

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

Registered Office:

Independent Auditor's Report (Continued)

Popular Vehicles and Services Limited

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

Independent Auditor's Report (Continued)

Popular Vehicles and Services Limited

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

Independent Auditor's Report (Continued)

Popular Vehicles and Services Limited

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.

Independent Auditor's Report (Continued)

Popular Vehicles and Services Limited

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

Date: 14 June 2022

Membership No.: 218255

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.:116231WW-100024



Baby Paul

Partner

Place: Kochi

Date: 14 June 2022

Membership No.: 218255

ICAI UDIN:22218255AKXTUH6281

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.

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

Place: Kochi

Membership No.: 218255

Date: 14 June 2022

ICAI UDIN: 22218255AKXTUH6281

Popular Vehicles and Services Limited
Consolidated Balance Sheet as at 31 March 2022
(All amounts are in Indian Rupees in millions)

| | 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 | 176.90 | 143.19 |
| Total non-current assets | | 6,561.85 | 5,523.97 |
| Current assets | | | |
| Inventories | 9 | 3,620.38 | 3,116.83 |
| Financial assets | | | |
| Investments | 6 | 15.89 | - |
| Trade receivables | 10 | 1,766.01 | 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 | 390.88 | 285.51 |
| Total current assets | | 6,055.61 | 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 | 1.94 |
| - Total outstanding dues of creditors other than micro and small enterprises | | 840.63 | 661.49 |
| 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

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

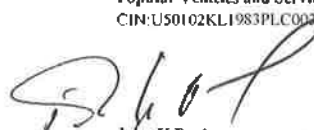
Partner

Membership No. 218255

Kochi

14 June 2022

for and on behalf of the Board of Directors of
Popular Vehicles and Services Limited
CIN:U50102KL1983PLC002741



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)

| | 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 | 183.20 | 257.27 |
| Total income | | 34,841.99 | 29,192.52 |
| Expenses | | | |
| Purchases of stock-in-trade | 21 | 29,671.24 | 24,584.89 |
| Changes in inventories of stock-in-trade | 22 | (503.55) | (254.61) |
| 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 | 1,458.13 | 1,053.88 |
| Total expenses | | 34,356.53 | 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 | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Remeasurement of net defined benefit plan income | | 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

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

As per our report of even date attached

for **BSR & 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 Changes in Equity for the year ended 31 March 2022

(All amounts are in Indian Rupees in millions)

A. Equity share capital

| Particulars | Note | 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 | 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 income, net of tax | - | - | - | - | - | 2.15 | 2.15 |
| Total comprehensive income | - | - | - | - | 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 BSR & 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: U50100KL1983PLC003741



John K Paul

Managing Director

DIN: 00016513



John Verghese

Chief Financial Officer

Kochi

14 June 2022



Francis K Paul

Whole Time Director

DIN: 00018825



Varun T V

Company Secretary

Membership no. 22044

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)

| | 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 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 | (503.55) | (243.55) |
| Increase in trade receivables | (168.16) | (543.12) |
| Decrease/(increase) in loans and other financial assets and other assets | (236.19) | 604.90 |
| Increase / (decrease) in liabilities and provisions | 102.79 | (423.10) |
| Cash generated from operations | 848.26 | 947.19 |
| Income taxes (paid) / refund, net | (151.34) | 4.55 |
| Net cash generated from operating activities (A) | 696.92 | 951.74 |
| Cash flows from investing activities | | |
| (Acquisition) / sale of investments, net | (4.10) | 81.85 |
| Interest received | 31.98 | 15.68 |
| Acquisition of property, plant and equipment | (478.57) | (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) | (413.84) | (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 | (250.32) | (194.67) |
| Short-term borrowings availed/(repaid), net | 172.57 | (404.82) |
| Lease payments during the year | (554.51) | (468.40) |
| Net cash used in financing activities (C) | (652.53) | (706.76) |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | (369.45) | 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 | 183.96 | 553.41 |

(Refer to note 11 - Cash and cash equivalents)



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)

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 (including current maturities) | 1,168.78 | 16.11 | - | - | 1,184.89 |
| Current borrowings | 2,361.64 | 172.57 | - | - | 2,534.21 |
| Lease liabilities (refer note 33) | 2,969.43 | (554.51) | - | 1,425.09 | 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 (including current maturities) | 724.46 | 444.32 | - | - | 1,168.78 |
| Current borrowings | 2,766.46 | (404.82) | - | - | 2,361.64 |
| 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".

