

# B S R & Associates LLP

Chartered Accountants

49/179A, 3rd Floor, Syama Business Centre,  
NH 47 Bypass Road, Vyttila,  
Kochi – 682 019, India  
Telephone: +91 484 4148 500  
Fax: +91 484 4148 501

## Independent Auditor's Report

### To the Members of Popular Vehicles and Services Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Popular Vehicles and Services Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, 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 2023, 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

#### Registered Office:

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

## Independent Auditor's Report (Continued)

### Popular Vehicles and Services Limited

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

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

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

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

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

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

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

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

**Independent Auditor's Report (Continued)**

**Popular Vehicles and Services Limited**

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 2023 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 their knowledge and belief, as disclosed in the Note 38 (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 person(s) or entity(ies), 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 their knowledge and belief, as disclosed in the Note 38 (b) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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.

**Independent Auditor's Report (Continued)**

**Popular Vehicles and Services Limited**

- (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) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- 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: 20 June 2023

Membership No.: 218255

ICAI UDIN:23218255BGXTJQ2174

**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 2023**

**(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) 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. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. 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.
- (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 provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year, except for guarantees and loans given to companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties, except for investment in companies.
- (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:



**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 2023 (Continued)**

*Amounts in Indian Rupees Millions*

<b>Particulars</b>	<b>Guarantees</b>	<b>Loans</b>
Aggregate amount during the year Subsidiaries*	202.66	8.50
Balance outstanding as at balance sheet date Subsidiaries*	966.20	58.20

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

**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 2023 (Continued)**

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, Cess or other statutory dues have been generally 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, Cess or other statutory dues were in arrears as at 31 March 2023 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, Sales Tax and Goods and Service Tax which have not been deposited on account of any dispute are as follows:

*Amounts in Indian Rupees Millions*

Name of the statute	Nature of the dues	Disputed Amount	Amount Paid under Protest	Period to which the amount relates	Forum where dispute is pending
Kerala Value Added Tax Act, 2003	Sales Tax, Interest and Penalty	95.50	0.39	2011-12 to 2013-14	KVAT Appellate Tribunal, Ernakulam
Kerala Value Added Tax Act, 2003	Sales Tax, Interest and Penalty	2.02	0.83	2011-12 to 2015-16	Deputy Commissioner of Appeals, Ernakulam
Kerala Value Added Tax Act, 2003	Sales Tax, Interest and Penalty	0.72	0.39	2006-07 to 2011-12	Deputy Commissioner of Appeals, Trivandrum
Goods and Service Tax Act, 2017	Sales Tax, Interest and Penalty	0.41	-	2022-23	State Tax Officer, GST, Kollam
Finance Act, 1994	Service Tax, Interest and Penalty	7.48	0.37	2009-10 to 2017-18	Commissioner Appeals, Ernakulam
Finance Act, 1994	Service Tax, Interest and Penalty	5.83	0.68	2006-07 to 2013-14	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act,	Service Tax,	1.26	0.23	2006-07 to	Customs, Excise

**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 2023 (Continued)**

Name of the statute	Nature of the dues	Disputed Amount	Amount Paid under Protest	Period to which the amount relates	Forum where dispute is pending
1994	Interest and Penalty			2015-16	and Service Tax Appellate Tribunal, Chennai
Income Tax Act, 1961	Income tax and Interest	8.00	11.71	2006-07 to 2011-12	Commissioner of Income Tax (Appeals), Ernakulam
Income Tax Act, 1961	Income tax and Interest	4.59	3.98	2006-07 to 2011-12	Central Processing Center, Bangalore
Income Tax Act, 1961	Income tax and Interest	11.92	4.74	2007-08 to 2019-20	The Deputy Commissioner of Income Tax (Appeals), Ernakulam

- (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. The Company does not hold any investment in any associates or joint ventures (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). The Company does not hold any investment in any



**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 2023 (Continued)**

associates or joint ventures (as defined under the Act).

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (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) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (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 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, 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

**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 2023 (Continued)**

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 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: 20 June 2023

Membership No.: 218255

ICAI UDIN:23218255BGXTJQ2174

**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 2023**

**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 2023 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 2023, 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 2023 (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: 20 June 2023

Membership No.: 218255

ICAI UDIN: 23218255BGXTJQ2174

**Popular Vehicles and Services Limited**  
**Standalone Balance Sheet as at 31 March 2023**  
(All amounts in Indian Rupees million)

	Notes	As at 31 March 2023	As at 31 March 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,738.27	1,586.25
Capital work-in-progress	4	54.73	120.03
Right-of-use assets	34	2,094.71	2,223.56
Intangible assets	5	33.39	40.28
Intangible assets under development	5	2.42	-
<b>Financial assets</b>			
Investments	6	926.03	607.58
Other financial assets	12	247.77	248.79
Income tax assets (net)	27	57.90	38.95
Deferred tax assets (net)	27	117.77	82.52
Other non-current assets	7	111.15	119.19
<b>Total non-current assets</b>		<b>5,384.14</b>	<b>5,067.15</b>
<b>Current assets</b>			
Inventories	8	1,963.82	2,004.64
<b>Financial assets</b>			
Investments	6	-	15.89
Trade receivables	9	812.29	661.15
Cash and cash equivalents	10	43.03	50.00
Bank balances other than cash and cash equivalents	11	24.99	1.84
Other financial assets	12	61.65	70.46
Other current assets	7	228.21	337.74
<b>Total current assets</b>		<b>3,133.99</b>	<b>3,141.72</b>
Assets classified as held for sale	37	15.42	15.42
<b>Total assets</b>		<b>8,533.55</b>	<b>8,224.29</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	13	125.44	125.44
Other equity		2,200.87	1,915.33
<b>Total equity</b>		<b>2,326.31</b>	<b>2,040.77</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14	591.09	602.69
Lease liabilities	34	2,490.17	2,542.36
Other non-current liabilities	17	-	97.14
Provisions	16	39.31	34.89
<b>Total non-current liabilities</b>		<b>3,120.57</b>	<b>3,277.08</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14	1,831.85	1,550.04
Lease liabilities	34	169.11	123.92
Trade payables	18	-	-
- Total outstanding dues of micro and small enterprises		30.32	22.13
- Total outstanding dues of creditors other than micro and small enterprises		366.98	478.26
Other financial liabilities	15	197.05	141.77
Provisions	16	27.06	20.62
Other current liabilities	17	464.30	569.70
<b>Total current liabilities</b>		<b>3,086.67</b>	<b>2,906.44</b>
<b>Total equity and liabilities</b>		<b>8,533.55</b>	<b>8,224.29</b>
<b>Significant accounting policies</b>	3		

