. Significant accounting policies (continued)

3.8 Financial instruments (continued)

iii) De recognition

Financial assets

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

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

Financial liabilities

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

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

iv) Off setting

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

3.9 Impairment

i) Impairment of financial instruments

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

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is ‘credit impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

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

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3. Significant accounting policies (continued)

3.9 Impairment (continued)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off.

ii) Impairment of non- financial assets

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

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

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

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

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

3.10 Leases

i. Determining whether an arrangement contains a lease

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

ii. Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of

lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

ii. Group as a lessee (continued)

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

iii. Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

3.11 Recognition of interest income or interest expense

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

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

3. Significant accounting policies (continued)

3.12 Income tax

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years.The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3.13 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

3. Significant accounting policies (continued)

3.14 Earnings per share

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

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

3.15 Cash-flow statement

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

3.16 Cash and cash equivalents

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

3.17 Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. The existence of a contingent liability is disclosed in the notes to the financial statements

3.18 Non-current assets classified as held for sale

Assets are classified as held for disposal and stated at the lower of carrying amount and fair value less costs to sell. To classify any Asset as “Assets classified as held for sale” the asset must be available for immediate sale and its sale must be highly probable. Such assets or group of assets are presented separately in the Balance Sheet, in the line “Assets classified as held for sale”. Once classified as held for sale, intangible assets and Property Plant Equipment are no longer amortised or depreciated.

(All amounts are in Indian Rupees in millions, unless otherwise stated)

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

Particulars	Freehold land	Buildings #	Leasehold improvements	Furniture and fixtures	Electrical equipment	Plant and machinery	Tools and equipment	Motor car	Computer equipment	Office equipment	Motor cycles and trucks	Total (A)	Capital work-in-progress * (B)	Total (A+B)
Gross carrying value														
Balance at 1 April 2020	107.39	580.35	656.07	264.21	125.18	569.99	65.45	423.52	114.19	69.42	23.94	2,999.71	293.67	3,293.38
Additions	-	63.22	107.46	55.23	24.45	70.21	5.91	68.44	19.25	15.41	0.94	430.52	121.96	552.48
Disposals	15.42	4.01	7.75	3.46	0.15	3.11	-	129.14	1.15	0.41	2.38	166.98	242.54	409.52
Balance at 31 March 2021	**91.97**	**639.56**	**755.78**	**315.98**	**149.48**	**637.09**	**71.36**	**362.82**	**132.29**	**84.42**	**22.50**	**3,263.25**	**173.09**	**3,436.34**
Balance at 1 April 2021	91.97	639.56	755.78	315.98	149.48	637.09	71.36	362.82	132.29	84.42	22.50	3,263.25	173.09	3,436.34
Additions	-	51.71	217.58	61.97	32.31	80.88	9.97	29.74	23.93	12.63	6.42	527.14	245.62	772.76
Disposals	-	2.17	0.68	7.14	0.89	3.34	0.33	82.89	47.05	2.51	2.93	149.93	295.43	445.36
Balance at 31 March 2022	**91.97**	**689.10**	**972.68**	**370.81**	**180.90**	**714.63**	**81.00**	**309.67**	**109.17**	**94.54**	**25.99**	**3,640.46**	**123.28**	**3,763.74**
Accumulated depreciation														
Balance at 1 April 2020	-	38.54	160.69	86.65	47.70	143.52	25.87	128.95	68.57	33.51	6.99	740.99	-	740.99
Depreciation for the year	-	78.45	39.23	33.83	16.33	66.23	7.28	59.54	27.63	12.89	2.71	344.12	-	344.12
Disposals	-	0.13	1.11	2.89	0.12	2.20	-	57.08	0.97	0.40	1.16	66.06	-	66.06
Balance at 31 March 2021	**-**	**116.86**	**198.81**	**117.59**	**63.91**	**207.55**	**33.15**	**131.41**	**95.23**	**46.00**	**8.54**	**1,019.05**	**-**	**1,019.05**
Balance at 1 April 2021	-	116.86	198.81	117.59	63.91	207.55	33.15	131.41	95.23	46.00	8.54	1,019.05	-	1,019.05
Depreciation for the year	-	18.31	56.01	34.69	15.82	53.31	7.08	49.64	24.96	13.44	2.91	276.17	-	276.17
Disposals	-	0.14	0.37	5.75	0.79	2.09	0.31	57.56	46.83	2.36	2.61	118.81	-	118.81
Balance at 31 March 2022	**-**	**135.03**	**254.45**	**146.53**	**78.94**	**258.77**	**39.92**	**123.49**	**73.36**	**57.08**	**8.84**	**1,176.41**	**-**	**1,176.41**
Net carrying amount														
At 31 March 2022	**91.97**	**554.07**	**718.23**	**224.28**	**101.96**	**455.86**	**41.08**	**186.18**	**35.81**	**37.46**	**17.15**	**2,464.05**	**123.28**	**2,587.33**
At 31 March 2021	**91.97**	**522.70**	**556.97**	**198.39**	**85.57**	**429.54**	**38.21**	**231.41**	**37.06**	**38.42**	**13.96**	**2,244.20**	**173.09**	**2,417.29**

Include buildings constructed on leasehold land

Particulars	As at 31 March 2022		As at 31 March 2021	
	Gross block	Net block	Gross block	Net block
Building	684.37	534.53	634.45	497.78

(All amounts are in Indian Rupees in millions, unless otherwise stated)

1 Property, plant and equipment and capital work-in-progress (continued)

a) Title deeds of immovable properties not held in the name of the Company

Description	As at 31 March 2022	As at 31 March 2021
Title deeds held in the name of	The Company	
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Not applicable	
Reason for not being held in the name of the Company	Not applicable	

b) Ageing of capital work in progress

Capital work-in-progress represents expenditure towards construction of new workshops/ service centres.

As at 31 March 2022

Description	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	123.06	0.22	-	-	**123.28**
Projects temporarily suspended	-	-	-	-	-
	123.06	**0.22**	**-**	**-**	**123.28**

As at 31 March 2021

Description	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	22.35	150.74	-	-	**173.09**
Projects temporarily suspended	-	-	-	-	-
	22.35	**150.74**	**-**	**-**	**173.09**

c) Details of Capital Work-in-progress, whose completion is overdue or has exceeded its cost compared to its orginal plan

As at 31 March 2022

Description	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
Project - Trivandrum Commercial Vehicles Showroom	1.67	-	-	-	1.67

As at 31 March 2021

Description	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
Project - Corporate Office renovation	5.50	-	-	-	5.50
Project – Payyannur PDI	18.49	-	-	-	18.49
Project Arena Kannur	44.33	-	-	-	44.33
Project Irrity Service	0.55	-	-	-	0.55
Project Nedumanagadu Service	3.31	-	-	-	3.31

d) There are no proceedings initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder, for the years ended 31 March 2022 and 31 March 2021

e) For details of property, plant and equipment pledged, refer note 14.

(All amounts are in Indian Rupees in millions, unless otherwise stated)

5 Intangible assets

Particulars	Computer software	Other intangible assets	Total (A)	Goodwill (Refer Note below) (B)	Total (A+B)
Reconciliation of carrying amount					
Gross carrying value					
Balance at 1 April 2020	31.08	97.37	128.45	-	128.45
Additions/transfers	9.07	-	9.07	11.80	20.87
Balance at 31 March 2021	**40.15**	**97.37**	**137.52**	**11.80**	**149.32**
Balance at 1 April 2021	40.15	97.37	137.52	11.80	149.32
Additions/transfers	2.47	-	2.47	-	2.47
Balance at 31 March 2022	**42.62**	**97.37**	**139.99**	**11.80**	**151.79**
Accumulated amortisation					
Balance at 1 April 2020	13.25	59.28	72.53	-	72.53
Amortisation/ impairment for the year	10.22	4.90	15.12	-	15.12
Balance at 31 March 2021	**23.47**	**64.18**	**87.65**	**-**	**87.65**
Balance at 1 April 2021	23.47	64.18	87.65	-	87.65
Amortisation/ impairment for the year	7.76	5.53	13.29	-	13.29
Balance at 31 March 2022	**31.23**	**69.71**	**100.94**	**-**	**100.94**
Net carrying amount					
At 31 March 2022	**11.39**	**27.66**	**39.05**	**11.80**	**50.85**
At 31 March 2021	**16.68**	**33.19**	**49.87**	**11.80**	**61.67**

Note:
1) This represents the excess purchase consideration paid for the business acquisition from Prerana Motors Private Limited for the wholesale distribution of spare parts /accessories of Tata Motors division for the State of Karnataka based on the agreement dated 9 January 2021.