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

As per our report of even date attached

for **BSR & 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:U50102KL1987PLC003741


John K Paul

Managing Director

DIN: 00016513


John Verghese

Chief Financial Officer


Francis K Paul

Whole Time Director

DIN: 00018825


Varun T V

Company Secretary

Membership no. 22044

Kochi

14 June 2022

Popular Vehicles and Services Limited
Notes to the consolidated financial statements (continued)

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 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. 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 |



Popular Vehicles and Services Limited
Notes to the consolidated financial statements (continued)

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:



Popular Vehicles and Services Limited**Notes to the consolidated financial statements (continued)****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 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% |



Popular Vehicles and Services Limited

Notes to the consolidated financial statements (continued)

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.



Popular Vehicles and Services Limited
Notes to the consolidated financial statements (continued)

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.



Popular Vehicles and Services Limited
Notes to the consolidated financial statements (continued)

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 |



3. Significant accounting policies (continued)

3.3 Intangible assets and goodwill (continued)

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.

3.4 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 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').



3. Significant accounting policies (continued)

3.4 Employee benefits (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 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.

3.5 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.



Popular Vehicles and Services Limited
Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

3.6 Revenue (continued)

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.

3.8 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.



Popular Vehicles and Services Limited
Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

3.8 Financial instruments (continued)

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).



Popular Vehicles and Services Limited
Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

3.8 Financial instruments (continued)

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 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. Significant accounting policies (continued)

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.

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. Significant accounting policies (continued)

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.

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.



3. Significant accounting policies (continued)

3.10 Leases (continued)

ii. 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.

3.12. 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 not recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.



Popular Vehicles and Services Limited
Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

3.12 Income tax (continued)

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.

3.14 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.



Popular Vehicles and Services Limited
Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

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

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.



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 | 636.07 | 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 | 53.23 | 24.45 | 70.21 | 5.91 | 68.44 | 19.25 | 15.41 | 0.94 | 430.52 | 131.96 | 552.48 |
| Disposals / write off | 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 | 785.78 | 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 / write off | - | 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 / write off | - | 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 / write off | - | 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 |



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

a) Title deeds of immovable properties not held in the name of the Group

| 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 original plan

As at 31 March 2022

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

As at 31 March 2021

| Description | To be completed in | | | | Total |
|---------------------------------------|---------------------|-----------|-----------|----------------------|-------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More Than 3 Years | |
| 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.



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 during year ended 31 March 2021 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 liabilities 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 |
|--|--------------|
| Consideration transferred / transferable | 30.87 |
| Fair value of net identifiable assets acquired | 19.07 |
| Goodwill | 11.80 |



Popular Vehicles and Services Limited
Notes to the consolidated financial statements (continued)
(All amounts are in Indian Rupees in millions)

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| 6 Investments | | |
| Non-current investments, unquoted | | |
| <i>Investments in equity shares at FVTPL</i> | | |
| Loginomic Tech Solutions Private Limited | 2.40 | 2.40 |
| 9,600 equity shares of INR 10 each (9600 equity shares of Rs. 10 each) | | |
| Less: Provision for impairment | (2.40) | (2.40) |
| <i>Investments in preference shares at FVTPL</i> | | |
| Prabal Motors Private Limited (formerly known as Popular Kuttukaran Cars Private Limited) | 0.20 | 0.20 |
| 20,000 (31 March 2021 : 20,000) redeemable preference shares of face value of INR 10 each | | |
| Non-current investment in others, FVTPL | | |
| <i>Quoted</i> | | |
| Investments in equity instruments (valued at FMV), fully paid up | 20.94 | 18.17 |
| <i>Unquoted</i> | | |
| Investment in mutual funds | 23.17 | 30.84 |
| | <u>44.31</u> | <u>49.21</u> |
| Aggregate book value of non-current investments-unquoted | 25.77 | 33.44 |
| Aggregate book/ market value of non-current investments-quoted | 20.94 | 18.17 |
| 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 | - |
| | <u>15.89</u> | <u>-</u> |
| Aggregate book value of current investments-unquoted | 15.89 | - |
| 7 Other financial assets | | |
| Non-current | | |
| <i>Considered good - Unsecured</i> | | |
| Rent and other deposits | 302.86 | 277.57 |
| Balance with bank held as margin money | 26.51 | - |
| | <u>329.37</u> | <u>277.57</u> |
| Current | | |
| <i>Considered good - Unsecured</i> | | |
| 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) |
| | <u>58.93</u> | <u>46.36</u> |
| 8 Other assets | | |
| Non-current | | |
| <i>Considered good - Unsecured</i> | | |
| Capital advances | 31.01 | 15.15 |
| Less: allowances for expected credit loss | (4.18) | - |
| Prepayments | 115.35 | 90.20 |
| Balance with statutory / government authorities | 34.72 | 37.84 |
| | <u>176.90</u> | <u>143.19</u> |
| Current | | |
| <i>Considered good - Unsecured</i> | | |
| Prepayments # | 89.23 | 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 |
| | <u>390.88</u> | <u>285.51</u> |
| | <u>567.78</u> | <u>428.70</u> |