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

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/ W-100024



**Baby Paul**

Partner

Membership No.: 218255

Kochi

20 June 2023

for and on behalf of the Board of Directors of

**Popular Vehicles and Services Limited**

CIN: U50102KL1983PLC003741



**Naveen Philip**

Managing Director

DIN: 00018827



**Francis K Paul**

Whole Time Director

DIN: 00018825



**Raj Narayan**

Chief Executive Officer



**John Verghese**

Chief Financial Officer



**Varun T V**

Company Secretary

Membership no. 22044

Kochi

20 June 2023



**Popular Vehicles and Services Limited****Standalone Statement of Profit and Loss for the period ended 31 March 2023**

(All amounts in Indian Rupees million)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
<b>Income</b>			
Revenue from operations	19	25,135.66	18,655.31
Other income	20	121.42	120.84
<b>Total income</b>		<b>25,257.08</b>	<b>18,776.15</b>
<b>Expenses</b>			
Purchases of stock-in-trade	21	20,489.62	15,848.89
Changes in inventories of stock-in-trade	22	40.82	(579.30)
Employee benefits expense	23	1,998.99	1,584.75
Finance costs	24	432.07	374.61
Depreciation and amortisation	25	455.31	416.42
Impairment loss on financial asset	33	8.03	-
Other expenses	26	1,442.19	993.60
<b>Total expenses</b>		<b>24,867.03</b>	<b>18,638.97</b>
<b>Profit before tax</b>		<b>390.05</b>	<b>137.18</b>
Income tax expense			
Current tax	27	129.32	60.93
Deferred tax (credit)/ charge	27	(32.62)	6.50
<b>Total tax expense</b>		<b>96.70</b>	<b>67.43</b>
<b>Profit for the year</b>		<b>293.35</b>	<b>69.75</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of net defined benefit plan		(10.44)	5.07
Income tax relating to items that will not be reclassified to profit or loss		2.63	(1.28)
<b>Other comprehensive (loss) for the year, net of income tax</b>		<b>(7.81)</b>	<b>3.79</b>
<b>Total comprehensive income for the year</b>		<b>285.54</b>	<b>73.54</b>
<b>Earnings per share</b> (equity share of face value of INR 10 each)	29		
Basic (in INR)		23.39	5.56
Diluted (in INR)		23.39	5.56

**Significant accounting policies**

3

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

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/ W-100024


**Baby Paul**

Partner

Membership No.: 218255

Kochi

20 June 2023

for and on behalf of the Board of Directors of

**Popular Vehicles and Services Limited**

CIN: U50102KL1983PLC003741


**Naveen Philip**

Managing Director

DIN: 00018827


**Francis K Paul**

Whole Time Director

DIN: 00018825


**Raj Narayan**

Chief Executive Officer


**John Verghese**

Chief Financial Officer


**Varun T V**

Company Secretary

Membership no. 22044

Kochi

20 June 2023

**Popular Vehicles and Services Limited**  
**Standalone Statement of Changes in Equity for the period ended 31 March 2023**  
(All amounts in Indian Rupees million)

**A. Equity share capital**

Particulars	Notes	Equity shares (in millions)	Amount
Balance as at 1 April 2021		12.54	125.44
Share issued during the year		-	-
Balance as at 31 March 2022	13	12.54	125.44
Share issued during the year		-	-
Balance as at 31 March 2023	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 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
Total comprehensive income for the year					
Profit for the year	-	-	293.35	-	293.35
Other comprehensive income, net of tax	-	-	-	(7.81)	(7.81)
Total comprehensive income	-	-	293.35	(7.81)	285.54
Transferred to retained earnings	-	-	(7.81)	7.81	-
Balance as at 31 March 2023	636.68	36.33	1,527.86	-	2,200.87

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.

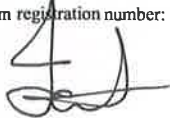
**d) Remeasurement of net defined benefit liability/ (asset)**

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



**Baby Paul**  
Partner  
Membership No: 218255

Kochi  
20 June 2023

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



**Naveen Philip**  
Managing Director  
DIN: 00018827



**John Verghese**  
Chief Financial Officer

Kochi  
20 June 2023



**Francis K Paul**  
Whole Time Director  
DIN: 00018825



**Varun T V**  
Company Secretary  
Membership no. 22044



**Raj Narayan**  
Chief Executive Officer

**Popular Vehicles and Services Limited**
**Standalone statement of cash flows for the period ended 31 March 2023**

(All amounts in Indian Rupees million)

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>390.05</b>	<b>137.18</b>
<b>Adjustments:</b>		
Finance costs	432.07	374.61
Depreciation and amortisation expense	455.31	416.42
Impairment loss on trade receivables	8.03	-
Liabilities/ provisions no longer required written back	(46.64)	(36.95)
Interest income	(15.89)	(21.61)
Loss/(gain) on sale of property, plant and equipment (net)	16.74	(4.47)
Rent concession received	-	(14.77)
Loss/(gain) on derecognition of right-of-use assets	0.27	(0.78)
Net gain on financial assets measured at fair value through profit and loss	(0.01)	(0.32)
<b>Operating cash flow before working capital changes</b>	<b>1239.93</b>	<b>849.31</b>
<b>Working capital movements:</b>		
Decrease /(increase) in inventories	40.82	(579.30)
(Increase) / decrease in trade receivables	(159.17)	197.82
Decrease /(increase) in loans and other financial assets and other assets	95.14	(215.54)
(Decrease)/increase in liabilities and provisions	(213.07)	93.16
<b>Cash generated from operations</b>	<b>1003.65</b>	<b>345.45</b>
Income taxes (paid)/refund, net	(148.27)	(72.32)
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>855.38</b>	<b>273.13</b>
<b>Cash flows from investing activities</b>		
Acquisition of investments in a subsidiary	(301.46)	-
Additional investment in subsidiary	(15.00)	-
Sale /(acquisition) of other investments, net	11.74	(3.07)
Intercompany loan (given to)/ repaid by wholly owned subsidiary, net	3.68	14.02
Interest received	15.89	21.61
Acquisition of property, plant and equipment including capital advances	(298.34)	(313.04)
Acquisition of intangible assets including intangibles under development	(4.96)	(1.05)
Proceeds from sale of property, plant and equipment	21.91	12.63
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(566.54)</b>	<b>(268.90)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(181.89)	(161.57)
Long-term borrowings availed	205.19	99.51
Long-term borrowings repaid	(175.82)	(97.24)
Short-term borrowings availed, net	240.84	171.56
Lease payments during the year	(384.13)	(319.44)
<b>Net cash used in financing activities (C)</b>	<b>(295.81)</b>	<b>(307.18)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(6.97)</b>	<b>(302.95)</b>
Cash and cash equivalents at the beginning of the year	50.00	352.95
<b>Cash and cash equivalents at the end of the year</b>	<b>43.03</b>	<b>50.00</b>

