

Independent Auditor's Report

To the Members of Popular Vehicles and Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

Registered Office

Independent Auditor's Report (Continued)

Popular Vehicles and Services Limited

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Independent Auditor's Report (Continued)

Popular Vehicles and Services Limited

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 28 to the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 39 (a) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 39 (b) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.

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

For **B S R & Associates LLP**

Chartered Accountants

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



Baby Paul

Partner

Place: Kochi

Date: 14 June 2022

Membership No.: 218255

ICAI UDIN:22218255AKXTOV8362

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

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee, except as disclosed in Note 34, certain lease agreements where Company is in the process of executing the lease agreements.) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment including Right of Use assets or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year.. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

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

Amount in Indian Rupees Millions

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

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

Amount in Indian Rupees Millions

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

**As per the Companies Act, 2013*

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

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

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the sales and service of automobiles and related services. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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

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

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax, Service Tax and Sales Tax which have not been deposited on account of any dispute are as follows:

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

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

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

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

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer

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

- (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, the Group does not have any CIC as part of the Group. Accordingly, clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a

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

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

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

For **B S R & Associates LLP**

Chartered Accountants

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



Baby Paul

Partner

Place: Kochi

Date: 14 June 2022

Membership No.: 218255

ICAI UDIN:22218255AKXTOV8362

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

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

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

Opinion

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

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For B S R & Associates LLP

Chartered Accountants

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



Baby Paul

Partner

Place: Kochi

Date: 14 June 2022

Membership No.: 218255

ICAI UDIN: 22218255AKXTOV8362

Popular Vehicles and Services Limited
Standalone Balance Sheet as at 31 March 2022
(All amounts in Indian Rupees million)

	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	4	1,586.25	1,424.38
Capital work-in-progress	4	120.03	161.16
Right-of-use assets	34	2,223.56	1,403.63
Intangible assets	5	40.28	49.80
Financial assets			
Investments	6	607.58	620.08
Other financial assets	12	248.79	225.81
Income tax assets (net)	27	38.95	30.71
Deferred tax assets (net)	27	82.52	90.30
Other non-current assets	7	119.19	78.37
Total non-current assets		5,067.15	4,084.24
Current assets			
Inventories	8	2,004.64	1,425.34
Financial assets			
Investments	6	15.89	-
Trade receivables	9	661.15	858.97
Cash and cash equivalents	10	50.00	354.62
Bank balances other than cash and cash equivalents	11	1.84	22.82
Other financial assets	12	70.46	54.68
Other current assets	7	337.74	234.69
Total current assets		3,141.72	2,951.12
Assets classified as held for sale	38	15.42	15.42
Total assets		8,224.29	7,050.78
Equity and liabilities			
Equity			
Equity share capital	13	125.44	125.44
Other equity		1,915.33	1,841.79
Total equity		2,040.77	1,967.23
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	602.69	673.35
Lease liabilities	34	2,542.36	1,689.90
Other non-current liabilities	17	97.14	203.58
Provisions	16	34.89	31.22
Total non-current liabilities		3,277.08	2,598.05
Current liabilities			
Financial liabilities			
Borrowings	14	1,550.04	1,305.55
Lease liabilities	34	123.92	109.34
Trade payables	18		
- Total outstanding dues of micro and small enterprises		22.13	0.28
- Total outstanding dues of creditors other than micro and small enterprises		478.26	338.80
Other financial liabilities	15	141.77	133.68
Provisions	16	20.62	31.18
Income tax liabilities (net)	27	-	3.15
Other current liabilities	17	569.70	563.52
Total current liabilities		2,906.44	2,485.50
Total equity and liabilities		8,224.29	7,050.78
Significant accounting policies	3		

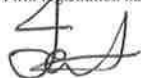
The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

for **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

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

(All amounts in Indian Rupees million)

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

Significant accounting policies

3

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

As per our report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/ W-100024



Baby Paul

Partner

Membership No.: 218255

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14 June 2022

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Popular Vehicles and Services Limited