Prepayments include the expenditure incurred by the Group amounting to Rs. 52.80 million for the year ended 31 March 2022 towards the proposed initial public offer which has been classified under "other 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 Group has not given any loan to their directors for the year ended 31 March 2022 and 31 March 2021.



| | 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 | 614.22 | 554.74 |
| Accessories | 118.73 | 70.99 |
| | 3,666.50 | 3,185.07 |
| Less: Provision for obsolete inventory | (46.12) | (68.24) |
| | 3,620.38 | 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 | | |
| <i>Unsecured, considered good</i> | | |
| From related parties (refer note 36) | 10.03 | 3.06 |
| Other than related parties | 1,755.98 | 1,604.21 |
| | 1,766.01 | 1,607.27 |
| <i>Unsecured, credit impaired</i> | | |
| 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 | 1,766.01 | 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 | | | | | | Total |
|---|--|--------------------|-------------------|--------------|-------------|-------------------|-----------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| i) Undisputed Trade receivables – considered good | 18.53 | 1,659.43 | 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 |
| | 18.53 | 1,672.18 | 87.84 | 30.89 | 5.72 | - | 1,815.51 |

As at 31 March 2021

| Description | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|--------------------|-------------------|--------------|-------------|-------------------|-----------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| i) Undisputed Trade receivables – considered good | 19.61 | 1,572.18 | 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 |
| | 19.61 | 1,580.72 | 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: Bank 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 |



| 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 | 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 | | | | |
| <i>Equity shares of INR 10 each fully paid-up</i> | | | | |
| At the beginning of the year | 12.54 | 125.44 | 12.54 | 125.44 |
| Issued during the year | - | - | - | - |
| 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

| Equity shares of INR 10 each fully paid up held by | As at 31 March 2022 | | As at 31 March 2021 | |
|--|---------------------|------------------------|---------------------|------------------------|
| | 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

| Name of the promoters | As at 31 March 2022 | | As at 31 March 2021 | |
|------------------------------|---------------------|------------------------|---------------------|------------------------|
| | 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.



Popular Vehicles and Services Limited
Notes to the consolidated financial statements (continued)
(All amounts are in Indian Rupees in millions)

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| 14 Borrowings | | |
| Non-current | | |
| <i>Secured</i> | | |
| 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 | | |
| <i>Secured</i> | | |
| 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 |
| <i>Unsecured</i> | | |
| 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 loans from directors represents the loan taken by subsidiaries from their directors.
(iii) For details with respect to terms and conditions of borrowings, refer note 14A.



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 securities 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 securities 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 7.5 % to 16% per annum

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



14 Borrowings (continued)

B The Group 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 Group 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 institution funding is inclusive of GST. 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 Group 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.



Popular Vehicles and Services Limited

Notes to the consolidated financial statements (continued)

(All amounts are in Indian Rupees in millions)

| | 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 |
| Bank overdrafts | - | 1.67 |
| Dues to creditors for capital goods | 20.19 | 9.75 |
| | <u>164.16</u> | <u>156.90</u> |
| 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 |
| | <u>62.79</u> | <u>48.19</u> |
| Current | | |
| Provision for employee benefits * | | |
| Net defined benefit liability - Gratuity | 1.50 | 0.98 |
| Compensated absences | 25.63 | 35.51 |
| | <u>27.13</u> | <u>36.49</u> |
| | <u>89.92</u> | <u>84.68</u> |
| * Also refer note 31 | | |
| 17 Other liabilities | | |
| Non-current | | |
| Advance from vendors for rebates | 97.14 | 204.48 |
| | <u>97.14</u> | <u>204.48</u> |
| Other liabilities | | |
| Current | | |
| Contract liabilities (refer note 19) | 788.41 | 824.53 |
| Advance from vendors for rebates | 89.00 | 97.10 |
| Statutory dues payables | 176.93 | 193.13 |
| | <u>1,054.34</u> | <u>1,114.76</u> |
| | <u>1,151.48</u> | <u>1,319.24</u> |
| Movement in contract liabilities | | |
| Opening balance at the beginning of the year | 824.53 | 481.85 |
| Less : Revenue recognised during the year | (824.53) | (481.85) |
| Add: Additions to advances from customers during the year | 788.41 | 824.53 |
| Closing balance at the end of the year | <u>788.41</u> | <u>824.53</u> |