(Refer to note 10 - Cash and cash equivalents)



**Popular Vehicles and Services Limited****Standalone statement of cash flows for the period ended 31 March 2023**

(All amounts in Indian Rupees million)

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

Particulars	As at	Cash flows	Non cash changes		As at
	1 April 2022		Fair value changes	Others	31 March 2023
Non current borrowings (including current maturities)	775.50	29.37	-	-	804.87
Current borrowings (Refer note 14)	1,377.23	240.84	-	-	1,618.07
Lease liabilities (refer note 34)	2,666.28	(384.13)	-	377.13	2,659.28

Particulars	As at	Cash flows	Non cash changes		As at
	1 April 2021		Fair value changes	Others	31 March 2022
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

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

(Refer to note 10 - Cash and cash equivalents)

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

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/ W-100024


**Baby Paul**

Partner

Membership No.: 218255

Kochi

20 June 2023

for and on behalf of the Board of Directors of

**Popular Vehicles and Services Limited**

CIN:U50102KL1983PLC003741


**Naveen Philip**

Managing Director

DIN: 00018827

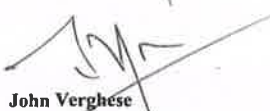

**Francis K Paul**

Whole Time Director

DIN: 00018825


**Raj Narayan**

Chief Executive Officer


**John Verghese**

Chief Financial Officer


**Varun T V**

Company Secretary

Membership no. 22044

Kochi

20 June 2023

**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 and 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 has eight 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), Popular Auto Works Private Limited, Keracon Equipments Private Limited, India and Prabal Motors Private Limited, India 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 20 June 2023

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
Investments	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 2023 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.

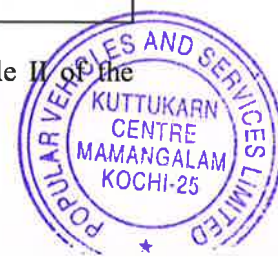
**C. Depreciation**

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	15-25
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**

Intangible 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.

The cost of intangible assets not ready for its intended use at each balance sheet date are disclosed as intangible assets under development.

**3.3 Employee benefits**

*Short-term employee benefits*

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

*Post-employment benefits*

*Defined contribution plans*

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

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

*Defined benefit plans*

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

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



**3. Significant accounting policies (continued)**

**3.3 Employee benefits (continued)**

*Defined benefit plans (continued)*

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

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

*Other long term employee benefits*

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

**3.4 Investments**

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

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

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

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

**3.5 Provisions**

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

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





### **3. Significant accounting policies (continued)**

#### **3.6 Revenue**

##### **i) Sale of products**

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

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

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

##### **ii) Rendering of services**

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

##### **iii) Commission, discount and incentive income**

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

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

##### **iv) Other Income**

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

#### **3.7 Inventories**

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

The comparison of cost and net realisable value of inventory is made on an item by item basis.

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.





### 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.





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

**3. Significant accounting policies (continued)**

**3.9. Impairment (continued)**

**ii) Impairment of non- financial assets**

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

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

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

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

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

**3.10 Leases**

**i. Determining whether an arrangement contains a lease**

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

**ii. Company as a lessee**

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

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



**3. Significant accounting policies (continued)**

**3.10 Leases (continued)**

**ii. Company as a lessee (continued)**

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

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

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

**iii. Company as a lessor**

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

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

**3.11 Recognition of interest income or interest expense**

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

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

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





**3. Significant accounting policies (continued)**

**3.12 Income tax**

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

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or recoverable from tax authorities 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 recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

Deferred income tax assets and liabilities are recognised 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 recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent 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 recognises 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 realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised 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 assets and liabilities 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 realised simultaneously.

**iii. MAT credit**

Minimum alternative tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income-Tax Act, 1961) over normal income-tax is recognised as an asset by crediting the statement of profit and loss only when and to the extent there is convincing evidence that the company will be able to avail the said credit against normal tax payable during the period of fifteen succeeding assessment years.



### **3. Significant accounting policies (continued)**

#### **3.13 Borrowing cost**

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

#### **3.14 Earnings per share**

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

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

#### **3.15 Cash-flow statement**

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



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

**3. Significant accounting policies (continued)**

**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 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

**(a) Ind AS 1 — Presentation of financial statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies.

Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**(b) Ind AS 12 — Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

**(c) Ind AS 8 — Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



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)
<b>Gross carrying value</b>														
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
<b>Balance at 31 March 2022</b>	<b>91.97</b>	<b>131.81</b>	<b>964.14</b>	<b>150.73</b>	<b>139.97</b>	<b>454.04</b>	<b>80.03</b>	<b>153.32</b>	<b>55.82</b>	<b>60.15</b>	<b>11.50</b>	<b>2,293.48</b>	<b>120.03</b>	<b>2,413.51</b>
Balance at 1 April 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
Additions	-	-	195.77	28.35	29.40	78.10	8.34	0.95	20.14	10.81	0.98	372.84	273.03	645.87
Disposals / write off	-	-	9.91	11.17	3.89	51.63	13.41	47.55	13.53	14.52	1.40	167.01	338.33	505.34
<b>Balance at 31 March 2023</b>	<b>91.97</b>	<b>131.81</b>	<b>1,150.00</b>	<b>167.91</b>	<b>165.48</b>	<b>480.51</b>	<b>74.96</b>	<b>106.72</b>	<b>62.43</b>	<b>56.44</b>	<b>11.08</b>	<b>2,499.31</b>	<b>54.73</b>	<b>2,554.04</b>
<b>Accumulated Depreciation</b>														
Balance at 1 April 2021	-	20.20	198.81	45.42	47.43	119.79	33.15	58.45	63.60	31.34	3.25	621.44	-	621.44
Depreciation for the year	-	8.04	55.87	13.92	12.44	33.21	7.00	25.62	16.52	8.94	1.04	182.60	-	182.60
Disposals / write off	-	-	0.37	0.01	0.28	2.09	0.31	42.57	46.81	2.36	2.01	96.81	-	96.81
<b>Balance at 31 March 2022</b>	<b>-</b>	<b>28.24</b>	<b>254.31</b>	<b>59.33</b>	<b>59.59</b>	<b>150.91</b>	<b>39.84</b>	<b>41.50</b>	<b>33.31</b>	<b>37.92</b>	<b>2.28</b>	<b>707.23</b>	<b>-</b>	<b>707.23</b>
Balance at 1 April 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
Depreciation for the year	-	8.06	59.27	14.62	13.33	34.84	7.42	22.51	12.40	8.44	1.28	182.17	-	182.17
Disposals / write off	-	0.83	1.13	10.84	3.70	42.37	12.98	28.39	12.80	14.02	1.30	128.36	-	128.36
<b>Balance at 31 March 2023</b>	<b>-</b>	<b>35.47</b>	<b>312.45</b>	<b>63.11</b>	<b>69.22</b>	<b>143.38</b>	<b>34.28</b>	<b>35.62</b>	<b>32.91</b>	<b>32.34</b>	<b>2.26</b>	<b>761.04</b>	<b>-</b>	<b>761.04</b>
<b>Net carrying amount</b>														
At 31 March 2023	91.97	96.34	837.55	104.80	96.26	337.13	40.68	71.10	29.52	24.10	8.82	1,738.27	54.73	1,793.00
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