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Chief Financial Officer

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14 June 2022



Francis K Paul

Whole Time Director

DIN: 00018825



Varun T V

Company Secretary

Membership no. 22044

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

A. Equity share capital

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

B. Other equity

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

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

a) Securities premium

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

b) General reserve

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

c) Retained earnings

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

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

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

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

As per our report of even date attached

for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/W-100024



Baby Paul

Partner

Membership No: 218255

Kochi

14 June 2022

for and on behalf of the Board of Directors of

Popular Vehicles and Services Limited

CIN: U50102KL1983PLC003741



John K Paul

Managing Director

DIN: 00016513



John Verghese

Chief Financial Officer

Kochi

14 June 2022



Francis K Paul

Whole Time Director

DIN: 00018825



Varun T V

Company Secretary

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

	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Profit before tax	137.18	222.30
Adjustments:		
Finance costs	374.61	336.59
Depreciation and amortisation expense	416.42	392.20
Impairment loss on trade receivables	-	11.04
Liabilities/ provisions no longer required written back	(36.95)	(33.29)
Interest income	(21.61)	(23.39)
(Gain)/ loss on sale of property, plant and equipment (net)	(4.47)	2.72
Rent concession received	(14.77)	(39.90)
Gain on derecognition of right-of-use assets	(0.78)	(0.20)
Net gain on financial assets measured at fair value through profit and loss	(0.32)	(5.21)
Operating cash flow before working capital changes	849.31	862.86
Working capital movements:		
(Increase) / decrease in inventories	(579.30)	739.52
Decrease/ (increase) in trade receivables	197.82	(357.90)
(Increase) / decrease in loans and other financial assets and other assets	(215.54)	309.77
Increase/(decrease) in liabilities and provisions	93.16	(802.80)
Cash generated from operations	345.45	751.45
Income taxes (paid)/refund, net	(72.32)	13.08
Net cash generated from/ (used in) operating activities (A)	273.13	764.53
Cash flows from investing activities		
Acquisition of investments in a subsidiary	-	(1.25)
(Acquisition) / sale of other investments, net	(3.07)	86.42
Intercompany loan (given to)/ repaid by wholly owned subsidiary, net	14.02	4.10
Interest received	21.61	23.39
Acquisition of property, plant and equipment including capital advances	(313.04)	(156.00)
Acquisition of intangible assets	(1.05)	(8.87)
Proceeds from sale of property, plant and equipment	12.63	60.57
Net cash (used in) / generated from investing activities (B)	(268.90)	8.36
Cash flows from financing activities		
Interest paid	(161.57)	(170.72)
Long-term borrowings availed	99.51	491.25
Long-term borrowings repaid	(97.24)	(93.01)
Short-term borrowings availed/ (repaid), net	171.56	(518.36)
Lease payments during the year	(319.44)	(269.62)
Net cash used in financing activities (C)	(307.18)	(560.46)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(302.95)	212.43
Cash and cash equivalents at the beginning of the year	352.95	140.52
Cash and cash equivalents at the end of the year	50.00	352.95



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

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)	773.23	2.27	-	-	775.50
Current borrowings (Refer note 14)	1,205.67	171.56	-	-	1,377.23
Lease liabilities (refer note 34)	1,799.24	(319.44)	-	1,186.48	2,666.28

Particulars	As at 1 April 2020	Cash flows	Non cash changes		As at 31 March 2021
			Fair value changes	Others	
Non current borrowings (including current maturities)	286.39	486.84	-	-	773.23
Current borrowings (Refer note 14)	1,812.63	(606.96)	-	-	1,205.67
Lease liabilities (refer note 34)	1,699.45	(269.62)	-	369.41	1,799.24

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

(Refer to note 10 - Cash and cash equivalents)

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

As per our report of even date attached

for **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

Kochi

14 June 2022



Varun T V

Company Secretary

Membership no. 22044

Popular Vehicles and Services Limited
Notes to the standalone 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. The Company primarily operates as the Maruti Suzuki vehicle dealer in Kerala and was amongst the first batch of dealers appointed by Maruti Suzuki in the country. The Company got converted to a public limited company on 10 July 2018 consequent to which the name of the Company is changed to Popular Vehicles and Services Limited.

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

2. Basis of preparation

A. Statement of compliance

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

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

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

B. Functional and presentation currency

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

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

C. Basis of measurement

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

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



Popular Vehicles and Services Limited
Notes to the standalone 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 28 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

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

Note 33 – financial instruments.

E. Measurement of fair values

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

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

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

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



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

3. Significant accounting policies

3.1 Property, plant and equipment

A. Recognition and measurement

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

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

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

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

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

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

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

B. Subsequent expenditure

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

C. Depreciation

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

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

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

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



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

3. Significant accounting policies (continued)

3.2 Intangible assets

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

The estimated useful lives are as follows:

Class of assets	Years
Software	3
Brand	15

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

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

3.3 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

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

Defined benefit plans

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

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



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

3. Significant accounting policies (continued)

3.3 Employee benefits (continued)

Defined benefit plans (continued)

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

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

Other long term employee benefits

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

3.4 Investments

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

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

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

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

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

3.5 Provisions

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

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



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

3. Significant accounting policies (continued)

3.6 Revenue

i) Sale of products

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

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

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

ii) Rendering of services

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

iii) Commission, discount and incentive income

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

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

iv) Other Income

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

3.7 Inventories

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

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

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

3.8 Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.



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

3. Significant accounting policies (continued)

3.8 Financial instruments (continued)

ii) Classification and subsequent measurement

Financial assets

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

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

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets: Business model assessment

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

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

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

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

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

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



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

3. Significant accounting policies (continued)

3.8. Financial instruments (continued)

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) De recognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.



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

3. Significant accounting policies (continued)

3.8. Financial instruments (continued)

Financial liabilities

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

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

iv) Off setting

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

3.9 Impairment

i) Impairment of financial instruments

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

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

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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



3. Significant accounting policies (continued)

3.9. Impairment (continued)

ii) Impairment of non- financial assets

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

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

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

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

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

3.10 Leases

i. Determining whether an arrangement contains a lease

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

ii. Company as a lessee

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

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



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

3. Significant accounting policies (continued)

3.10 Leases (continued)

ii. Company as a lessee (continued)

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

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

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

iii. Company as a lessor

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

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

3.11 Recognition of interest income or interest expense

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

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

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



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

3. Significant accounting policies (continued)

3.12 Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

3.13 Borrowing cost

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



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

3. Significant accounting policies (continued)

3.14 Earnings per share

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

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

3.15 Cash-flow statement

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

3.16 Cash and cash equivalents

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

3.17 Contingent liabilities and assets

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

Contingent assets are neither recognised nor disclosed.