A. Consideration transferred
The following table summarises the acquisition date fair value of consideration transferred:

Particulars	Amount
Total consideration	30.87

B. Identifiable assets acquired and liabilties assumed

Particulars	Amount
Property, plant and equipment	0.42
Inventories	18.65
Total assets	**19.07**
Other liabilities	-
Total liabilities	**-**
Net identifiable assets acquired	**19.07**

C. Goodwill
Goodwill arising from acquisition has been determined as follows:

Particulars	Amount in Rs.
Consideration transferred / transferable	30.87
Fair value of net identifiable assets acquired	19.07
Goodwill	**11.80**

(All amounts are in Indian Rupees in millions, unless otherwise stated)

		As at 31 March 2022	As at 31 March 2021
6	**Investments**		
	Non-current investments, unquoted		
	Investments in equity shares at FVTPL		
	Loginomic Tech Solutions Private Limited 9,600 equity shares of INR 10 each (9600 equity shares of Rs.10 each)	2.40	2.40
	Less: Provision for impairment	(2.40)	(2.40)
	Investments in preference shares at FVTPL		
	Prabal Motors Private Limited (formerly known as Popular Kuttukaran Cars Private Limited) 20,000 (31 March 2021 : 20,000) redeemable preference shares of face value of INR 10 each	0.20	0.20
	Non-current investment in others, FVTPL		
	Quoted		
	Investments in Equity Instruments (valued at FMV), fully paid up	20.94	18.17
	Investment in mutual funds	23.17	30.84
		44.31	**49.21**
	Aggregate book value of non-current investments-unquoted	2.60	2.60
	Aggregate book/ market value of non-current investments-quoted	44.11	49.01
	Aggregate provision for impairment in value of investment	(2.40)	(2.40)
	Current investments		
	Investment in debentures at FVTPL		
	Investment in debentures measured at fair value through profit or loss	15.89	-
		15.89	**-**
	Aggregate book value of current investments-unquoted	15.89	-
7	**Other financial assets**		
	Non-current		
	Considered good - Unsecured		
	Rent and other deposits	302.86	277.57
	Balance with bank held as margin money	26.51	-
		329.37	**277.57**
	Current		
	Considered good - Unsecured		
	Rent and other deposits	58.93	46.36
	Dues from others	5.00	5.00
	Less: Allowances for expected credit loss	(5.00)	(5.00)
		58.93	**46.36**

The Group has not given any loan to their directors during the year ended 31 March 2022 and year ended 31 March 2021.

		As at 31 March 2022	As at 31 March 2021
8	**Other assets**		
	Non-current		
	Considered good - Unsecured		
	Capital advances	31.01	15.15
	Less: allowances for expected credit loss	(4.18)	-
	Prepayments	168.15	90.20
	Balance with statutory / government authorities	34.72	37.84
		229.70	**143.19**
	Current		
	Considered good - Unsecured		
	Prepayments	36.43	33.79
	Balance with statutory/ government authorities	219.91	157.04
	Advance to staff	0.81	0.46
	Balance with Life Insurance Corporation Gratuity Fund, net (refer note 31)	-	11.76
	Payment to vendors for supply of goods and services	80.93	82.46
		338.08	**285.51**
		567.78	**428.70**

The Group has not given any loan to their directors for the year ended 31 March 2022 and 31 March 2021

(All amounts are in Indian Rupees in millions, unless otherwise stated)

		As at 31 March 2022	As at 31 March 2021
9	**Inventories**		
	(Valued at lower of cost and net realisable value)		
	New vehicles	2,490.89	2,194.63
	Pre-owned vehicles	442.66	364.71
	Spares and lubricants	614.36	554.74
	Accessories	118.60	70.99
		3,666.51	3,185.07
	Less: Provision for obsolete inventory	(46.12)	(68.24)
		3,620.39	**3,116.83**

Closing stock includes value of goods in transit of new vehicles for Rs. 1349.96 million (31 March 2021:Rs. 1330.54 million), accessories for Rs.27.78 (31 March 2021:Rs. 18.86 million) and spares and lubricants for Rs. 55.42 million (31 March 2021: Rs. 45.81 million)

10	**Trade receivables**		
	Unsecured, considered good		
	From related parties (refer note 36)	10.03	3.06
	Other than related parties	1,755.97	1,604.21
		1,766.00	**1,607.27**
	Unsecured, credit impaired		
	From related parties (refer note 36)	-	-
	Other than related parties	49.50	50.50
		49.50	**50.50**
	Less: allowances for expected credit loss (refer note 32 B(ii))	(49.50)	(50.50)
	Net trade receivables	**1,766.00**	**1,607.27**

For details of trade receivables pledged, refer note 14.
The Group's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 32.

Trade receivables ageing schedule

As at 31 March 2022

Description	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
i)Undisputed Trade receivables – considered good	1,678.31	9.69	8.05	-	-	**1,696.05**
ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	69.06	0.90	-	-	**69.96**
iii)Undisputed Trade Receivables – credit impaired	12.75	9.09	21.94	5.72	-	**49.50**
	1,691.06	**87.84**	**30.89**	**5.72**	**-**	**1,815.51**

As at 31 March 2021

	Outstanding for following periods from due date of payment					
	Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
i)Undisputed Trade receivables – considered good	1,591.79	15.48	-	-	-	**1,607.27**
ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
iii)Undisputed Trade Receivables – credit impaired	8.54	6.57	30.18	5.21	-	**50.50**
	1,600.33	**22.05**	**30.18**	**5.21**	**-**	**1,657.77**

11	**Cash and cash equivalents**		
	Balance with banks	162.81	533.68
	Cash on hand	14.36	13.69
	Cheques on hand	6.79	7.71
	Cash and cash equivalents in balance sheet	**183.96**	**555.08**
	Less: Book overdrafts used for cash management purposes	-	1.67
	Cash and cash equivalents in the statement of cash flows	**183.96**	**553.41**

12	**Bank balances other than cash and cash equivalents**		
	Balance with banks held as margin money	19.56	38.92
		19.56	**38.92**

(All amounts and number of shares in Indian Rupees million)

	As at 31 March 2022		As at 31 March 2021	
13 Share capital	**Number of shares**	**Amount**	**Number of shares**	**Amount**
Authorised				
Equity shares of INR 10 each	15.00	150.00	15.00	150.00
	15.00	**150.00**	**15.00**	**150.00**
Issued, subscribed and paid-up				
Equity shares of INR 10 each, fully paid-up	12.54	125.44	12.54	125.44
	12.54	**125.44**	**12.54**	**125.44**
Reconciliation of shares outstanding at the beginning and at the end of the year				
Equity shares of INR 10 each fully paid-up				
At the beginning of the year	12.54	125.44	12.54	125.44
Add: Right issue of shares	-	-	-	-
Add: Bonus issue of shares	-	-	-	-
At the end of the year	**12.54**	**125.44**	**12.54**	**125.44**

(a) Terms and rights attached to equity shares

The Company has a single class of equity shares. All the equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to share of paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on the shares may lead to the forfeiture of shares. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, remaining after the distribution of all preferential amounts, if any, in proportion to the number of equity shares held.

The Company is largely held by individuals and accordingly does not have a holding/ ultimate holding company.

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

	As at 31 March 2022		As at 31 March 2021	
Equity shares of INR 10 each fully paid up held by	**Number of shares**	**% holding in the class**	**Number of shares**	**% holding in the class**
a) BanyanTree Growth Capital II, LLC	4.27	34.01%	4.27	34.01%
b) Francis K Paul - Promoter	2.75	21.93%	2.75	21.93%
c) John K Paul - Promoter	2.75	21.93%	2.75	21.93%
d) Naveen Philip - Promoter	2.75	21.93%	2.75	21.93%

(c) Details of shares held by promoters at the end of the year

	As at 31 March 2022		As at 31 March 2021	
Name of the promoters	**Number of shares**	**% holding in the class**	**Number of shares**	**% holding in the class**
a) Francis K Paul - Promoter	2.75	21.93%	2.75	21.93%
b) John K Paul - Promoter	2.75	21.93%	2.75	21.93%
c) Naveen Philip - Promoter	2.75	21.93%	2.75	21.93%

(d) Details of bonus shares issued during the five years immediately preceding the balance sheet date.

During the year ended 31 March 2019, 8.62 million equity shares of Rs. 10 each, fully paid up, has been allotted as bonus shares by capitalisation of general reserve.