# Include buildings constructed on leasehold land

Particulars	As at 31 March 2023		As at 31 March 2022	
	Gross block	Net block	Gross block	Net block
Buildings	128.43	78.40	126.71	77.43

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

Description	As at 31 March 2023	As at 31 March 2022
Title deeds held in the name of	Popular Vehicles & 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





**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 (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 2023**

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	54.74	-	-	-
Projects temporarily suspended	-	-	-	-

**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	-	-	-	-

**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 2023**

Description	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
Pre owned Cars- Chalakudy	3.50	-	-	-	3.50
Veppampattu E outlet (Sales & Service)	14.22	-	-	-	14.22

**As at 31 March 2022**

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

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



5 Intangible assets

Particulars	Computer software	Brand	Total (A)	Intangible assets under development (B)	Total (A+B)
<b>Reconciliation of carrying amount</b>					
<b>Gross carrying amount</b>					
Balance at 1 April 2021	37.83	49.47	87.30	-	87.30
Additions	1.05	-	1.05	-	1.05
<b>Balance at 31 March 2022</b>	<b>38.88</b>	<b>49.47</b>	<b>88.35</b>		<b>88.35</b>
Balance at 1 April 2022	38.88	49.47	88.35		88.35
Additions	2.54		2.54	3.34	5.88
Disposals	0.59	-	0.59	0.92	1.51
<b>Balance at 31 March 2023</b>	<b>40.83</b>	<b>49.47</b>	<b>90.30</b>	<b>2.42</b>	<b>92.72</b>
<b>Amortisation</b>					
Balance at 1 April 2021	21.50	16.00	37.50		37.50
Amortisation for the year	7.41	3.16	10.57		10.57
<b>Balance at 31 March 2022</b>	<b>28.91</b>	<b>19.16</b>	<b>48.07</b>		<b>48.07</b>
Balance at 1 April 2022	28.91	19.16	48.07		48.07
Amortisation for the year	6.26	3.16	9.42		9.42
Disposal	0.58		0.58		0.58
<b>Balance at 31 March 2023</b>	<b>34.59</b>	<b>22.32</b>	<b>56.91</b>		<b>56.91</b>
<b>Net carrying amount</b>					
<b>At 31 March 2023</b>	<b>6.24</b>	<b>27.15</b>	<b>33.39</b>	<b>2.42</b>	<b>35.81</b>
<b>At 31 March 2022</b>	<b>9.97</b>	<b>30.31</b>	<b>40.28</b>	<b>-</b>	<b>40.28</b>

Ageing schedule of intangible assets under development

As at 31 March 2023

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	
Projects in progress	2.42	-	-	-	2.42
Projects temporarily suspended	-	-	-	-	-
Total	2.42	-	-	-	2.42

As at 31 March 2022

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-



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

	As at 31 March 2023	As at 31 March 2022
<b>6 Investments</b>		
<b>Non-current investments, unquoted</b>		
<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 2022: 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 2022: 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 2022: 25,111,780 ) equity shares of face value of INR 10 each		
Kuttukaran Green Private Limited	12.83	-
10,000 (31 March 2022 : Nil ) equity shares of face value of INR 10 each		
Keracon Equipments Private Limited	301.46	-
9,48,000 (31 March 2022 : Nil ) 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 2022: 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 2022 : 20,000 ) preference shares of face value of INR 10 each		
<b>Investment in others at FVTPL</b>		
<i>Quoted</i>		
Muthoot Finance Limited	-	0.63
Nil (31 March 2022: 469 ) equity shares of face value of INR 10 each		
<b>Investment in mutual funds at FVTPL</b>		
<i>Unquoted</i>		
Aditya Birla Sunlife Equity Fund - Regular Growth 1,546.14 (31 March 2022: Nil)	1.68	-
HDFC Small Cap Fund - Regular Growth 13,504.85 (31 March 2022: Nil)	1.08	-
Kotak Emerging Equity Scheme Fund - Regular Growth	2.03	-
27,350.24 (31 March 2022: Nil)		
<b>Total investments</b>	<b>926.03</b>	<b>607.58</b>
Aggregate book/ market value of non-current investments-quoted	-	0.63
Aggregate value of non-current investments-unquoted	926.03	606.95
Aggregate provision for impairment in value of investment	(15.50)	(15.50)
<b>Current investments</b>		
<b>Investment in debentures at FVTPL</b>		
<i>Unquoted</i>		
Investment in debentures measured at fair value through profit or loss	-	15.89
	-	<b>15.89</b>
Aggregate value of current investments-unquoted	-	<b>15.89</b>
<b>7 Other assets</b>		
<b>Non-current</b>		
<i>Unsecured, considered good</i>		
Capital advances	13.10	18.86
Less: Allowances for expected credit loss	(5.58)	(4.18)
Prepayments	81.79	82.33
Balance with statutory / government authorities *	21.84	22.18
	<b>111.15</b>	<b>119.19</b>
<b>Current</b>		
<i>Unsecured, considered good</i>		
Prepayments #	80.41	73.69
Advance to staff	0.16	0.55
Balance with statutory / government authorities	94.89	218.25
Payment to vendors for supply of goods and services	52.75	45.25
	<b>228.21</b>	<b>337.74</b>
	<b>339.36</b>	<b>456.93</b>

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

# Prepayments include the expenditure incurred by the Company amounting to Rs. 58.37 million for the period ended 31 March 2023 and 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 period ended 31 March 2023 and years ended 31 March 2022



	As at 31 March 2023	As at 31 March 2022
<b>8 Inventories</b>		
<i>(Valued at lower of cost and realisable value)</i>		
New vehicles	1,262.75	1,335.27
Pre-owned vehicles	394.75	392.04
Spares and lubricants	211.02	180.94
Accessories	122.66	113.96
	<b>1,991.18</b>	<b>2,022.21</b>
Less: Provision for obsolete inventory	(27.36)	(17.57)
	<b>1,963.82</b>	<b>2,004.64</b>