3.18 Non-current assets classified as held for sale

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

3.19 Recent accounting pronouncements

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

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

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



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

3. Significant accounting policies (continued)

3.19 Recent accounting pronouncements (continued)

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

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



Popular Vehicles and Services Limited
Notes to the standalone financial statements (continued)
(All amounts in Indian Rupees million)

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

Particulars	Freehold land	Buildings #	Leasehold improvements	Furniture and fixtures	Electrical equipment	Plant and machinery	Tools and equipment	Motor car	Computer equipment	Office equipment	Motor cycles and trucks	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying value														
Balance at 1 April 2020	107.39	134.67	656.06	107.79	100.06	364.99	63.44	237.48	77.01	50.40	10.16	1,911.45	232.24	2,143.69
Additions	-	-	107.46	18.18	15.33	40.80	5.91	28.87	12.99	4.72	0.13	234.39	110.03	344.42
Disposals / write off	15.42	2.86	7.75	0.79	0.15	2.79	-	69.15	0.06	-	1.05	100.02	181.11	281.13
Balance at 31 March 2021	91.97	131.81	755.77	125.18	115.24	403.00	71.35	197.20	89.94	55.12	9.24	2,045.82	161.16	2,206.98
Balance at 1 April 2021	91.97	131.81	755.77	125.18	115.24	403.00	71.35	197.20	89.94	55.12	9.24	2,045.82	161.16	2,206.98
Additions	-	-	209.05	25.56	25.08	54.38	9.01	4.70	12.91	7.54	4.40	352.63	249.17	601.80
Disposals / write off	-	-	0.68	0.01	0.35	3.34	0.33	48.58	47.03	2.51	2.14	104.97	290.30	395.27
Balance at 31 March 2022	91.97	131.81	964.14	150.73	139.97	454.04	80.03	153.32	55.82	60.15	11.50	2,293.48	120.03	2,413.51
Accumulated Depreciation														
Balance at 1 April 2020	-	12.19	160.69	32.75	35.20	88.93	25.87	60.36	44.54	22.24	2.64	485.41	-	485.41
Depreciation for the year	-	8.14	39.23	13.31	12.35	32.92	7.28	30.32	19.07	9.10	1.04	172.76	-	172.76
Disposals / write off	-	0.13	1.11	0.64	0.12	2.06	-	32.23	0.01	-	0.43	36.73	-	36.73
Balance at 31 March 2021	-	20.20	199.81	46.42	47.43	119.79	33.15	58.45	63.60	31.34	3.25	621.44	-	621.44
Balance at 1 April 2021	-	20.20	199.81	46.42	47.43	119.79	33.15	58.45	63.60	31.34	3.25	621.44	-	621.44
Depreciation for the year	-	8.04	55.87	13.92	12.44	33.21	7.00	25.62	16.52	8.94	1.04	182.60	-	182.60
Disposals / write off	-	-	0.37	0.01	0.28	2.09	0.31	42.57	46.81	2.36	2.01	96.81	-	96.81
Balance at 31 March 2022	-	28.24	254.31	59.33	59.59	150.91	39.84	41.50	33.31	37.92	2.28	707.23	-	707.23
Net carrying amount														
At 31 March 2022	91.97	103.57	709.83	91.40	80.38	303.13	40.19	111.82	22.51	22.23	9.22	1,586.25	120.03	1,706.28
At 31 March 2021	91.97	111.61	556.96	79.76	67.81	283.21	38.20	138.75	26.34	23.78	5.99	1,424.38	161.16	1,585.54

Include buildings constructed on leasehold land

Particulars	As at 31 March 2022		As at 31 March 2021	
	Gross block	Net block	Gross block	Net block
Buildings	126.71	77.43	126.71	86.36

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

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



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

b) Ageing of capital work-in-progress

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

As at 31 March 2022

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

As at 31 March 2021

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

c) Details of capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its 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 Irity Service	0.55	-	-	-	0.55
Project Nedumanagadu Service	3.31	-	-	-	3.31

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

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



Popular Vehicles and Services Limited
Notes to the standalone financial statements (continued)
 (All amounts in Indian Rupees million)