(e) Details of buyback and shares issued for consideration other than for cash in the five years immediately preceding the balance sheet date.

The group has not bought back any class of equity shares nor has there been any issue for consideration other than for cash during the period of five years immediate preceding the balance sheet date.

(All amounts are in Indian Rupees in millions, unless otherwise stated)

		As at 31 March 2022	As at 31 March 2021
14	**Borrowings**		
	Non-current		
	Secured		
	Term loans from banks	839.99	842.39
	Term loans from financial institutions	13.90	29.72
	Vehicle loans from financial institutions	6.38	21.18
	Loans from directors (refer note (iii) below)	20.28	-
		880.55	**893.29**
	Current		
	Secured		
	Cash credit and overdraft facilities from banks	171.88	206.09
	Short term loans from banks	2,062.77	1,878.86
	Short term loans from financial institutions	192.73	191.64
	Current maturities of long-term borrowing	304.34	275.49
	Unsecured		
	Short term loans from banks	15.40	-
	Short term loans from financial institutions	38.43	48.87
	Loans from directors (refer note (ii) below)	53.00	36.18
		2,838.55	**2,637.13**
	Total borrowings	**3,719.10**	**3,530.42**

(i) Information about the Group's exposure to interest rate and liquidity risks are included in note 32.

(ii) The Group has complied with the requirement of filing of quarterly returns or statements of current assets with the bank or financial institutions, wherever applicable, and these returns were in agreement with the books of accounts for the year ended 31 March 2022 and years ended 31 March 2021.

(iii) The loans from directors represents the loan taken by subsidiaries from their directors.

(iv) For details with respect to terms and conditions of borrowings, refer note 14A.

(All amounts are in Indian Rupees in millions, unless otherwise stated)

14 Borrowings (continued)

A Statement of details of terms and conditions of the current and non-current borrowings.

Nature of borrowing	Borrowed by parent / subsidiaries	As at 31 March 2022	As at 31 March 2021	Security terms
Non-current, secured				
Term loans from banks	Parent	763.56	740.56	Secured by: a) collateral security by way of equitable mortgage over immovable properties of the company and b) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the Company.
Term loans from banks	Subsidiaries	323.20	222.04	Secured by: a) collateral security by way of equitable mortgage over immovable properties of the group and b) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group.
Term loans from financial institutions	Subsidiaries	42.80	142.00	Secured by: a) equitable mortgage of common collateral securities of immovable properties of the group b) personal guarantees by Naveen Philip, director of the company.
Vehicle loans from financial institutions	Parent	11.94	32.67	Secured by: a) hypothecation of the respective motor vehicles and b) personal guarantees by John K Paul and Francis K Paul, directors of the Company.
Vehicle loans from financial institutions	Subsidiaries	23.12	31.51	Secured by: a) hypothecation of the respective motor vehicles and b) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group.
Non current, unsecured				
Loans from directors	Subsidiaries	20.28	-	As per the agreed terms the loans were repayable within a period of one year from the balance sheet date.
Current, secured				
Cash credit and overdraft facilities from banks	Subsidiaries	171.88	206.09	Secured by: a) first charge on the current assets of the Group excluding specific charges given for inventory funding; b) collateral security by way of equitable mortgage of the immovable properties of the Group and c) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group.
Short term loan from banks	Parent	1,323.39	1,175.56	Secured by: a) exclusive charge on the stock and receivables funded by bank and marked with lien; b) equitable mortgage on residential property of the director & property belonging to the Group as collateral secutities and c) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the Company.
Short term loan from banks	Subsidiaries	739.38	703.30	Secured by: a) exclusive charge on the stock and receivables funded by bank and marked with lien; b) equitable mortgage on residential property of the director & property belonging to the Group as collateral secutities and c) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group.
Short term loan from financial institutions	Subsidiaries	192.73	191.64	Secured by: a) equitable mortgage of common collateral securities of immovable properties belonging to Kuttukaran Trading Ventures and Kuttukaran Homes LLP ; b) equitable mortgage of immovable properties belonging to directors of the Company c) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group and d) corporate guarantee of Kuttukaran Trading Ventures.
Current, unsecured				
Short term loans from banks	Parent	15.40	-	Personal guarantees by John K Paul and Francis K Paul, directors of the Company.
Short term loans from financial institutions	Parent	38.43	30.11	Personal guarantees by John K Paul and Francis K Paul, directors of the Company.
Short term loans from financial institutions	Subsidiaries	-	18.76	Personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group
Loans from directors	Subsidiaries	52.99	36.18	As per the agreed terms the loans were repayable within a period of one year from the balance sheet date.
		3,719.10	**3,530.42**	

Note:

**Borrowings from banks / financial institutions carry interest rates from 8% to 10% per annum*

(All amounts are in Indian Rupees in millions, unless otherwise stated)

		As at 31 March 2022	As at 31 March 2021
15	**Other financial liabilities**		
	Current		
	Interest accrued but not due on borrowings	1.41	2.08
	Accrued salaries and benefits	142.56	143.40
	Book overdrafts	-	1.67
	Dues to creditors for capital goods	20.19	9.75
		164.16	**156.90**

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 32.

16	**Provisions**		
	Non-current		
	*Provision for employee benefits **		
	Net defined benefit liability - Gratuity	17.21	4.51
	Compensated absences	45.58	43.68
		62.79	**48.19**
	Current		
	*Provision for employee benefits **		
	Net defined benefit liability - Gratuity	1.50	0.98
	Compensated absences	25.63	35.51
		27.13	**36.49**
		89.92	**84.68**

* Also refer note 31

17	**Other liabilities**		
	Non-current		
	Advance from vendors for rebates	97.14	204.48
		97.14	**204.48**
	Other liabilities		
	Current		
	Contract liabilities (refer note 19)	788.42	824.53
	Advance from vendors for rebates	89.00	97.10
	Statutory dues payables	176.92	193.13
		1,054.34	**1,114.76**
		1,151.48	**1,319.24**

The contract liabilities primarily relate to the advance consideration received from the customers for the purchase of vehicles. This will be recognised as revenue as and when the Company meet the performance obligation by delivering the vehicles. Refer Note 19 for more details.

(All amounts are in Indian Rupees in millions, unless otherwise stated)

18 Trade payables

Total outstanding dues of micro and small enterprises	27.67	11.49
Total outstanding dues of creditors other than micro and small enterprises	840.63	651.94
	868.30	**663.43**

Trade payable ageing schedule

As at 31 March 2022

	Outstanding for following periods from due date of payment				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
i)MSME	27.67	-	-	-	27.67
ii)Others	772.14	66.89	1.44	0.16	840.63
iii)Disputed Dues-MSME	-	-	-	-	-
iv)Disputed Dues-Others	-	-	-	-	-
v)Unbilled dues	-	-	-	-	-
	799.81	**66.89**	**1.44**	**0.16**	**868.30**

As at 31 March 2021

	Outstanding for following periods from due date of payment					**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**		
i)MSME	1.94	-	-	-		**11.49**
ii)Others	660.32	0.93	0.24	-		**651.94**
iii)Disputed Dues-MSME	-	-	-	-		**-**
iv)Disputed Dues-Others	-	-	-	-		**-**
v)Unbilled dues	-	-	-	-		**-**
	662.26	**0.93**	**0.24**	**-**	#	**663.43**

All trade payables are 'current'.
The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 32.