Closing stock includes value of goods in transit of new vehicles for Rs.306.65 million ( 31 March 2022: Rs.645.16 million) , accessories for Rs 27.11 million ( 31 March 2022 : Rs.27.78 million)

<b>9 Trade receivables</b>		
<b>Current</b>		
<i>Unsecured</i>		
Considered good	812.29	661.15
Considered doubtful	16.64	20.16
	<b>828.93</b>	<b>681.31</b>
Allowances for expected credit loss (refer note 33 C(ii))	(16.64)	(20.16)
<b>Net trade receivables</b>	<b>812.29</b>	<b>661.15</b>
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	6.36	2.35
<b>Net trade receivables</b>	<b>6.36</b>	<b>2.35</b>

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

Trade receivables ageing schedule

**As at 31 March 2023**

Particulars	Not Due	Less than 6 months	6 months - 1 year	More than 1 year	Total
i)Undisputed trade receivables – considered good	13.41	780.34	18.54	-	812.29
ii)Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-
iii)Undisputed trade receivables – credit impaired	-	9.47	2.52	4.65	16.64
	<b>13.41</b>	<b>789.81</b>	<b>21.06</b>	<b>4.65</b>	<b>828.93</b>

**As at 31 March 2022**

Particulars	Not Due	Less than 6 months	6 months - 1 year	More than 1 year	Total
i)Undisputed trade receivables – considered good	18.88	632.29	8.44	1.54	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
	<b>18.88</b>	<b>643.84</b>	<b>10.54</b>	<b>8.05</b>	<b>681.31</b>

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 C.

<b>10 Cash and cash equivalents</b>		
Balance with banks and other financial institutions		
Balances in current accounts	31.87	37.11
Cash on hand	7.11	6.78
Cheques on hand	4.05	6.11
<b>Cash and cash equivalents in balance sheet</b>	<b>43.03</b>	<b>50.00</b>
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>43.03</b>	<b>50.00</b>

<b>11 Bank balances other than cash and cash equivalents</b>		
Balance with banks held as margin money	24.99	1.84
	<b>24.99</b>	<b>1.84</b>

<b>12 Other financial assets</b>		
<b>Non-current</b>		
<i>Unsecured, considered good</i>		
Dues from related parties (refer note 36)	40.75	50.02
Rent and other deposits	200.10	172.26
Non cumulative compulsorily convertible preference shares *	2.51	-
Balance with bank held as margin money	4.41	26.51
	<b>247.77</b>	<b>248.79</b>
<b>Current</b>		
<i>Unsecured, considered good</i>		
Rent and other deposits	44.20	58.60
Dues from related parties (refer note 36)	17.45	11.86
Dues from others	5.00	5.00
Less: Allowances for expected credit loss	(5.00)	(5.00)
	<b>61.65</b>	<b>70.46</b>
	<b>309.42</b>	<b>319.25</b>

\* The deemed capital contribution on account of investment in non cumulative compulsorily convertible preference shares of the subsidiary (included in investment) as at 31 March 2023 is amounting to Rs 12.83 millions.

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
<b>13 Equity share capital</b>				
<b>Authorised</b>				
Equity shares of INR 10 each	15.00	150.00	15.00	150.00
	<b>15.00</b>	<b>150.00</b>	<b>15.00</b>	<b>150.00</b>
<b>Issued, subscribed and paid-up</b>				
<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	-	-	-	-
<b>At the end of the year</b>	<b>12.54</b>	<b>125.44</b>	<b>12.54</b>	<b>125.44</b>

**(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**

<i>Equity shares of INR 10 each fully paid up held by</i>	As at 31 March 2023		As at 31 March 2022	
	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 2023		As at 31 March 2022	
	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.



14 Borrowings

Non-current

Secured

Term loans from banks

Vehicle loans from financial institutions

588.82 596.58

2.27 6.11

591.09 602.69

Current

Secured

Short term loan from banks

Current maturities of long-term borrowings

1,496.87 1,323.40

213.78 172.81

Unsecured

Short term loans from banks

Short term loans from financial institutions

63.09 -

58.11 53.83

1,831.85 1,550.04

2,422.94 2,152.73

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

Lenders name	Security terms	Nature of borrowings	Tenure	As at 31 March 2023	As at 31 March 2022
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	351.21	346.02
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	28.21	72.75
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	20 Days	3.23	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	0.43	2.05
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	64.82	87.05
Federal bank Limited	Secured by 2nd charge on equitable mortgage over immovable properties of the Company	Long term loan from banks - Secured	60 months	79.86	104.15
Federal bank Limited	Secured by 1st charge on assets created out of this facility and 2nd charge on primary and collateral securities extended to the bank	Long term loan from banks - Secured	72 months	55.00	-
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	23.77	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	22.08	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	33.09	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	149.25	119.00





14 Borrowings (continued)

Lenders name	Security terms	Nature of borrowings	Tenure	As at 31 March 2023	As at 31 March 2022
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	4.22	9.89
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	15 days	22.21	17.97
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	60 days	185.77	218.31
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	15 days	38.95	-
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	15 days	14.44	5.11
Cholamandalam Investment and Finance Company Limited	Secured by personal guarantees of John K Paul and Francis K Paul, directors of the Company.	Short term loan from financial institutions - Unsecured	30 days	18.23	15.35
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	224.71	292.71
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	48 months	147.64	-
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	98.07	79.19
Bank of Boroda	Secured by hypothecation of stocks of cars, accessories and spares and receivables.	Short term loan from banks - Secured	60 days	81.04	-
South India Bank limited	Secured by hypothecation of vehicles and spares	Short term loan from banks - Secured	60 days	100.14	-
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	60 days	527.79	477.63
Federal bank Limited	Secured by hypothecation of stocks of used cars, accessories and spares and receivables.	Short term loan from banks - Secured	12 months	99.94	99.94
HDFC Bank Limited	Secured by hypothecation of stocks and book debts under paripassu agreement.	Short term loan from banks - Secured	45 Days	24.70	17.86
Federal bank Limited	cash credit facility	Short term loan from banks - Unsecured	12 months	0.22	-
ICICI Bank Limited	Credit card facilities availed from bank which is repaid on demand	Short term loan from banks - Unsecured	15 days	23.92	-
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
				<b>2,422.94</b>	<b>2,152.73</b>