5 Intangible assets

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



	As at 31 March 2022	As at 31 March 2021
6 Investments		
Non-current investments, unquoted		
<i>Investments in equity instruments of subsidiaries (at cost less provision for other than temporary impairment), fully paid-up</i>		
Investment in subsidiaries		
Popular Auto Dealers Private Limited	49.95	49.95
51,034 (31 March 2021: 51,034) equity shares of face value of INR 100 each		
Popular Mega Motors (India) Private Limited	309.57	309.57
6,943,963 (31 March 2021: 6,943,963) equity shares of face value of INR 10 each		
Popular Autoworks Private Limited	247.23	247.23
25,111,780 (31 March 2021: 25,111,780) equity shares of face value of INR 10 each		
Kuttukaran Cars Private Limited (formerly known as Prabal Motors Private Limited)	15.50	15.50
2,000,000 (31 March 2021: 2,000,000) equity shares of face value of INR 10 each		
Less: Provision for diminution in value	(15.50)	(15.50)
<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) preference shares of face value of INR 10 each		
Investment in others at FVTPL		
<i>Quoted</i>		
Muthoot Finance Limited	0.63	0.57
469 (31 March 2021: 469) equity shares of face value of INR 10 each		
Investment in mutual funds at FVTPL		
<i>Unquoted</i>		
Aditya Birla Sunlife Equity Fund - Regular Growth	-	3.92
Nil (31 March 2021: 4,181.58)		
HDFC Small Cap Fund - Regular Growth	-	4.20
Nil (31 March 2021: 79567.949)		
Kotak Emerging Equity Scheme Fund - Regular Growth	-	4.44
Nil (31 March 2021: 77226.847)		
Total investments	607.58	620.08
Aggregate value of non-current investments-unquoted	606.95	619.51
Aggregate book/ market value of non-current investments-quoted	0.63	0.57
Aggregate provision for impairment in value of investment	(15.50)	(15.50)
Current investments		
Investment in debentures at FVTPL		
Investment in debentures measured at fair value through profit or loss	15.89	-
	15.89	-
Aggregate value of current investments-unquoted	15.89	-
7 Other assets		
Non-current		
<i>Unsecured, considered good</i>		
Capital advances	18.86	0.98
Less: Allowances for expected credit loss	(4.18)	-
Prepayments	82.33	55.31
Balance with statutory / government authorities *	22.18	22.08
	119.19	78.37
Current		
<i>Unsecured, considered good</i>		
Prepayments #	73.69	16.05
Advance to staff	0.55	0.14
Balance with statutory / government authorities	218.25	156.30
Balance with Life Insurance Corporation Gratuity Fund, net (refer note 32)	-	11.62
Payment to vendors for supply of goods and services	45.25	50.58
	337.74	234.69
	456.93	313.06

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

Prepayments include the expenditure incurred by the Company 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 Company has not given any loan to their directors during the years ended 31 March 2022 and 31 March 2021.



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

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

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

For details of trade receivables from related parties, refer note 36.

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

Trade receivables ageing schedule

As at 31 March 2022

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered good	18.88	625.78	8.44	8.05	-	-	661.15
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)Undisputed Trade Receivables – credit impaired	-	11.55	2.10	6.51	-	-	20.16
	18.88	637.33	10.54	14.56	-	-	681.31

As at 31 March 2021

Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered good	19.61	838.16	1.20	-	-	-	858.97
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)Undisputed Trade Receivables – credit impaired	-	8.53	4.92	13.51	-	-	26.96
	19.61	846.69	6.12	13.51	-	-	885.93

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

10 Cash and cash equivalents		
Balance with banks		
Balances with banks in current accounts	37.11	343.35
Cash on hand	6.78	6.71
Cheques on hand	6.11	4.56
Cash and cash equivalents in balance sheet	50.00	354.62
Bank overdrafts used for cash management purposes	-	1.67
Cash and cash equivalents in the statement of cash flows	50.00	352.95

11 Bank balances other than cash and cash equivalents		
Balance with banks held as margin money	1.84	22.82
	1.84	22.82

12 Other financial assets		
Non-current		
Unsecured, considered good		
Dues from related parties (refer note 36)	50.02	67.08
Rent and other deposits	172.26	158.73
Balance with bank held as margin money	26.51	-
	248.79	225.81
Current		
Unsecured, considered good		
Rent and other deposits	58.60	45.86
Dues from related parties (refer note 36)	11.86	8.82
Dues from others	5.00	5.00
Less: Allowances for expected credit loss	(5.00)	(5.00)
	70.46	54.68
	319.25	280.49



Popular Vehicles and Services Limited
Notes to the standalone financial statements (continued)
(All amounts and number of shares in Indian rupees million)

13 Equity share capital	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of INR 10 each	15.00	150.00	15.00	150.00
	15.00	150.00	15.00	150.00
Issued, subscribed and paid-up				
<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
Add: Additions 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 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 Company has not bought back any class of equity shares nor has there been any issue for consideration other than for cash during the period of five years immediate preceding the balance sheet date.



Popular Vehicles and Services Limited
Notes to the standalone financial statements (continued)
(All amounts in Indian Rupees million)

14 Borrowings

Non-current

Secured

Term loans from banks

Vehicle loans from financial institutions

As at
31 March 2022

As at
31 March 2021

596.58 665.93

6.11 7.42

602.69 673.35

Current

Secured

Short term loan from banks

Current maturities of long-term borrowings

Unsecured

Short term loans from banks

Short term loans from financial institutions

1,323.40 1,175.56

172.81 99.88

15.40 -

38.43 30.11

1,550.04 1,305.55

2,152.73 1,978.90

Total borrowings

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

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

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



14 Borrowings (continued)

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

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

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

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

The Company has been sanctioned working capital limits from banks/financial institution on the basis of security of current assets which consists of inventory. The value declared to the banks is inclusive of GST paid on it as banks/financial 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 Company is also required to provide details of its trade payable and other current liabilities on a periodic basis. As the working capital support is for meeting the day today operational requirements, the Company did not consider trade payable and other current liabilities pertaining to its corporate office functions while providing periodic statement to banks/financial institutions. However, the trade payable and other current liabilities disclosed in the financial statement is inclusive of trade payables and other current liabilities pertaining to its corporate office functions.