The contract liabilities primarily relate to the advance consideration received from the customers for the purchase of vehicles. This will be recognised a revenue as and when the Company meet the performance obligation by delivering the vehicles. Refer Note 19 for more details.



Popular Vehicles and Services Limited
Notes to the consolidated financial statements (continued)
(All amounts are in Indian Rupees in millions)

| | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| 18 Trade payables | | |
| Total outstanding dues of micro and small enterprises | 27.67 | 1.94 |
| Total outstanding dues of creditors other than micro and small enterprises | 840.63 | 661.49 |
| | 868.30 | 663.43 |

Trade payable ageing schedule

As at 31 March 2022

| | Outstanding for following periods from due date of payment | | | | |
|-------------------------|--|--------------|-------------|----------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| 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 | | | | |
|-------------------------|--|-------------|-------------|----------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| i)MSME | 1.94 | - | - | - | 1.94 |
| ii)Others | 660.32 | 0.93 | 0.24 | - | 661.49 |
| 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 | 1.94 |
| 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 Group



| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| 19 Revenue from operations | | |
| Sale of products | | |
| Sales of new vehicles including labour income | 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 |
| | <u>30,782.55</u> | <u>25,652.13</u> |
| Sale of services | <u>2,213.37</u> | <u>1,822.97</u> |
| | <u>32,995.92</u> | <u>27,475.10</u> |
| 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 |
| | <u>34,658.79</u> | <u>28,935.25</u> |
| Reconciliation of revenue from sale of products and services | | |
| Gross revenue | 14,784.70 | 28,278.91 |
| Less: Discount allowed | 426.00 | 803.81 |
| | <u>32,995.92</u> | <u>27,475.10</u> |

(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 uncertainty 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 |
| | <u>34,658.79</u> | <u>28,935.25</u> |
| Revenue by contract type | | |
| Fixed price | 34,658.79 | 28,935.25 |
| | <u>34,658.79</u> | <u>28,935.25</u> |

(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 | 1,766.01 | 1,607.27 |
| Contract liabilities | 788.41 | 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 | 788.41 | 824.53 |
| More than 1 year | - | - |
| Closing balance | <u>788.41</u> | <u>824.53</u> |

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 (refer note 33) | 34.82 | 70.35 |
| Other non-operating income | 40.52 | 36.04 |
| | <u>183.20</u> | <u>257.27</u> |



Popular Vehicles and Services Limited
Notes to the consolidated financial statements (continued)
(All amounts are in Indian Rupees in millions)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| 21 Purchases of stock-in-trade | | |
| New vehicles | 22,831.11 | 19,046.09 |
| Pre-owned vehicles | 2,740.27 | 2,366.22 |
| Spares, lubricants and accessories | 4,099.86 | 3,172.58 |
| | <u>29,671.24</u> | <u>24,584.89</u> |
| 22 Changes in inventories of stock in trade | | |
| Opening inventory | 3,116.83 | 2,862.22 |
| Closing inventory | 3,620.38 | 3,116.83 |
| | <u>(503.55)</u> | <u>(254.61)</u> |
| 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 |
| | <u>2,420.12</u> | <u>2,035.07</u> |
| <p>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.</p> | | |
| 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 |
| | <u>608.60</u> | <u>551.10</u> |
| 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 |
| | <u>692.57</u> | <u>724.91</u> |
| 26 Other expenses | | |
| Rent | 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 and other contract charges | 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 | 14.33 | 26.73 |
| | <u>1,458.13</u> | <u>1,053.88</u> |
| (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 | - | - |





Popular Vehicles and Services Limited
Notes to the consolidated financial statements (continued)
 (All amounts are in Indian Rupees in millions)

27 Taxes

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| 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 |

A Income taxes

Income tax assets, net
 Income tax liabilities (current)
 Income tax liabilities (non-current)
Net income tax assets/(liabilities) at the end of the year