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

b) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

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



	As at 31 March 2023	As at 31 March 2022
<b>15 Other financial liabilities</b>		
<b>Current</b>		
Interest accrued but not due on borrowings	8.50	0.76
Accrued salaries and benefits	167.77	122.27
Dues to creditors for capital goods	20.78	18.74
	<b>197.05</b>	<b>141.77</b>
The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 33.		
<b>16 Provisions</b>		
<b>Non-current</b>		
Provision for employee benefits		
Net defined benefit liability - Gratuity *	4.55	3.29
Compensated absences	34.76	31.60
	<b>39.31</b>	<b>34.89</b>
<b>Current</b>		
Provision for employee benefits		
Compensated absences	27.06	20.62
	<b>27.06</b>	<b>20.62</b>
	<b>66.37</b>	<b>55.51</b>
* Also refer note 32		
<b>17 Other liabilities</b>		
<b>Non-current</b>		
Advance from vendors for rebates	-	97.14
	-	<b>97.14</b>
<b>Other liabilities</b>		
<b>Current</b>		
Contract liabilities	363.36	451.67
Advance from vendors for rebates	24.70	74.69
Statutory dues payables	76.24	43.34
	<b>464.30</b>	<b>569.70</b>
	<b>464.30</b>	<b>666.84</b>
<b>Movement in contract liabilities</b>		
Opening balance at the beginning of the year	451.67	453.74
Less : Revenue recognised during the year	(451.67)	(453.74)
Add: Additions to advances from customers during the year	363.36	451.67
Closing balance at the end of the year	<b>363.36</b>	<b>451.67</b>
The contract liabilities primarily relate to the advance consideration received from the customers for the purchase of vehicles. This will be recognised as revenue as and when the Company meet the performance obligation by delivering the vehicles. Refer Note 19 for more details.		
<b>18 Trade payables</b>		
Total outstanding dues of micro and small enterprises	30.32	22.13
Total outstanding dues of creditors other than micro and small enterprises	366.98	478.26
	<b>397.30</b>	<b>500.39</b>
Trade payable ageing schedule		

**As at 31 March 2023**

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	30.32	-	-	-	30.32
ii)Others	310.60	1.59	-	1.00	313.19
iii)Disputed Dues-MSME	-	-	-	-	-
iv)Disputed Dues-Others	-	-	-	-	-
v)Unbilled dues	53.79	-	-	-	53.79
	<b>394.71</b>	<b>1.59</b>	<b>-</b>	<b>1.00</b>	<b>397.30</b>

**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	369.52	60.03	1.00	-	430.55
iii)Disputed Dues-MSME	-	-	-	-	-
iv)Disputed Dues-Others	-	-	-	-	-
v)Unbilled dues	47.71	-	-	-	47.71
	<b>439.36</b>	<b>60.03</b>	<b>1.00</b>	<b>-</b>	<b>500.39</b>

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	30.32	22.13
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 2023	Year ended 31 March 2022
<b>19 Revenue from operations</b>		
<b>Sale of products</b>		
Sales of new vehicles	16,443.47	12,013.36
Sale of spare parts and accessories	2,612.58	1,848.43
Sale of pre-owned vehicles	3,038.11	2,330.41
	<u>22,094.16</u>	<u>16,192.20</u>
<b>Sale of services</b>	<u>1,987.59</u>	<u>1,644.78</u>
	<u>24,081.75</u>	<u>17,836.98</u>
<b>Other operating revenues</b>		
Income from schemes and incentives	469.08	392.89
Finance and insurance commission	523.35	388.05
Income from driving school	30.50	18.04
Other operating income	30.98	19.35
	<u>25,135.66</u>	<u>18,655.31</u>
<b>Reconciliation of revenue from sale of products and services</b>		
Gross revenue	24,634.86	18,326.95
Less: Discount allowed	553.11	489.97
	<u>24,081.75</u>	<u>17,836.98</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 2023	Year ended 31 March 2022
<b>Revenue by contract type</b>		
Fixed price	25,135.66	18,655.31
	<u>25,135.66</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 2023	Year ended 31 March 2022
Trade receivables	812.29	661.15
Contract liabilities	363.36	451.67

**(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 2023	Year ended 31 March 2022
Within 1 year	363.36	451.67
More than 3 years	-	-
<b>Closing balance</b>	<u>363.36</u>	<u>451.67</u>

<b>20 Other income</b>		
Interest income based on effective interest rate		
Fixed deposits with banks	1.48	2.60
Rent deposits	7.39	12.59
Interest on income-tax refund	0.80	-
Loan to related parties (refer note 36)	6.22	6.42
Gain on sale of property, plant and equipment (net)	-	4.47
Liabilities no longer required written back	46.64	36.95
Rent concession received	-	14.77
Gain on disposal of right-of-use assets	-	0.78
Other non-operating income	24.92	27.21
Other Support charges	24.75	10.55
Guarantee commission income	9.22	4.50
	<u>121.42</u>	<u>120.84</u>
<b>21 Purchases of stock-in-trade</b>		
New vehicles	15,771.82	12,022.78
Pre-owned vehicles	2,787.88	2,208.26
Spares, lubricants and accessories	1,929.92	1,617.85
	<u>20,489.62</u>	<u>15,848.89</u>
<b>22 Change in inventories of stock-in-trade</b>		
Opening inventory	2,004.64	1,425.34
Closing inventory	1,963.82	2,004.64
	<u>40.82</u>	<u>(579.30)</u>



	Year ended 31 March 2023	Year ended 31 March 2022
<b>23 Employee benefits expense</b>		
Salaries and allowances	1,749.33	1,418.59
Contribution to provident and other fund (refer note 32)	133.81	96.99
Staff welfare expense	115.85	69.17
	<u>1,998.99</u>	<u>1,584.75</u>

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.

<b>24 Finance costs</b>		
Interest on bank borrowings	172.17	146.44
Interest on lease liabilities (refer note 34)	242.44	212.41
Other borrowing costs	17.46	15.76
	<u>432.07</u>	<u>374.61</u>

<b>25 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	182.17	182.60
Amortisation on intangible assets	9.42	10.57
Depreciation on right-of-use asset (refer note 34)	263.72	223.25
	<u>455.31</u>	<u>416.42</u>

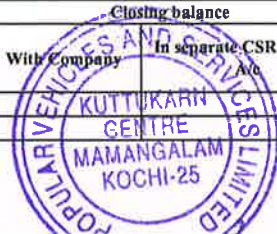
<b>26 Other expenses</b>		
Rent	100.15	83.76
Advertising and sales promotion	159.30	103.71
Consumables	272.70	198.44
Repairs and maintenance:		
Plant and machinery	8.33	6.33
Building	39.97	25.17
Others	85.37	67.44
Power, water and fuel	113.75	80.35
Travelling and conveyance	89.64	53.80
Housekeeping and security and other contract charges	226.38	118.27
Office expenses	77.55	40.06
Communication	38.30	34.82
Refurbishment charges on pre-owned vehicles	36.52	40.90
Loss on sale of property, plant and equipment (net)	16.74	-
Pre-delivery inspection charges	29.19	18.10
Rates and taxes	18.30	9.70
Transportation charges	24.56	16.54
Bank charges	19.17	14.71
Insurance	23.50	30.22
Management fee on pre-owned vehicles	14.04	12.86
Legal and professional	15.05	12.60
Commission	4.23	4.11
Loss on disposal of right-of-use assets	0.27	-
Donation and charity	0.43	0.13
Expenditure on corporate social responsibility ('CSR') (refer note (i) below)	1.31	1.70
Miscellaneous expenses	27.44	19.88
	<u>1,442.19</u>	<u>993.60</u>