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available

The principal amount remaining unpaid to any supplier as at the end of the year	27.67	11.49
The interest due on the principal remaining outstanding as at the end of the year	*	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	-	-
The amount of interest accrued and remaining unpaid at the end of the year .	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-

* Amount is below the round off norms adopted by the Company

(All amounts are in Indian Rupees in millions, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
19 Revenue from operations		
Sale of products		
Sales of new vehicles including labour charges	23,222.61	19,395.41
Sale of spare parts and accessories	4,687.13	3,783.64
Sale of pre-owned vehicles	2,872.81	2,473.08
	30,782.55	**25,652.13**
Sale of services	**2,213.37**	**1,822.97**
	32,995.92	**27,475.10**
Other operating revenues		
Income from schemes and incentives	1,177.95	991.02
Finance and insurance commission	466.88	455.99
Income from driving school	18.04	13.14
	34,658.79	**28,935.25**
Reconciliation of revenue from sale of products and services		
Gross revenue	14,784.70	28,278.91
Less: Discount allowed	426.00	803.81
	32,995.92	**27,475.10**

(A) Disaggregate of revenue information

The table below presents disaggregated revenues from contracts with customers for the below years ended by offerings and contract type. The Group believe that this disaggregation best depicts how the nature, amount, timing and uncertainity of our revenues and cashflows are effected by industry, market and other economic factors.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue by category		
Passenger cars	21,790.46	19,262.73
Luxury vehicles	1,612.54	1,442.00
Commercial vehicles	9,591.31	6,906.65
Others	1,664.48	1,323.87
	34,658.79	**28,935.25**
Revenue by contract type		
Fixed price	34,658.79	28,935.25
	34,658.79	**28,935.25**

(B) Contract balances

The following table provides information about trade receivables and contract liabilities from contract with customers.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Trade receivables	1,766.00	1,607.27
Contract liabilities	788.42	824.53

(C) Transaction price allocated to remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Within 1 year	788.42	824.53
More than 1 year	-	-
Closing balance	**788.42**	**824.53**

	Year ended 31 March 2022	Year ended 31 March 2021
20 Other income		
Interest income based on effective interest rate		
Rent deposits	18.65	10.39
Fixed deposits with banks	11.62	5.29
Interest on income-tax refund	1.71	10.45
Gain on sale of property, plant and equipment (net)	8.20	20.74
Liabilities / provisions no longer required written back	60.01	56.67
Net gain on financial assets measured at fair value through profit and loss	6.89	19.24
Gain on derecognition of right-of-use assets	0.78	28.10
Rent concession received	34.82	70.35
Other non-operating income	40.51	36.04
	183.19	**257.27**

(All amounts are in Indian Rupees in millions, unless otherwise stated)

		Year ended 31 March 2022	Year ended 31 March 2021
21	**Purchases of stock-in-trade**		
	New vehicles	22,831.12	19,035.03
	Pre-owned vehicles	2,740.27	2,366.22
	Spares, lubricants and accessories	4,099.86	3,172.58
		29,671.25	**24,573.83**
22	**Changes in inventories of stock in trade**		
	Opening inventory	3,116.83	2,873.28
	Closing inventory	3,620.39	3,116.83
		(503.56)	**(243.55)**
23	**Employee benefits expenses**		
	Salaries and allowances	2,157.02	1,794.21
	Contribution to provident and other funds (refer note 31)	160.27	155.39
	Staff welfare expense	102.83	85.47
		2,420.12	**2,035.07**
24	**Finance costs**		
	Interest on bank borrowings	267.19	237.62
	Interest on lease liabilities (refer note 33)	322.57	280.92
	Other borrowing costs	18.84	32.56
		608.60	**551.10**
25	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment	276.17	344.12
	Depreciation on right- of-use asset (refer note 33)	403.11	365.67
	Amortisation on intangible assets	13.29	15.12
		692.57	**724.91**
26	**Other expenses**		
	Rent (refer note 33)	101.74	47.94
	Advertising and sales promotion	142.18	120.06
	Consumables	248.30	155.83
	Repairs and maintenance:		
	Buildings	31.65	25.20
	Plant and machinery	100.35	59.50
	Others	17.67	26.70
	Power, water and fuel	109.12	91.97
	Travelling and conveyance	86.82	65.72
	Housekeeping and security	197.79	85.15
	Office expenses	57.79	38.68
	Communication	54.62	52.70
	Refurbishment charges on pre-owned vehicles	40.90	35.09
	Pre delivery inspection charges	61.20	47.04
	Rates and taxes	22.48	25.70
	Transportation charges	45.75	39.99
	Bank charges	29.25	26.24
	Insurance	47.54	47.34
	Management fee on pre-owned vehicles	12.86	9.93
	Legal and professional	26.41	18.34
	Commission paid	4.15	3.60
	Donation and charity	0.14	0.15
	Expenditure on corporate social responsibility (CSR) (refer note (i) below)	5.09	4.28
	Miscellaneous expenses	14.32	26.73
		1,458.12	**1,053.88**
(i)	**CSR expenditure**		
	(i) Gross amount required to be spent by the Group during the year	5.09	4.28
	(ii) Amount approved by the Board to be spent during the year	5.09	4.28
	(iii) Amount spent during the year on (in cash)		
	- Construction/ acquisition of asset	-	-
	- On purposes other than above	5.09	4.28
	(iv) (Shortfall) / Excess at the end of the year	-	-
	(v) Total of previous years shortfall	-	-
	(vi) Details of related party transactions	-	-
	(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-
	(viii) Reason for shortfall	N.A	N.A
	(ix) Nature of CSR activities:		
	a) Payment to Prime minister national relief fund	-	-
	b) Skill development	5.09	4.28
	c) Education	-	-
	d) Rural development	-	-

(All amounts are in Indian Rupees in millions, unless otherwise stated)

27 Taxes

	As at 31 March 2022	As at 31 March 2021
A Income taxes		
Income tax assets, net	85.46	67.73
Income tax liabilities (current)	-	(3.15)
Income tax liabilities (non-current)	(1.05)	(2.09)
Net income tax assets/(liabilities) at the end of the year	**84.41**	**62.49**

(i) Tax expense recognised in the statement of profit and loss	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Current tax (including MAT)		
Current year	129.42	124.27
Earlier years	-	(24.41)
Deferred tax benefit (including MAT credit entitlement)	19.35	48.11
Total tax expenses	**148.77**	**147.97**

(ii) Amount recognised in other comprehensive income	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Remeasurement of the net defined benefit plans		
Gain / (loss) before tax	2.94	9.09
Tax expense / (benefit)	(0.79)	(1.34)
Net of tax	**2.15**	**7.75**

(iii) Reconciliation of effective tax rate	**Year ended 31 March 2021**	**Year ended 31 March 2021**
Profit before income tax	**485.46**	**472.52**
Enacted tax rates in India *	25.17%	34.94%
Tax expenses	122.19	165.10
Other permanent differences	50.95	8.23
On account of change in tax rate	(25.26)	-
Income at differential rate - subsidiaries	-	(25.36)
Income at differential rate - long term capital gain	0.89	-
Tax expense	**148.77**	**147.97**
Effective tax rate	30.65%	31.32%

* The Group elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised Provision for Income Tax for the year and re-measured its deferred tax asset basis the rate prescribed in the said section. Accordingly, deferred tax asset have reduced by Rs. 25.26 million. The tax charge for the year have increased by Rs.25.26 million.

B Deferred tax asset/ (liabilities)

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Deferred tax assets	157.69	177.84
Deferred tax liabilities	-	-
Net deferred tax asset/ (liability) at the end of the year	**157.69**	**177.84**

(All amounts are in Indian Rupees in millions, unless otherwise stated)

27 Taxes (continued)
B Deferred tax asset/ (liabilities) (continued)

(ii) Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax asset		
Allowance for expected credit loss	12.50	15.37
Provision for employee benefits	6.85	21.42
Lease liabilities, impact on account of Ind AS 116	181.27	201.76
Other timing differences	5.47	-
On unabsorbed business losses	22.89	31.68
Total deferred tax assets (A)	**228.98**	**270.23**
Deferred tax liabilities		
Excess of depreciation on property,plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(71.29)	(92.39)
Total deferred tax liability (B)	**(71.29)**	**(92.39)**
Net deferred tax asset/ (liability) at the end of the year (A+B)	**157.69**	**177.84**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Group has recognised deferred tax assets arising out of tax losses (unabsorbed depreciation) to the extent of net deferred tax liability on account of taxable temporary differences.