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| (i) Tax expense recognised in the statement of profit and loss | | |
| Current tax (including MAT) | | |
| Current year | 129.42 | 124.27 |
| Earlier years | - | (24.41) |
| Deferred tax charge (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 net defined benefit plans | 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 |

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 |
|--|------------------------|------------------------|
| <i>Deferred tax asset</i> | | |
| 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 |
| <i>Deferred tax liabilities</i> | | |
| 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 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

| 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 2030-31 | 199.60 | AY 2030-31 |
| Unabsorbed depreciation - allowed to carry forward for indefinite period | 22.11 | - | 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 |



Popular Vehicles and Services Limited

Notes to the consolidated financial statements (continued)

(All amounts are in Indian Rupees in millions)

28 Contingent liabilities and commitments

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Contingent liabilities | | |
| <i>Claims against the Group not acknowledged as debts:</i> | | |
| Service tax related matters | 15.97 | 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 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.



Popular Vehicles and Services Limited

Notes to the consolidated financial statements (continued)

(All amounts are in Indian Rupees in millions)

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 | 695.19 | 664.72 |
| Luxury vehicles | 64.50 | 38.98 |
| Commercial vehicles | 249.99 | 234.56 |
| Others | 93.91 | 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 | 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 | 8,258.17 | 7,094.03 |
| Luxury vehicles | 952.36 | 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 | 2,006.75 | 1,916.60 |
| Others | 476.68 | 345.57 |
| Total | 9,834.02 | 8,729.34 |



Popular Vehicles and Services Limited

Notes to the consolidated financial statements (continued)

(All amounts are in Indian Rupees in millions)

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 at least 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 benefit (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 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 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 year | 251.39 | 226.20 |
| Contributions paid into the plan | 5.58 | 22.39 |
| Benefits paid | (22.09) | (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 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) |



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 informed 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 actuarial 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 obligation | 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 actuarial 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. |



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 | 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 | 1,766.01 | - | - | 1,766.01 | - |
| Other financial assets | 7 | 388.30 | - | - | 388.30 | - |
| Financial assets measured at fair value | | | | | | |
| Investments | 6 | - | 60.20 | - | 60.20 | 60.20 |
| Total | | 2,357.83 | 60.20 | - | 2,418.03 | 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 | 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 | 49.21 |
| Total | | 2,525.20 | 49.21 | - | 2,574.41 | 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.

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 Group.



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 | 1,815.51 | 1,657.77 |
| | 1,815.51 | 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 or more than 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 and 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.

33 Leases

Group as a lessee

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.

(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 | (554.51) | (468.40) |
| Rent concession received * | (34.82) | (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".



Popular Vehicles and Services Limited**Notes to the consolidated financial statements (continued)**

(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 | (554.51) | (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 | (183.96) | (553.41) |
| Adjusted net debt (B) | 3,535.14 | 2,977.01 |
| Adjusted net debt to total equity ratio (B/A) | 1.26 | 1.21 |

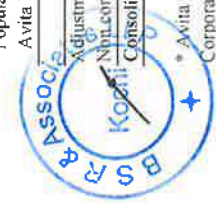


35 Non-controlling interest

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 (income)/ 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 total comprehensive income |
| Parent | 72.90% | 2,040.77 | 20.72% | 69.75 | 21.71% |
| Popular Vehicles and Services Limited | | | | (3.75) | 73.54 |
| Subsidiaries | | | | | |
| Popular Auto Dealers Private Limited | 9.36% | 261.85 | 16.85% | 56.74 | 16.81% |
| Kuttukaran Green Private Limited | (0.17%) | (4.79) | (1.37%) | (4.61) | (1.36%) |
| Popular AutoWorks Private Limited | 5.54% | 154.99 | 0.47% | 1.58 | 0.43% |
| Vision Motors Private Limited | 9.69% | 271.16 | 28.75% | 96.79 | 28.46% |
| Kuttukaran Cars Private Limited | (0.13%) | (3.66) | (1.00%) | (3.36) | (0.99%) |
| Popular Mega Motors (India) Private Limited | 33.23% | 929.99 | 35.58% | 119.80 | 34.94% |
| Avita Insurance Broking LLP * | 0.00% | - | 0.00% | - | 0.00% |
| | | 3,650.31 | | 336.69 | 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) | 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 (income)/ loss | Share in total comprehensive income | |
| | As a % of consolidated net assets | Amount | As a % of consolidated profit or loss | Amount | As a % of total comprehensive income |
| Parent | 79.98% | 1,967.23 | 48.83% | 158.50 | 45.79% |
| Popular Vehicles and Services Limited | | | | 6.36 | 152.14 |
| Subsidiaries | | | | | |
| Popular Auto Dealers Private Limited | 8.33% | 205.02 | 15.79% | 51.25 | 15.66% |
| Kuttukaran Green Private Limited | (0.01%) | (0.18) | (0.01%) | (0.04) | (0.01%) |
| Popular AutoWorks Private Limited | 6.24% | 153.51 | (8.75%) | (28.41) | (8.46%) |
| Vision Motors Private Limited | 7.10% | 174.70 | 12.93% | 41.95 | 12.65% |
| Kuttukaran Cars Private Limited | (0.01%) | (0.30) | (0.02%) | (0.06) | (0.02%) |
| Popular Mega Motors (India) Private Limited | 32.99% | 811.61 | 31.23% | 101.36 | 34.39% |
| Avita Insurance Broking LLP * | 0.00% | - | 0.00% | - | 0.00% |
| | | 3,311.59 | | 324.55 | 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) | 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.