**Details of Corporate social responsibility expenditure**

(i) Gross amount required to be spent during the year	1.31	1.70
(ii) Amount approved by the Board to be spent during the year	1.31	1.70
(iii) Amount spent during the year on ;		
Construction/ acquisition of asset	-	-
On purposes other than above	1.31	1.70
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 2023 and 31 March 2022	N.A	N.A
(ix) Nature of CSR activities:		
a) Payment to Prime minister national relief fund	-	-
b) Skill development	1.31	1.70
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 2023	-	-	1.31	1.31	-	-	-
As at 31 March 2022	-	-	1.70	1.70	-	-	-



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

**27 Income taxes**

Income tax assets	As at 31 March 2023	As at 31 March 2022
Income tax liabilities	57.90	38.95
<b>Net income tax assets at the end of the year</b>	<b>57.90</b>	<b>38.95</b>

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

	Year ended 31 Mar 2023	Year ended 31 Mar 2022
Current tax (including MAT)	129.79	60.93
Income tax expense - for earlier years	(0.47)	-
Deferred tax charge	(32.62)	6.50
<b>Tax expenses</b>	<b>96.70</b>	<b>67.43</b>

**(ii) Amount recognised in other comprehensive income**

	Year ended 31 March 2023		Year ended 31 March 2022			
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
(iv) Amount recognised in other comprehensive income						
Remeasurement of the net defined benefit plans	(10.44)	2.63	(7.81)	5.07	(1.28)	3.79
	(10.44)	2.63	(7.81)	5.07	(1.28)	3.79

**(iii) Reconciliation of effective tax rate**

	Year ended 31 March 2023	Year ended 31 March 2022
Profit before income taxes	390.05	137.18
Enacted tax rates in India *	25.17%	25.17%
Tax using the company's statutory tax rate	98.18	34.53
Income at differential rate - long term capital gain	-	0.89
On account of change in tax rate	-	25.26
Other permanent differences	0.44	6.75
Tax expense	97.17	67.43
<b>Effective tax rate</b>	<b>24.91%</b>	<b>49.15%</b>

**Recognised deferred tax assets and (liabilities)**

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

Particulars	Year ended 31 March 2023	As at 31 March 2022
<b>Deferred tax asset</b>		
Allowance for expected credit loss	4.19	5.07
Provision for employee benefits	16.71	14.80
Other timing differences	8.29	5.47
Lease liabilities, impact on account of Ind AS 116	142.10	111.43
<b>Total deferred tax assets (A)</b>	<b>171.29</b>	<b>136.77</b>
<b>Deferred tax liabilities</b>		
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(53.52)	(54.25)
<b>Total deferred tax liability (B)</b>	<b>(53.52)</b>	<b>(54.25)</b>
<b>Deferred tax asset/ (liability) net (A+B)</b>	<b>117.77</b>	<b>82.52</b>

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.





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

**27 Income taxes (continued)**  
**(ii) Movement in temporary differences**

<b>Movement during the year ended 31 March 2023</b>	<b>As at 1 April 2022</b>	<b>Charge/ (credit) in the statement of profit and loss</b>	<b>Charge/ (credit) in other comprehensive Income</b>	<b>As at 31 March 2023</b>
Allowance for expected credit loss	5.07	0.88	-	4.19
Provision for employee benefits	14.80	0.72	(2.63)	16.71
Other timing differences	5.47	(2.82)	-	8.29
Lease liabilities, impact on account of Ind AS 116	111.43	(30.67)	-	142.10
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(54.25)	(0.73)	-	(53.52)
<b>Net deferred tax assets/ (liabilities)</b>	<b>82.52</b>	<b>(32.62)</b>	<b>(2.63)</b>	<b>117.77</b>

<b>Movement during the year ended 31 March 2022</b>	<b>As at 1 April 2021</b>	<b>Charge/ (credit) in the statement of profit and loss</b>	<b>Charge/ (Credit) in other comprehensive Income</b>	<b>As at 31 March 2022</b>
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)
<b>Net deferred tax assets/ (liabilities)</b>	<b>90.30</b>	<b>6.50</b>	<b>1.28</b>	<b>82.52</b>



**28 Contingent liabilities and commitments**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Contingent liabilities</b>		
<i>Claims against the Company not acknowledged as debts</i>		
Service tax related matters	14.58	13.75
KVAT related matters	98.22	98.24
GST related matters	0.42	-
Income tax related matters	24.53	19.87
Employees' state insurance/provident fund demand	7.95	7.95
Customer claims	102.88	86.67
<b>Commitments</b>		
Corporate guarantees	966.20	763.54
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	293.49	93.40

**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 2023	Year ended 31 March 2022
Net profit for the year, attributable to the equity share holders (A)	293.35	69.75

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
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)	23.39	5.56

**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 2023	Year ended 31 March 2022
Statutory audit	2.95	2.30
Other services		
- Expense in relation to initial public offering	1.47	10.68
- Certifications	-	0.24
	4.42	13.22



**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 2023	As at 31 March 2022
Defined benefit liability	208.51	183.71
Plan assets	203.96	180.42
<b>Net defined benefit liability/ (asset)</b>	<b>4.55</b>	<b>3.29</b>
Liability for compensated absences	61.82	52.22
<b>Total employee benefit liability</b>	<b>66.37</b>	<b>55.51</b>
Non-current defined benefit liability	39.31	34.89
Current defined benefit liability	27.06	20.62

**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 2023	Year ended 31 March 2022
<b>Defined benefit obligation as at the beginning of the year</b>	<b>183.71</b>	<b>169.68</b>
Current service cost	23.65	22.47
Past service Cost	-	-
Interest cost	11.91	10.33
Benefits paid	(22.09)	(13.70)
<b>Re-measurements</b>		
Actuarial gain/(loss) recognised in other comprehensive income		
- changes in demographic assumptions		
Actuarial gain/(loss) recognised in other comprehensive income		
- changes in financial assumptions	13.30	(7.40)
- changes in experience over the past period	(1.97)	2.33
<b>Defined benefit obligation as at the end of the year</b>	<b>208.51</b>	<b>183.71</b>