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

15 Other financial liabilities

Current

Interest accrued but not due on borrowings	0.76	0.13
Accrued salaries and benefits	122.27	125.30
Dues to creditors for capital goods	18.74	6.58
Bank overdraft	-	1.67
	141.77	133.68

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 35.



	As at 31 March 2022	As at 31 March 2021
16 Provisions		
Non-current		
Provision for employee benefits	3.29	-
Net defined benefit liability - Gratuity *	31.60	31.22
Compensated absences	34.89	31.22
Current		
Provision for employee benefits	20.62	31.18
Compensated absences	20.62	31.18
	55.51	62.40
* Also refer note 32		
17 Other liabilities		
Non-current		
Advance from vendors for rebates	97.14	203.58
	97.14	203.58
Other liabilities		
Current		
Contract liabilities	451.67	453.74
Advance from vendors for rebates	74.69	67.51
Statutory dues payables	43.34	42.27
	569.70	563.52
	666.84	767.10
Movement in contract liabilities		
Opening balance at the beginning of the year	453.74	392.12
Less : Revenue recognised during the year	(453.74)	(392.12)
Add Additions to advances from customers during the year	451.67	453.74
Closing balance at the end of the year	451.67	453.74

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

18 Trade payables		
Total outstanding dues of micro and small enterprises	22.13	0.28
Total outstanding dues of creditors other than micro and small enterprises	478.26	338.80
	500.39	339.08

Trade payable ageing schedule

As at 31 March 2022

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

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i)MSME	0.28	-	-	-	0.28
ii)Others	338.13	0.67	-	-	338.80
iii)Disputed Dues-MSME	-	-	-	-	-
iv)Disputed Dues-Others	-	-	-	-	-
v)Unbilled dues	-	-	-	-	-
	338.41	0.67	-	-	339.08

All trade payables are 'current'.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 33.

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

The principal amount remaining unpaid to any supplier as at the end of the year	22.13	0.28
The interest due on the principal remaining outstanding as at the end of the year	-	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-

* Amount is below the round off norms adopted by the Company.



	Year ended 31 March 2022	Year ended 31 March 2021
19 Revenue from operations		
Sale of products		
Sales of new vehicles including labour income	12,073.59	11,257.56
Sale of spare parts and accessories	1,867.78	1,560.44
Sale of pre-owned vehicles	2,330.41	2,120.26
	<u>16,271.78</u>	<u>14,938.26</u>
Sale of services	<u>1,584.55</u>	<u>1,236.23</u>
	<u>17,856.33</u>	<u>16,174.49</u>
Other operating revenues		
Income from schemes and incentives	392.89	338.61
Finance and insurance commission	388.05	390.61
Income from driving school	18.04	13.14
	<u>18,655.31</u>	<u>16,916.85</u>
Reconciliation of revenue from sale of products and services		
Gross revenue	17,366.36	16,681.16
Less: Discount allowed	489.97	506.67
	<u>17,856.33</u>	<u>16,174.49</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 Company 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 2021	Year ended 31 March 2021
Revenue by contract type		
Fixed price	18,655.31	18,655.31
	<u>18,655.31</u>	<u>18,655.31</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	661.15	858.97
Contract liabilities	451.67	453.74

(C) Transaction price allocated to remaining performance obligations

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Within 1 year	451.67	453.74
More than 3 years	-	-
Closing balance	<u>451.67</u>	<u>453.74</u>

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



Popular Vehicles and Services Limited
Notes to the standalone financial statements (continued)
 (All amounts in Indian Rupees million)