(iii) Movement in temporary differences

Movement during the year ended 31 March 2022	As at 1 April 2021	Charge/ (credit) in the statement of profit and loss	Charge/ (credit) in other comprehensive income	As at 31 March 2022
Other timing differences	-	(5.47)	-	5.47
Allowance for expected credit loss	15.37	2.87	-	12.50
Provision for employee benefits	21.42	13.77	0.79	6.85
On unabsorbed business losses	31.68	8.79	-	22.89
Lease liabilities,impact on account of Ind AS 116	201.76	20.49	-	181.27
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(92.39)	(21.10)	-	(71.29)
Net deferred tax asset/ (liability) at the end of the year	**177.84**	**19.35**	**0.79**	**157.69**

Movement during the year ended 31 March 2021	As at 1 April 2020	Charge/ (credit) in the statement of profit and loss	Charge/ (credit) in other comprehensive income	As at 31 March 2021
MAT credit entitlement	17.67	17.67	-	-
Other timing differences	-	-	-	-
Allowance for expected credit loss	17.99	2.62	-	15.37
Provision for employee benefits	19.28	(3.48)	1.34	21.42
On unabsorbed business losses	89.88	58.20	-	31.68
Lease liabilities,impact on account of Ind AS 116	183.77	(17.99)	-	201.76
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(101.30)	(8.91)	-	(92.39)
Net deferred tax asset at the end of the year	**227.29**	**48.11**	**1.34**	**177.84**

(iv) Tax losses carried forward

Particulars	As at 31 March 2022	Expiry date	As at 31 March 2021	Expiry date
Brought forward losses - allowed to carry forward for specific period	7.10	AY 2026-27 to AY 2030-31	199.60	AY 2030-31
Unabsorbed depreciation- allowed to carry forward for infinite period	22.11	N.A	119.82	-
Long term capital loss - allowed to carry forward for specific period	1.26	AY 2029-30	2.95	AY 2025-26 to AY 2030-31

(All amounts are in Indian Rupees in millions, unless otherwise stated)

28 Contingent liabilities and commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Contingent liabilities		
Claims against the Group not acknowledged as debts:		
Service tax related matters	19.01	16.80
KVAT related matters	114.47	127.67
Income tax matters	33.42	96.09
Employees' state insurance/provident fund demand	7.95	7.95
Customer claims	86.67	83.15
Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	98.67	180.41

Details of claims against the Group

a) Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timing of cash flows, if any, in respect of the above as it is determinable only on receipt of judgement/ decision pending with various forums/ authorities. The Group has received all its pending litigations and proceedings and has adequately provided for when provision is required and disclosed as contingent liabilities where applicable, in the financial information. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

b) There are certain claims raised by various customers, pending before various consumer forums. The management does not expect the outcome of the action to have a material effect on its financial position.

c) On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Group has re-computed its liability towards PF for the month of March 2019. In respect of the earlier periods/years, the Group has been legally advised that there are numerous interpretative challenges on the application of the judgment retrospectively. Based on such legal advice, the management believes that it is impracticable at this stage to reliably measure the provision required, if any, and accordingly, no provision has been made towards the same. Necessary adjustments, if any, will be made to the books as more clarity emerges on this subject.

29 Earnings per share

A. Basic earnings per share

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

i) Net profit attributable to equity share holders

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net profit / (loss) for the year, attributable to the owners of the Company	336.69	324.55

ii) Weighted average number of equity shares(basic and diluted)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Number of equity shares at the beginning of the year (refer note 13)	12.54	12.54
Weighted average number of shares issued during the year (right issue)	-	-
Weighted average number of shares issued during the year (bonus issue)	-	-
Weighted average number of equity shares of INR 10 each outstanding during the year	12.54	12.54
Earnings per share, basic and diluted	**26.85**	**25.88**

B. Diluted earnings per share

There are no potential dilutive equity shares as at balance sheet dates.

(All amounts are in Indian Rupees in millions, unless otherwise stated)

30 Segment reporting

Ind AS 108 “Operating Segment” (“Ind AS 108”) establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). Members of Board of the Group have been identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108 "Operating Segments". All operating segments’ operating results are reviewed regularly by the Group’s CODM to make decisions about resources to be allocated to the segments and assess their performance.

Geographical segments

Geographical information analyses the company's revenue and non current assets by the Company's country of domicile (i.e.India) and other countries. The Company’s sole geographical segment is India. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

Operational segments

The Group has structured its business broadly into four verticals – Passenger cars, Luxury vehicles, Commercial vehicles and others. Others primarily comprises of direct sale of spares, other than through the business segments. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Income, direct expenses, assets and liabilities in relation to segments are categorised based on items that are individually identifiable to that segment.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Segment revenue		
Passenger cars	21,790.46	19,262.73
Luxury vehicles	1,612.54	1,442.00
Commercial vehicles	9,591.31	6,906.66
Others	1,664.48	1,323.86
Total	**34,658.79**	**28,935.25**
Segment profits before income tax		
Passenger cars	695.20	664.72
Luxury vehicles	64.50	38.98
Commercial vehicles	249.99	234.56
Others	93.90	85.36
Total	**1,103.59**	**1,023.62**
Less:		
Finance charges	608.60	551.10
Exceptional item	-	-
Unallocated expenses (net of unallocated income)	9.53	-
Profit before tax	**485.46**	**472.52**
Tax expense/ (income)	148.77	147.97
Profit for the year	**336.69**	**324.55**
Less : Non controlling interest		-
Profit attributable to the owners of the Company	**336.69**	**324.55**

	As at 31 March 2022	As at 31 March 2021
Segment assets		
Passenger cars	8,258.18	7,094.03
Luxury vehicles	952.35	1,092.40
Commercial vehicles	2,936.60	2,729.79
Others	485.75	299.02
Total	**12,632.88**	**11,215.24**
Segment liabilities		
Passenger cars	6,600.32	5,606.00
Luxury vehicles	750.27	861.17
Commercial vehicles	2,006.74	1,916.60
Others	476.70	345.57
Total	**9,834.03**	**8,729.34**

(All amounts are in Indian Rupees in millions, unless otherwise stated)

31 Employee benefits

A Defined contribution plan

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

B Defined benefit plan

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

The Gratuity Plan entitles an employee, who has rendered atleast five years of continuous service, to receive one-half month's salary for each year of completed service (service of six months or above is rounded off to one year) at the time of retirement/ exit, restricted to a sum of INR 2.00 million.

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

Reconciliation of the projected defined benefit obligation

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Defined benefit liability	269.63	245.12
Plan assets	250.92	251.39
Net defined benefit liability/ (asset)	**18.71**	**(6.27)**
Non-current defined benefit liability	17.21	4.51
Current defined benefit liability	1.50	0.98
Current defined benefit (asset)	-	(11.76)
Liability for compensated absences	**71.21**	**79.19**
Non-current defined benefit liability	45.58	43.68
Current defined benefit liability	25.63	35.51

C Reconciliation of net defined benefit (asset)/ liability

i) Reconciliation of present values of defined benefit obligation

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

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Defined benefit obligation as at the beginning of the period / year	245.12	221.00
Current service cost	34.99	32.13
Past service cost		-
Interest cost	14.40	13.13
Benefits paid	(22.08)	(14.57)
Liabilities assumed /(settled)	-	1.86
Re-measurements		
Actuarial gain/(loss) recognised in other comprehensive income		
- changes in financial assumptions	(8.32)	2.08
- changes in demographic assumptions	-	-
- changes in experience over the past period	5.52	(10.51)
Defined benefit obligation as at the end of the period / year	**269.63**	**245.12**

ii) Reconciliation of present value of plan assets

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Plan assets at the beginning of the period / year	251.39	226.20
Contributions paid into the plan	5.57	22.39
Benefits paid	(22.08)	(14.57)
Interest income	15.89	14.86
Assets acquired/(settled)	-	1.86
Re-measurements		
- changes in demographic assumptions	0.14	-
- return on plan assets excluding amount included in net interest on the net defined liability/(asset)	0.01	0.65
Balance at the end of the period / year	**250.92**	**251.39**
Net defined benefit liability	**18.71**	**(6.27)**

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

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Current service cost	34.99	32.13
Net interest on net defined liability	(1.49)	(1.73)
Net gratuity cost	**33.50**	**30.40**

(ii) Remeasurements recognised in other comprehensive income

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Actuarial (gain)/ loss on defined benefit obligation	(2.80)	(8.43)
(Return) / loss on plan asset excluding interest income	(0.01)	(0.65)
Net gratuity cost (before tax)	**(2.81)**	**(9.08)**

(All amounts are in Indian Rupees in millions, unless otherwise stated)

31 Employee benefits (continued)

E Plan asset

Plan asset comprises of the following:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Funds managed by Life Insurance Corporation of India	250.92	251.39

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

F Defined benefit obligation

(i) Actuarial Assumptions for defined benefit liability

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate	5.40%- 6.9% p.a	4.80%- 6.5% p.a
Salary growth rate	6% p.a	6% p.a
Attrition rate	14%-29% p.a	14%-29% p.a
Weighted average duration of defined benefit obligaiton	3.15 Yrs- 9 Yrs	3.77 Yrs- 9 Yrs

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

Assumptions regarding future mortality experience are set in accordance with the standard table - IALM 20012-14 (Ultimate). The Group assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

Gratuity is applicable only to employees drawing a salary in Indian Rupees and there are no other foreign defined benefit gratuity plans.