Popular Vehicles and Services Limited
Notes to the consolidated financial statements (continued)

(All amounts are in Indian Rupees in millions)

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) 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 (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 Mr. Rushil John, Relative of KMP Mrs. Leela Philip, Relative of KMP |
| - Entities in which KMP has significant influence | Prabal Motors Private Limited, India Kuttukaran Trading Ventures, India Kuttukaran Institute for Human Resource Development, India Kuttukaran Homes LLP, 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 Limited | 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 Limited | 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 |
| Others | 1.10 | - |
| 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 |



Popular Vehicles and Services Limited**Notes to the consolidated financial statements (continued)**

(All amounts are in Indian Rupees in millions)

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 | (1.50) | (1.56) |
| Francis K Paul | (1.83) | (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.



37 Assets classified as 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).

| Particulars | 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 and 31 March 2021, based on facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties 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 uncertainties 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 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 | 6,055.61 | 5,649.97 |
| Current liabilities | 5,222.42 | 4,916.21 |
| Ratio | 1.16 | 1.15 |
| % Change from previous year | 0.87% | 25.00% |

- 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% |

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% |

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.



40 Ratios as per the Schedule III requirements (continued) *

c) 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 | 29,671.24 | 24,584.89 |
| Changes in inventories of stock-in-trade | (503.55) | (254.61) |
| Cost of materials consumed | 29,167.69 | 24,330.28 |
| Closing inventory | 3,620.38 | 3,116.83 |
| Ratio | 8.06 | 7.81 |
| % Change from previous year | 3.20% | #REF! |

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 | 1,766.01 | 1,607.27 |
| Ratio | 19.63 | 18.00 |
| % Change from previous year | 9.06% | -38.21% |

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.

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 | 29,671.24 | 24,584.89 |
| Trade payable | 868.30 | 663.43 |
| Ratio | 34.17 | 37.06 |
| % Change from previous year | -7.80% | #REF! |

This ratio has increased from 19.47 in March 2020 to 37.04 in March 2021 on account reduced procurement 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 | 6,055.61 | 5,649.97 |
| Current liabilities | 5,222.42 | 4,916.21 |
| Net working capital | 833.19 | 733.76 |
| Ratio | 41.60 | 39.43 |
| % Change from previous year | -5.50% | 159.19% |

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 utilising the ECLQS 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% |

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.

j) Return on Capital employed = Earnings before interest and taxes (EBIT) divided by capital employed (Total equity + Borrowings - Investments - Cash and cash equivalents - Bank

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Profit 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 explanation only for the variances above 25%.



41 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(i) and B(n) for the Group.

42 Consequent to amendments made in Schedule III of Companies Act, 2013, being made effective from 1 April 2021, previous year numbers pertaining to current maturities of long term debt of Rs 275.49 million have been reclassified from 'Other financial liabilities (current)' to 'Borrowings (current)'. Similarly, an amount of Rs 323.93 million pertaining to security deposits has been reclassified from Loans to Other financial assets.
Further, dues to other creditors and accruals amounting to Rs. 254.72 million have been reclassified from 'Other financial liabilities (current)' to Trade payables - dues of other than micro enterprises and small enterprises.

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 BSR & 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: U50102KL1983PLC093741



John K Paul
Managing Director
DIN: 00016413



John Verghese
Chief Financial Officer

Kochi
14 June 2022



Francis K Paul
Whole Time Director
DIN: 00018825



Vaibhav T V
Company Secretary
Membership no. 22044