	Year ended 31 March 2022	Year ended 31 March 2021
23 Employee benefits expense		
Salaries and allowances	1,418.59	1,215.53
Contribution to provident and other fund (refer note 32)	96.99	96.06
Staff welfare expense	69.17	61.85
	1,584.75	1,373.44
<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	146.44	135.84
Interest on lease liabilities (refer note 34)	212.41	172.02
Other borrowing costs	15.76	28.73
	374.61	336.59
25 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	182.60	172.76
Amortisation on intangible assets	10.57	13.01
Depreciation on right-of-use asset (refer note 34)	223.25	206.43
	416.42	392.20
26 Other expenses		
Rent	83.76	38.18
Advertising and sales promotion	103.71	87.92
Consumables	198.44	111.60
Repairs and maintenance:		
Plant and machinery	6.33	5.00
Building	25.17	22.53
Others	67.44	52.29
Power, water and fuel	80.35	64.62
Travelling and conveyance	53.80	45.19
Housekeeping and security and other contract charges	118.27	39.94
Office expenses	40.06	25.48
Communication	34.82	36.41
Refurbishment charges on pre-owned vehicles	40.90	35.09
Loss on sale of property, plant and equipment (net)	-	2.72
Pre-delivery inspection charges	18.10	15.23
Rates and taxes	9.70	12.01
Transportation charges	16.54	16.37
Bank charges	14.71	15.96
Insurance	30.22	27.68
Management fee on pre-owned vehicles	12.86	9.93
Legal and professional	12.60	8.22
Commission	4.11	3.56
Donation and charity	0.13	0.15
Expenditure on corporate social responsibility ("CSR") (refer note (i) below)	1.70	2.02
Miscellaneous expenses	19.88	14.02
	993.60	692.12
Details of Corporate social responsibility expenditure		
(i) Gross amount required to be spent during the year	1.70	2.02
(ii) Amount approved by the Board to be spent during the year	1.70	2.02
(iii) Amount spent during the year on ;		
Construction/ acquisition of asset	-	-
On purposes other than above	1.70	2.02
Unspent amount in relation to:		
Ongoing project	-	-
Other than ongoing project	-	-
(iv) (Shortfall) / Excess at the end of the year	-	-
(v) Total of previous years shortfall	-	-
(vi) Details of related party transactions	-	-
(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period/year should be shown separately	-	-
(viii) Reason for shortfall:		
For the year ending 31 March 2022 and 31 March 2021	N.A	N.A
(ix) Nature of CSR activities:		
a) Payment to Prime minister national relief fund	-	-
b) Skill development	1.70	2.02
c) Education	-	-
d) Rural development	-	-

Details of ongoing project and other than ongoing project

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



Popular Vehicles and Services Limited
Notes to the standalone financial statements (continued)
(All amounts in Indian Rupees million)

27 Income taxes

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

(i) Tax expense recognised in statement of profit and loss

	Year ended 31 Mar 2022	Year ended 31 March 2021
Current tax (including MAT)	60.93	70.53
Income tax for expense - earlier years	-	(24.41)
Deferred tax charge (including MAT credit entitlement)	6.50	17.87
Tax expenses	67.43	63.79

(ii) Amount recognised in other comprehensive income

	Year ended 31 March 2022	Year ended 31 March 2021
	Before tax	Before tax
	Tax (expense)/ benefit	Tax (expense)/ benefit
	Net of tax	Net of tax
Remeasurement of the net defined benefit plans	5.07	3.79
	(1.28)	(1.28)
	3.79	3.42
	(9.78)	(6.36)
	(9.78)	(6.36)

(iii) Reconciliation of effective tax rate

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

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

Recognised deferred tax assets and (liabilities)

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

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

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



27 Income taxes (continued)

(ii) 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
Allowance for expected credit loss	9.42	4.35	-	5.07
Provision for employee benefits	17.75	1.67	1.28	14.80
Other timing differences	-	(5.47)	-	5.47
Lease liabilities, impact on account of Ind AS 116	138.24	26.81	-	111.43
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(75.11)	(20.86)	-	(54.25)
Net deferred tax assets/ (liabilities)	90.30	6.50	1.28	82.52
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
Allowance for expected credit loss	12.74	3.32	-	9.42
Provision for employee benefits	10.65	(3.68)	(3.42)	17.75
Other timing differences	22.75	22.75	-	-
Lease liabilities, impact on account of Ind AS 116	117.14	(21.10)	-	138.24
MAT credit entitlement	17.67	17.67	-	-
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(76.20)	(1.09)	-	(75.11)
Net deferred tax assets/ (liabilities)	104.75	17.87	(3.42)	90.30



28 Contingent liabilities and commitments

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

Details of claims against the Company

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

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

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

29 Earnings per share

A. Basic earnings per share

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

i) Net profit attributable to equity share holders

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

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

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

B. Diluted earnings per share

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

30 Auditors' remuneration (net of goods and service tax)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Statutory audit	2.30	2.30
Other services		
- Expense in relation to initial public offering	10.68	-
- Certifications	0.24	0.24
	13.22	2.54



31 Segment reporting

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

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

32 Employee benefits

A Defined contribution plan

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

B Defined benefit plan

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

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

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

Reconciliation of the projected defined benefit obligation

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

C Reconciliation of net defined benefit (assets)/ liability

i) Reconciliation of present values of defined benefit obligation

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

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

ii) Reconciliation of present value of plan assets

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

D Expenses recognised in the standalone statement of profit and loss

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

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



32 Employee benefits (continued)

(i) Reconciliation of present value of plan assets

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

(ii) Remeasurements recognised in other comprehensive income

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

E Plan Asset

Plan asset comprises of the following:

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

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

F Defined Benefit Obligation

(i) Actuarial Assumptions

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

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

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

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

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

(ii) Sensitivity analysis

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

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

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



33 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	Financial assets at amortised cost	Mandatory at FVTPL	Carrying amount Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Financial assets									
Cash and cash equivalents	10	50.00	-	-	50.00	-	-	-	-
Bank balances other than cash and cash equivalents	11	1.84	-	-	1.84	-	-	-	-
Trade receivables	9	661.15	-	-	661.15	-	-	-	-
Other financial assets	12	319.25	-	-	319.25	-	-	-	-
Financial asset measured at fair value									
Investments *	6	-	0.83	-	0.83	0.63	-	0.20	0.83
Total		1,032.24	0.83	-	1,033.07	0.63	-	0.20	0.83
Financial liabilities measured at amortised cost									
Trade payables	18	-	-	500.39	500.39	-	-	-	-
Borrowings	14	-	-	2,152.73	2,152.73	-	-	-	-
Lease liabilities	34	-	-	2,666.28	2,666.28	-	-	-	-
Other financial liabilities	15	-	-	141.77	141.77	-	-	-	-
Total		-	-	5,461.17	5,461.17	-	-	-	-