(ii) Sensitivity analysis

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

Particulars	As at 31 March 2022	
	Increase	Decrease
Discount rate (1% movement)	(14.74)	17.17
Future salary growth (1% movement)	16.90	(14.81)
Attrition rate (1% movement)	0.79	(0.96)

Particulars	As at 31 March 2021	
	Increase	Decrease
Discount rate (1% movement)	(13.84)	16.19
Future salary growth (1% movement)	15.87	(13.83)
Attrition rate (1% movement)	0.18	(0.24)

Although the analysis does not take account of the full distribution of the cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

(iii) Actuarial Assumptions for compensated absences

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate	5.40%- 6.9% p.a	4.80%- 6.5% p.a
Salary growth rate	6% p.a	6% p.a
Attrition rate	14%-29% p.a	14%-29% p.a
Mortality rate	IALM 2012-14 Ult.	IALM 2012-14 Ult.

(All amounts are in Indian Rupees in millions, unless otherwise stated)

32 Financial Instruments- Fair values and risk management

A Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 31 March 2022

Particulars	Note	Carrying amount				Fair value			
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value									
Cash and cash equivalents	11	183.96	-	-	183.96	-	-	-	-
Bank balances other than cash and cash equivalents	12	19.56	-	-	19.56	-	-	-	-
Trade receivables	10	1,766.00	-	-	1,766.00	-	-	-	-
Other financial assets	7	388.30	-	-	388.30	-	-	-	-
Financial assets measured at fair value									
Investments	6	-	60.20	-	60.20	44.11	15.89	0.20	60.20
Total		**2,357.82**	**60.20**	**-**	**2,418.02**	**44.11**	**15.89**	**0.20**	**60.20**
Liabilities									
Financial liabilities measured at amortised cost									
Trade payables	18	-	-	868.30	868.30	-	-	-	-
Borrowings	14	-	-	3,719.10	3,719.10	-	-	-	-
Lease liabilities	33	-	-	3,840.01	3,840.01	-	-	-	-
Other financial liabilities	15	-	-	164.16	164.16	-	-	-	-
Total		**-**	**-**	**8,591.57**	**8,591.57**	**-**	**-**	**-**	**-**

As at 31 March 2021

Particulars	Note	Carrying amount				Fair value			
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value									
Cash and cash equivalents	11	555.08	-	-	555.08	-	-	-	-
Bank balances other than cash and cash equivalents	12	38.92	-	-	38.92	-	-	-	-
Trade receivables	10	1,607.27	-	-	1,607.27	-	-	-	-
Other financial assets	7	323.93	-	-	323.93	-	-	-	-
Financial assets measured at fair value									
Investments	6	-	49.21	-	49.21	49.01	-	0.20	49.21
Total		**2,525.20**	**49.21**	**-**	**2,574.41**	**49.01**	**-**	**0.20**	**49.21**
Liabilities									
Financial liabilities measured at amortised cost									
Trade payables	18	-	-	663.43	663.43	-	-	-	-
Borrowings	14	-	-	3,530.42	3,530.42	-	-	-	-
Lease liabilities	33	-	-	2,969.43	2,969.43	-	-	-	-
Other financial liabilities	15	-	-	156.90	156.90	-	-	-	-
Total		**-**	**-**	**7,320.18**	**7,320.18**	**-**	**-**	**-**	**-**

The Group has not disclosed the fair values for financial instruments such as cash and cash equivalents, trade receivables, trade payables etc., because their carrying amounts are a reasonable approximation of fair value.

Measurement of fair values

The fair value of the financial instruments is determined using discounted cash flow analysis. The discount rates used is based on management estimates.

Level 1 fair values

Investment in equity shares that has a quoted price and which are actively traded on the stock exchanges. It is been valued using the closing price as at the reporting period on the stock exchanges.

Level 2 fair values

Investment in mutual funds - is unquoted price and are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 fair values

If one or more of the significant inputs is not based on observable data, the instrument is included in level 3.

(All amounts are in Indian Rupees in millions, unless otherwise stated)

32 Financial Instruments- Fair values and risk management (continued)

B Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk.

i) Risk management framework

The Group's board of directors ('the Board') has overall responsibility for the establishment and oversight of the risk management framework. They oversee how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The maximum exposure to credit risk for trade receivables was as follows;

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables	1,815.50	1,657.77
	1,815.50	**1,657.77**

The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	50.50	51.81
Provision created during the year	9.42	24.76
Impairment loss recognised during the year	(10.42)	(26.07)
Balance at the end	**49.50**	**50.50**

No single customer accounted for more than 10% of the revenue. There is no significant concentration of credit risk.

Credit risk on cash and cash equivalent and other bank balances is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

The group allocates each exposure to a credit risk grade based on the historic trend of receivables movement between the ageing buckets. The loss rates are calculated based on the simple average of the trend in receivable ageing.

Ageing Period	Average Loss Rate	
	As at 31 March 2022	As at 31 March 2021
Not due	-	-
Less than 6 months	4.12%	8.53%
6 months - 1 year	30.83%	42.58%
1 - 2 years	61.73%	81.50%
2 - 3 years	100.00%	100.00%

iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2022:

Particulars	Payable within 1 year	More than 1 year	Total
Trade payables	868.30	-	868.30
Borrowings	2,838.55	880.55	3,719.10
Lease liabilities	269.94	3,570.07	3,840.01
Other financial liabilities	164.16	-	164.16

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2021:

Particulars	Payable within 1 year	More than 1 year	Total
Trade payables	663.43	-	663.43
Borrowings	2,637.13	893.29	3,530.42
Lease liabilities	304.35	2,665.08	2,969.43
Other financial liabilities	156.90	-	156.90

32 Financial Instruments- Fair values and risk management (continued)

iv) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

Foreign currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currency of the Group. The functional currency of the Group is INR and the Group does not have any material foreign currency transactions during the years ended 31 March 2022, 31 March 2021

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The interest rate on the Group’s financial instruments is based on market rates. The Group monitors the movement in interest rates on an ongoing basis.

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the year are as follows:

Financial liabilities (bank borrowings)	As at 31 March 2022	As at 31 March 2021
Variable rate long term borrowings including current maturities	940.97	923.82

Sensitivity

Particulars	Impact on profit or (loss)		Impact on other components of equity	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
1% increase in variable rate	(9.41)	(9.24)	(7.04)	(6.01)
1% decrease in variable rate	9.41	9.24	7.04	6.01

The interest rate sensitivity is based on the closing balance of variable rate borrowings from banks and financial institutions.

(All amounts are in Indian Rupees in millions, unless otherwise stated)

33 Leases

The Group has taken showrooms and service centres on lease from various parties from where business operations are performed. The leases typically run for a period of 2 year - 60 years. Lease payments are renegotiated nearing the expiry to reflect market rentals.

Group as a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under Ind AS 116, the Group recognises right-of-use assets and lease liabilities for most leases i.e. these leases are on balance sheet.

On transition, the Group has applied following practical expedients:
(1) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
(2) Applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition and low value assets.
(3) Excluded the initial direct costs from the measurement of the right-of -use-asset at the date of transition.

The Group has also applied recognition exemptions of short-term leases to all categories of underlying assets.

(i) Lease liabilities

Following are the changes in the lease liabilities for the year ended;

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Balance as at beginning of the year	2,969.43	2,961.46
Additions	1,131.62	263.90
Finance cost accrued during the year	322.57	280.92
Payment of lease liabilities	(573.53)	(468.40)
Rent concession received *	(15.80)	(70.35)
Remeasurement on account of modification	20.94	83.61
Derecognition of lease liability during the year	(15.22)	(81.71)
Balance as at end of the year	**3,840.01**	**2,969.43**
Non-current lease liabilities	3,570.07	2,665.08
Current lease liabilities	269.94	304.35

* The Group has renegotiated with certain landlords on the rent concession due to COVID 19 pandemic. These rent concessions are short term in nature and meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24th July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1st April 2020. Thus, in accordance with the said notification, the Company has elected to apply exemption as the concession does not necessitate a lease modification as envisaged in the Standard by recording in the "Other income".

(All amounts are in Indian Rupees in millions, unless otherwise stated)

33 Leases (continued)

(ii) Maturity analysis – contractual undiscounted cash flows

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	604.95	444.90
One to five years	2,269.36	1,678.89
More than five years	4,095.58	2,789.09
Total undiscounted lease liabilities	**6,969.89**	**4,912.88**

(iii) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	2,329.47	2,401.24
Addition to right-of-use assets	1,191.71	263.90
Depreciation for the year	(403.11)	(365.67)
Remeasurement on account of modification	20.91	83.61
Derecognition of right-of-use assets	(9.04)	(53.61)
Balance at end of the year	**3,129.94**	**2,329.47**

(iv) Amounts recognised in statement of profit or loss

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities	322.57	280.92
Depreciation on right-of-use assets	403.11	365.67

(v) Amounts recognised in statement of cash flows

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Total cash outflow for leases	(573.53)	(468.40)

(vi) Operating leases

The Group is obligated under cancellable operating leases for its certain office premises which are renewable at the option of both the lessor and lessee. Total rental expenses under such leases amounted to Rs.101.74 million (31 March 2021 : Rs.47.94 million). These arrangements do not qualify as a lease as per the requirements of Ind AS 116.