As at 31 March 2021

Particulars	Note	Financial assets at amortised cost	Mandatory at FVTPL	Carrying amount Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Financial assets									
Cash and cash equivalents	10	354.62	-	-	354.62	-	-	-	-
Bank balances other than cash and cash equivalents	11	22.82	-	-	22.82	-	-	-	-
Trade receivables	9	858.97	-	-	858.97	-	-	-	-
Other financial assets	12	280.49	-	-	280.49	-	-	-	-
Financial asset measured at fair value									
Investments *	6	-	13.33	-	13.33	0.57	12.56	0.20	13.33
Total		1,516.90	13.33	-	1,530.23	0.57	12.56	0.20	13.33
Financial liabilities measured at amortised cost									
Trade payables	18	-	-	339.08	339.08	-	-	-	-
Borrowings	14	-	-	1,978.90	1,978.90	-	-	-	-
Lease liabilities	34	-	-	1,799.24	1,799.24	-	-	-	-
Other financial liabilities	15	-	-	133.68	133.68	-	-	-	-
Total		-	-	4,250.90	4,250.90	-	-	-	-

Note 1 The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents, trade receivables, trade payables etc., because their carrying amounts are a reasonable approximation of fair value.

* Excludes investments in associates and subsidiaries measured at cost.

Measurement of fair values

The fair value of the financial instruments is determined using discounted cash flow analysis. The discount rates used is based on management estimates.

Level 1 fair values

Investment in equity shares that has a quoted price and which are actively traded on the stock exchanges. It is been valued using the closing price as at the reporting period on the stock exchanges.

Level 3 fair values

If one or more of the significant inputs is not based on observable data, the instrument is included in level 3.

The quantitative sensitivity analysis of level 3 fair value of financial instrument as at 31 March 2022 and 31 March 2021 has not been disclosed as it is not material to the Company.



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

B Measurement of fair values

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

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

C Financial risk management

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

i) Risk management framework

ii) Credit risk

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

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

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

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

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

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

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

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

Ageing Period	Average Loss Rate	
	As at 31 March 2022	As at 31 March 2021
Not due	-	-
Less than 6 months	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 company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

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

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

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

iv) Market risk

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

Foreign currency risk

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

Cash flow and fair value interest rate risk

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

(a) Interest rate risk exposure

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

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

Sensitivity

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

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



34 Leases

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

(i) Lease liabilities

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

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

* The Company 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".

In respect of immovable property taken under lease, the lease agreements are duly executed in favour of the lessee, except for certain lease agreements where Company is in the process of executing the lease agreements.

(ii) Maturity analysis – contractual undiscounted cash flows

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

(iii) Right-of-use assets

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

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

(iv) Amounts recognised in statement of profit or loss

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

(v) Amounts recognised in statement of cash flows

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

(vi) Operating leases *

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

(b) Operating lease as a lessor

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

35 Capital Management

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

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



36 Related parties

I. Names of related parties and description of relationship:

(a) Entity having significant influence over the Company

BanyanTree Growth Capital II, LLC, Mauritius

(b) Subsidiaries and step down subsidiaries

Popular Mega Motors (India) Private Limited, India
Popular Autoworks Private Limited, India
Vision Motors Private Limited, India
Kuttukaran Cars Private Limited, India
Popular Auto Dealers Private Limited, India
Kuttukaran Green Private Limited, India (Formerly Kuttukaran Pre Owned Cars Private Limited, India)
Avita Insurance Broking LLP, India (till 29 October 2021)

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

- Key management personnel and their relatives (KMP)

Mr. Francis K. Paul, Whole Time Director
Mr. John K. Paul, Managing Director
Mr. Naveen Philip, Director
Mr. Jacob Kurian, Director
Mrs. Preeti Reddy, Director
Mr. George Joseph, Director (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
Prabal Motors Private Limited, India
Kuttukaran Homes LLP, India
Kuttukaran Institute for Human Resource Development, India
Keracon Equipment Private Limited, India

II. Related party transactions:

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

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



36 Related parties (continued)

II. Related party transactions (continued)

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

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

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

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



37 Covid-19 outbreak was declared as a global pandemic by World Health Organisation. The Company has been in operation consistently with work from home arrangements and in compliance with the directives issued by the Government authorities. Accordingly, as on balance sheet date of 31 March 2022 and 31 March 2021, based on facts and circumstances existing as of that date, the Company does not anticipate any material 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.

38 Assets classified as held for sale

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

39 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 Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

39 b) No funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding 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	3,141.72	2,951.12
Current liabilities	2,906.44	2,485.50
Ratio	1.08	1.19
% Change from previous year	-9.24%	32.22%

Ratio increased in FY21 is mainly due to increase in profitability ratios and ECLGS loan availed in March 2021 reduce short term borrowings and balance held in bank balances.

b) Debt 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 [a]	1,550.04	1,305.55
Non current borrowings [b]	602.69	673.35
Total debt	2,152.73	1,978.90
Total equity	2,040.77	1,967.23
Ratio	1.05	1.01
% Change from previous year	3.96%	-12.90%

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	137.18	222.30
Finance cost	374.61	336.59
Depreciation and amortisation expense	416.42	392.20
Earnings available to service debt	928.21	951.09
Interest cost	374.61	336.59
Non-current borrowings	602.69	673.35
Current borrowings	1,550.04	1,305.55
Debt service coverage ratio	0.37	0.41
% Change from previous year end	-9.76%	21.00%

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
Net profit after tax	69.75	158.51
Total equity	2,040.77	1,967.23
Ratio	3.42%	8.06%
% Change from previous year	-57.6%	14.0%

Ratio decreased mainly due to Other expenses has been increased by 41% as compared to last year, mainly due to cost reductions in the previous year due to covid 19 and additional cost incurred on new locations



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

e) Net profit ratio = Net profit after tax divided by Sales

Particulars	As at 31 March 2022	As at 31 March 2021
Net Profit after tax	69.75	158.51
Sales	18,655.31	16,916.85
Ratio	0.37%	0.94%
% Change from previous year	-60.64%	0.01%

Ratio decreased mainly due to Other expenses has been increased by 41% as compared to last year, mainly due to cost reductions in the previous year due to covid 19 and additional cost incurred on new locations.

f) 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 [a]	15,848.89	13,275.32
Changes in inventories of stock-in-trade [b]	(579.30)	739.52
Cost of material consumed [a]+[b]	15,269.59	14,014.84
Closing inventory	2,004.64	1,425.34
Ratio	0.13	0.10
% Change from previous year	30.0%	-28.6%

Ratio increased in FY22 mainly due to FY21 overall revenue from operations affected by lockdown in 1st Quarter and higher closing inventory in FY21.

Ratio decreased in FY21 mainly due to overall revenue from operations affected by lockdown in 1st Quarter and higher closing inventory in March 20.

g) Net capital Turnover Ratio = Total income divided by Net Working capital whereas net working capital= current assets - current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Total income	18,776.15	17,042.53
Current asset [a]	3,141.72	2,951.12
Current liability [b]	2,906.44	2,485.50
Net working capital [a]-[b]	235.28	465.62
Ratio	0.01	0.03
% Change from previous year	-66.7%	250.0%

Ratio decreased mainly due to decrease in working capital, Since ELCGS loan received in FY21 adjusted in short term borrowings and balance held in cash & bank balance, ECLGS Loan is treated as long term loan.

Ratio increased mainly due to better profitability in FY21 and ELCGS loan received in FY21 adjusted in short term borrowings and balance held in cash & bank balance, ECLGS Loan is treated as long term loan.

h) 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	18,655.31	16,916.85
Trade receivable	661.15	858.97
Trade receivable turnover ratio	28.22	19.69
% Change from previous year end	43.3%	-44.9%

Trade receivable turnover ratio has been increased in FY 22 as result of better collection received from the customers.

Ratio decreased in FY21 mainly due to overall revenue from operations affected by lockdown in 1st Quarter and higher receivable in March 21.

i) Return on Capital employed = Earnings before interest and taxes(EBIT) divided by capital employed (Total equity + Borrowings)

Particulars	As at 31 March 2022	As at 31 March 2021
Profit before tax	137.18	222.30
Finance cost	374.61	336.59
Earnings before interest and tax	511.79	558.89
Total equity[a]	2,040.77	1,967.23
Total borrowings[b]	2,152.73	1,978.90
Capital employed [a]+[b]	4,193.50	3,946.13
Ratio	0.12	0.14
% Change from previous year	-14.3%	-7.7%

j) 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	15,848.89	13,275.32
Trade payable	500.39	339.08
Trade payable turnover ratio	31.67	39.15
% Change from previous year end	-19.1%	236.3%

Ratio increased in FY21 mainly due to higher payables in FY20, since due to covid 19 impact in FY20 Payment relate to OEM were outstanding.

* Management have given explanation only for the variances above 25% during the current year.



Popular Vehicles and Services Limited
Notes to the standalone financial statements (continued)
(All amounts in Indian Rupees million)

- 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),(xv) and (xvi) for the Company.

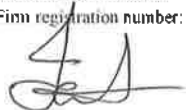
With regard to the new amendments under "Division II of Schedule III" under "Part II – Statement of Profit and Loss - General Instructions for preparation of Statement of Profit and Loss" there are no transactions that are required to be disclosed with regard to the following clauses B(i) and B(n) for the Company.

- 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.99.88 million have been reclassified from 'Other financial liabilities (current)' to 'Borrowings (current)'. Similarly, an amount of Rs.280.49 million pertaining to security deposits has been reclassified from Loans to Other financial assets.
Further, dues to other creditors and accruals amounting to Rs. 135.61 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

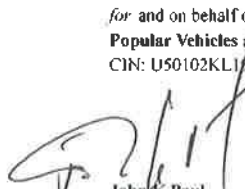
for **BSR & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024



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: U50102KL1083PLC003741



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