34 Capital Management

The Group's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio. For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

Particulars	As at 31 March 2022	As at 31 March 2021
Total equity attributable to the equity shareholders of the Company (A)	**2,798.86**	**2,460.02**
Long-term borrowings	880.55	893.29
Short-term borrowings	2,838.55	2,637.13
Total borrowings	**3,719.10**	**3,530.42**
Less: cash and cash equivalents	(163.88)	(553.41)
Adjusted net debt (B)	**3,555.22**	**2,977.01**
Adjusted net debt to total equity ratio (B/A)	**1.27**	**1.21**

(All amounts are in Indian Rupees in millions, unless otherwise stated)

35 Non-controlling interest

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013 - 'General instructions for the preparation of consolidated financial statements'.

Name of the entity	As at / For the year ended 31 March 2022							
	Net assets		Share in profit / (loss)		Share in other comprehensive (inome)/ loss		Share in total comprehensive income / (loss)	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive (income)/ expense	Amount	As a % of total comprehensive income	Amount
Parent								
Popular Vehicles and Services Limited	72.90%	2,040.77	20.72%	69.75	176.28%	(3.79)	21.71%	73.54
Subsidiaries								
Popular Auto Dealers Private Limited	9.36%	261.85	16.85%	56.74	12.09%	(0.26)	16.82%	57.00
Kuttukarn Green Private Limited	(0.17%)	(4.79)	(1.37%)	(4.61)	0.00%	-	(1.36%)	(4.61)
Popular AutoWorks Private Limited	5.54%	154.99	0.47%	1.58	(5.12%)	0.11	0.43%	1.47
Vision Motors Private Limited	9.69%	271.16	28.75%	96.80	(17.20%)	0.37	28.46%	96.43
Kuttukaran Cars Private Limited	(0.13%)	(3.66)	(1.00%)	(3.36)	0.00%	-	(0.99%)	(3.36)
Popular Mega Motors (India) Private Limited	33.23%	929.99	35.58%	119.79	(66.05%)	1.42	34.93%	118.37
Avita Insurance Broking LLP *	0.00%	-	0.00%	-	0.00%	-	0.00%	-
		3,650.31		**336.69**		**(2.15)**		**338.84**
Adjustment arising out of consolidation	(30.42%)	(851.45)	0.00%	-	-	-	0.00%	-
Non controlling interest in subsidiaries	-	-	-	-	-	-	-	-
Consolidated net assets/ Profit after tax	**100.00%**	**2,798.86**	**100.00%**	**336.69**	**100.00%**	**(2.15)**	**100.00%**	**338.84**

Name of the entity	As at / For the year ended 31 March 2021							
	Net assets		Share in profit or loss		Share in other comprehensive (inome)/ loss		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive (income)/ expense	Amount	As a % of total comprehensive income	Amount
Parent								
Popular Vehicles and Services Limited	79.98%	1,967.23	48.83%	158.50	(82.06%)	6.36	45.79%	152.14
Subsidiaries								
Popular Auto Dealers Private Limited	8.33%	205.02	15.79%	51.25	10.19%	(0.79)	15.66%	52.04
Kuttukarn Green Private Limited	(0.01%)	(0.18)	(0.01%)	(0.04)	0.00%	-	(0.01%)	(0.04)
Popular AutoWorks Private Limited	6.24%	153.51	(8.75%)	(28.41)	4.00%	(0.31)	(8.46%)	(28.10)
Vision Motors Private Limited	7.10%	174.70	12.93%	41.95	1.29%	(0.10)	12.65%	42.05
Kuttukaran Cars Private Limited	(0.01%)	(0.30)	(0.02%)	(0.06)	0.00%	-	(0.02%)	(0.06)
Popular Mega Motors (India) Private Limited	32.99%	811.61	31.23%	101.36	166.58%	(12.91)	34.39%	114.27
Avita Insurance Broking LLP *	0.00%	-	0.00%	-	0.00%	-	0.00%	-
		3,311.59		**324.55**		**(7.75)**		**332.30**
Adjustment arising out of consolidation	(34.62%)	(851.57)	0.00%	-	-	-	0.00%	-
Non controlling interest in subsidiaries	-	-	-	-	-	-	-	-
Consolidated net assets/ Profit after tax	**100.00%**	**2,460.02**	**100.00%**	**324.55**	**100.00%**	**(7.75)**	**100.00%**	**332.30**

* Avita Insurance Broking LLP has been struck off from the Register of LLPs and the same has been dissolved pursuant to notice u/s 37(1) dated 29 October 2021 from the office of the Registrar of Companies, Ministry of Corporate.

(All amounts are in Indian Rupees in millions, unless otherwise stated)

36 Related parties

I. Names of related parties and description of relationship:

(a) Entity having significant influence over the Company	BanyanTree Growth Capital II, LLC, Mauritius
(b) Subsidiaries and step down subsidiaries	Refer Note 3
(c) Other related parties with whom the Company had transactions during the year	
- Key management personnel and their relatives (KMP)	Mr. Francis K Paul, Whole Time Director
	Mr. John K Paul, Managing Director
	Mr. Naveen Philip, Director
	Mr. Jacob Kurian, Independent Director
	Mrs. Preeti Reddy, Independent Director
	Mr. George Joseph, Independent Director (w.e.f - 1 July 2021)
	Mr. Rahul Kurup, Nominee Director
	Mr . John Verghese , Chief Financial Officer
	Mr . Philip Chacko Mundanilkunnathil , Chief Executive Officer (till 7 January 2022)
	Mr .Varun Thazhathu Veedu , Company Secretary
- Entities in which KMP has significant influence	Prabal Motors Private Limited, India
	Kuttukaran Trading Ventures, India
	Kuttukaran Institute for Human Resource Development, India
	Keracon Equipment Private Limited, India

II. Related party transactions:

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations		
Kuttukaran Institute for Human Resource Development	-	0.04
Keracon Equipments Private Limted	62.19	36.83
Kuttukaran Trading Ventures	-	0.14
Prabal Motors Private Limited	1.90	1.37
Expense reimbursed by the Company		
Keracon Equipments Private Limted	0.06	0.06
Kuttukaran Institute for Human Resource Development	-	0.04
Expense reimbursed on behalf of the Company		
Kuttukaran Institute for Human Resource Development	0.08	0.10
Kuttukaran Homes LLP	0.24	0.16
Prabal Motors Private Limited	1.46	0.68
Repairs and maintenances		
Kuttukaran Trading Ventures	0.16	-
Rent paid		
Francis K Paul	5.78	5.03
John K Paul	0.79	0.69
Naveen Philip	2.87	2.66
Leela Philip	-	0.05
Kuttukaran Homes LLP	19.98	15.26
Rushil John	0.75	0.45
Purchase of assets		
Prabal Motors Private Limited	-	0.12
Kuttukaran Trading Ventures	0.01	-
Sale of asset		
Prabal Motors Private Limited	0.08	-
Kuttukaran Homes LLP	-	41.32
Loan (availed)/ repaid from directors		
John K Paul	(1.20)	(0.10)
Naveen Philip	(35.90)	28.82
Commission and incentive to KMP		
Francis K Paul	1.50	1.50
John K Paul	1.50	1.50
Remuneration to KMP*		
Francis K Paul	7.38	5.67
John K Paul	7.38	5.67
Naveen Philip	7.41	7.17
Philip Chacko Mundanilkunnathil	10.00	10.61
Others	9.53	7.51
Sitting fees to independent directors	3.38	0.95

(All amounts are in Indian Rupees in millions, unless otherwise stated)

36 Related parties (continued)

(b) Balance receivable from/ (payable) to related parties as at the balance sheet date:

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables		
Prabal Motors Private Limited	0.12	-
Kuttukaran Institute for Human Resource Development	-	0.01
Kuttukaran Trading Ventures	-	0.09
Keracon Equipments Private Limited	9.91	2.96
Dues to creditors for expenses and others		
Kuttukaran Homes LLP	(1.55)	(1.59)
Payable to KMP		
Naveen Philip	(0.27)	(1.77)
Rushil John	(0.06)	(0.05)
John K Paul	(2.00)	(1.56)
Francis K Paul	(2.33)	(2.05)
Others	(1.11)	-
Loan from director		
John K Paul	(18.25)	(17.05)
Francis K Paul	(17.65)	(17.65)
Naveen Philip	(37.38)	(1.48)

*The amounts does not include provision for gratuity and compensated absences as the same is determined for the Company as a whole based on an actuarial valuation.

All the related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

(All amounts are in Indian Rupees in millions, unless otherwise stated)

37 **Asset held for sale**

i) The Group has classified following land and buildings as Asset held for sale as at balance sheet dates and the same has stated at carrying value (being lower of fair value less cost to sell or net book value).

Entity		As at 31 March 2022	As at 31 March 2021
Popular Vehicles and Services Limited	Holding Company	15.42	15.42

(i) The Group received notice from the NH authorities to acquire a portion of the land on 10 August 2020 for the acquisition of 25.79 ares of land with an acquisition award of Rs. 31.47 million.

38 Covid-19 outbreak was declared as a global pandemic by World Health Organisation. The Company has been in operation consistently with work from home arrangements and in compliance with the directives issued by the Government authorities. Accordingly, as on balance sheet date of 31 March 2022, 31 March 2021, based on facts and circumstances existing as of that date, the Company does not anticipate any material uncertainities which affects its liquidity position and also ability to continue as a going concern. However, the impact assessment of Covid-19 is a continuing process given the uncertainities associated with its nature and duration.

39 (a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) No funds have been received by the Group from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

40 The previous figures have been reclassified/ regrouped whereever necessary.

(All amounts are in Indian Rupees in millions, unless otherwise stated)

41 Ratios as per the Schedule III requirements *

a) Current Ratio = Current assets divided by Current liabilities

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Current assets	6,002.81	5,649.97
Current liabilities	5,222.42	4,916.21
Ratio	**1.15**	**1.15**
% Change from previous year	**0.00%**	**25.00%**

Reason for change more than 25%:
This ratio has increased from 0.92 in March 2020 to 1.15 in March 2021 mainly on account of decrease in currrent borrowings and trade payables. Also there are increase in receivables and bank balances.

b) Debt to Equity Ratio =Total debt divided by Total equity where total debt refers to sum of current & non-current borrowings

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Current borrowings	2,838.55	2,637.13
Non-current borrowings	880.55	893.29
Total debt	**3,719.10**	**3,530.42**
Total equity	**2,798.86**	**2,460.02**
Ratio	**1.33**	**1.44**
% Change from previous year	**-7.64%**	**-12.20%**

c) Debt Service Coverage Ratio = Earnings available to service debt divided by total interest and borrowings

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Profit before tax	485.46	472.52
Add: Non cash operating expenses and finance cost		
Finance costs	608.60	551.10
Depreciation and amortisation expense	692.57	724.91
Earnings available to service debt	**1,786.63**	**1,748.53**
Finance costs	608.60	551.10
Non-current borrowings	880.55	893.29
Current borrowings	2,838.55	2,637.13
Total interest and borrowings	**4,327.70**	**4,081.52**
Ratio	**0.41**	**0.43**
% Change from previous year	**-4.65%**	**30.30%**

Reason for change more than 25%:
This ratio has increased from 0.33 in March 2020 to 0.43 in March 2021 mainly due to decrease in borrowings and increase in Profitability as a result of higher margins and fixed cost reduction

d) Return on Equity/Return on Investment = Net profit after tax divided by Equity

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Total equity	2,798.86	2,460.02
Profit after tax	336.69	324.55
Ratio	**12.03%**	**13.19%**
% Change from previous year	**-8.79%**	**124.70%**

Reason for change more than 25%:
This ratio has increased from 5.87% in March 2020 to 13.19% in March 2021 mainly due to increase in Profit after tax which was mainly on account increase in service income and rationalisation of operational expenses

e) Inventory Turnover Ratio = Cost of materials consumed divided by closing inventory

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Purchase of stock in trade	29,671.25	24,573.83
Changes in inventories of stock-in-trade	(503.56)	(243.55)
Cost of materials consumed	**29,167.69**	**24,330.28**
Closing inventory	3,620.39	3,116.83
Ratio	**8.06**	**7.81**
% Change from previous year	**3.20%**	**-16.29%**

* Management have given explaination only for the variances above 25% .

(All amounts are in Indian Rupees in millions, unless otherwise stated)

41 Ratios as per the Schedule III requirements (continued) *

f) Trade Receivable Turnover Ratio = Revenue from operations divided by trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Revenue from operations	34,658.79	28,935.25
Trade receivable	1,766.00	1,607.27
Ratio	**19.63**	**18.00**
% Change from previous year	**9.06%**	**-38.21%**

Reason for change more than 25%:
This ratio has decreased from 29.13 in March 2020 to 18.00 in March 2021 mainly due to normalisation in trade receivable due to higher sales in March 2021 as compared to March 2020 (as explained above).

g) Trade Payable Turnover Ratio = Purchases divided by closing trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Purchase of stock in trade	29,671.25	24,573.83
Trade payable	868.30	663.43
Ratio	**34.17**	**37.04**
% Change from previous year	**-7.75%**	**131.21%**

Reason for change more than 25%:
This ratio has increased from 19.47 in March 2020 to 37.04 in March 2021 on account reduced procument in March 2021 - primarily on account of Covid-19 pandemic impact

h) Net Capital Turnover Ratio =Revenue from operations divided by Net working capital whereas net working capital = current assets - current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Revenue from operations	**34,658.79**	**28,935.25**
Current assets	6,002.81	5,649.97
Current liabilities	5,222.42	4,916.21
Net working capital	**780.39**	**733.76**
Ratio	**44.41**	**39.43**
% Change from previous year	**-12.63%**	**159.19%**

Reason for change more than 25%:
This ratio has increased from (66.62) in March 2020 to 39.43 in March 2021 mainly due to the higher internal accruals and repayment of current borrowings - by utilsing the ECLGS facilities.

i) Net Profit Ratio = Net profit after tax divided by Revenue from operations

Particulars	As at 31 March 2022	As at 31 March 2021
Profit after tax	336.69	324.55
Revenue from operations	34,658.79	28,935.25
Ratio	**0.97%**	**1.12%**
% Change from previous year	**-13.39%**	**187.18%**

Reason for change more than 25%:
This ratio has increased from 0.39% in March 2020 to 1.12% in March 2021 is mainly due to the higher margins and overall fixed cost reduction due to COVID-19 impact.

* Management have given explaination only for the variances above 25% .

(All amounts are in Indian Rupees in millions, unless otherwise stated)

41 Ratios as per the Schedule III requirements (continued)

j) Return on Capital employed = Earnings before interest and taxes(EBIT) divided by capital employed (Total equity + Borrowings - Investments - Cash and cash equivalents - Bank balances other than cash and cash equivalents).

Particulars	As at 31 March 2022	As at 31 March 2021
Profit / (loss) before tax	485.46	472.52
Finance costs	608.60	551.10
Earnings before interest and taxes (EBIT)	**1,094.06**	**1,023.62**
Total equity	2,798.86	2,460.02
Borrowings	3,719.10	3,530.42
Investments	(60.20)	(49.21)
Cash and cash equivalents	(183.96)	(555.08)
Bank balances other than cash and cash equivalents	(19.56)	(38.92)
Capital employed	**6,254.24**	**5,347.23**
Ratio	**17.49%**	**19.14%**
% Change from previous year	**-8.62%**	**24.93%**

* Management have given explaination only for the variances above 25% .

42 With regard to the new amendments under “Division II of Schedule III” under “Part I – Balance Sheet - General Instructions for preparation of Balance Sheet” there are no balances/transactions that are required to be disclosed with regard to the following clauses L (ii),(iii),(iv),(vii),(x),(xi),(xii),(xiii),(xv) and (xvi) for the Group.

With regard to the new amendments under “Division II of Schedule III” under “Part II – Statement of Profit and Loss - General Instructions for preparation of Statement of Profit and Loss” there are no transactions that are required to be disclosed with regard to the following clauses B(l) and B(n) for the Group.

43 There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Baby Paul
Partner
Membership No.: 218255

Kochi
14 June 2022

for and on behalf of the Board of Directors of
Popular Vehicles and Services Limited
CIN: U50102KL1983PLC003741

John K Paul
Managing Director
DIN: 00016513

Francis K Paul
Whole Time Director
DIN: 00018825

John Verghese
Chief Financial Officer

Varun T V
Company Secretary
Membership no. 22044

Kochi
14 June 2022