**ii) Reconciliation of present value of plan assets**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Plan assets at the beginning of the year</b>	<b>180.42</b>	<b>181.30</b>
Contributions paid into the plan	32.29	1.13
Benefits paid	(22.09)	(13.70)
Interest income	12.45	11.69
<b>Re-measurements</b>		
Return on plan assets excluding amount included in net interest on the net defined liability/(asset)	0.89	-
<b>Balance at the end of the year</b>	<b>203.96</b>	<b>180.42</b>
<b>Net defined benefit liability/ (asset)</b>	<b>4.55</b>	<b>3.29</b>

**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 2023	Year ended 31 March 2022
Current service cost	23.65	22.47
Past service cost	-	-
Net interest on net defined liability	(0.54)	(1.36)
<b>Net gratuity cost</b>	<b>23.11</b>	<b>21.11</b>



## 32 Employee benefits (continued)

## ii) Reconciliation of present value of plan assets

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Plan assets at the beginning of the year	180.42	181.30
Contributions paid into the plan	32.29	1.13
Benefits paid	(22.09)	(13.70)
Interest income	12.45	11.69
<b>Re-measurements</b>		
Return on plan assets excluding amount included in net interest on the net defined liability/(asset)	0.89	-
- return on plan asset		
<b>Balance at the end of the year</b>	<b>203.96</b>	<b>180.42</b>
<b>Net defined benefit liability</b>	<b>4.55</b>	<b>3.29</b>

## (iii) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial (gain)/ loss on defined benefit obligation	11.33	(5.07)
Loss/ (return) on plan asset excluding interest income	(0.89)	-
<b>Net gratuity (gain)/ cost</b>	<b>10.44</b>	<b>(5.07)</b>

## E Plan Asset

Plan asset comprises of the following:

Particulars	As at 31 March 2023	As at 31 March 2022
Funds managed by Life Insurance Corporation of India	203.96	180.42

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 2023	As at 31 March 2022
Discount rate	7.15%	6.90%
Salary growth rate	7.00%	6.00%
Attrition rate	Up to 35 years: 25% p.a. 35 yrs & above: 3% p.a.	Up to 35 years: 25% p.a. 35 yrs & above: 3% p.a.
Weighted average duration of defined benefit	9 years	9 years

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

Assumptions regarding future mortality experience are set in accordance with the standard table - IALM 2012-14. 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 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(17.61)	20.54	(14.74)	17.17
Future salary growth (1% movement)	20.00	(17.49)	16.90	(14.81)
Attrition rate (1% movement)	(0.10)	0.08	0.79	(0.96)

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 2023

Particulars	Note	Carrying amount		Fair value		
		Financial assets at amortised cost	Mandatorily at FVTPL liabilities at amortised cost	Level 1	Level 2	Total
<b>Financial assets not measured at fair value</b>						
<b>Financial assets</b>						
Cash and cash equivalents	10	43.03	-	-	-	-
Bank balances other than cash and cash equivalents	11	24.99	-	-	-	-
Trade receivables	9	812.29	-	-	-	-
Other financial assets	12	309.42	-	-	-	-
<b>Financial asset measured at fair value</b>						
Investments *	6	-	4.99	-	4.79	4.99
<b>Total</b>		<b>1,189.73</b>	<b>4.99</b>	<b>-</b>	<b>4.79</b>	<b>4.99</b>
<b>Financial liabilities measured at amortised cost</b>						
Trade payables	18	-	-	-	-	-
Borrowings	14	-	-	-	-	-
Lease liabilities	34	-	-	-	-	-
Other financial liabilities	17	-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 31 March 2022

Particulars	Note	Carrying amount		Fair value		
		Financial assets at amortised cost	Mandatorily at FVTPL liabilities at amortised cost	Level 1	Level 2	Total
<b>Financial assets not measured at fair value</b>						
<b>Financial assets</b>						
Cash and cash equivalents	10	50.00	-	-	-	-
Bank balances other than cash and cash equivalents	11	1.84	-	-	-	-
Trade receivables	9	661.15	-	-	-	-
Other financial assets	12	319.25	-	-	-	-
<b>Financial asset measured at fair value</b>						
Investments *	6	-	0.83	0.63	0.20	0.83
<b>Total</b>		<b>1,032.24</b>	<b>0.83</b>	<b>0.63</b>	<b>0.20</b>	<b>0.83</b>
<b>Financial liabilities measured at amortised cost</b>						
Trade payables	18	-	-	-	-	-
Borrowings	14	-	-	-	-	-
Lease liabilities	34	-	-	-	-	-
Other financial liabilities	15	-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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 2 fair values

Investment in mutual funds- is unquoted price and are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3 fair values

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

The quantitative sensitivity analysis of level 3 fair value of financial instrument as at 31 March 2023 and 31 March 2022 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 812.29 million (31 March 2022: INR 661.15 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 2023	As at 31 March 2022
Balance at the beginning of the year	20.16	26.96
Provision created during the year	(11.55)	(4.26)
Impairment loss recognised/ (reversed)	8.03	(2.54)
Balance at the end of the year	16.64	20.16

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 2023	As at 31 March 2022
Not due	-	-
Less than 6 months	1.20%	1.79%
6 months - 1 year	11.97%	19.92%
More than 1 year	100.00%	80.87%

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 2023

Particulars	Payable within 1 year	More than 1 year	Total
Trade payables	397.30	-	397.30
Borrowings	1,831.85	591.09	2,422.94
Lease liabilities	169.11	2,490.17	2,659.28
Other financial liabilities	197.05	-	197.05

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2022:

Particulars	Payable within 1 year	More than 1 year	Total
Trade payables	500.39	-	500.39
Borrowings	1,550.04	602.69	2,152.73
Lease liabilities	123.92	2,542.36	2,666.28
Other financial liabilities	141.77	-	141.77

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 2023 and 31 March 2022.

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 2023	As at 31 March 2022
Variable rate long term borrowings including current maturities	696.58	627.72

Sensitivity

Particulars	Impact on profit or (loss)	
	As at 31 March 2023	As at 31 March 2022
1% increase in variable rate	(6.97)	(6.28)
1% decrease in variable rate	6.97	6.28

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 2023 and 31 March 2022:

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at 1 April	2,666.28	1,799.24
Additions	142.77	969.46
Finance cost accrued during the period	242.44	212.41
Derecognition of lease liability during the year	(8.08)	(1.53)
Remeasurement on account of modification	-	20.91
Rent concession received *	-	(14.77)
Payment of lease liabilities	(384.13)	(319.44)
<b>Balance as at 31 March 2023</b>	<b>2,659.28</b>	<b>2,666.28</b>
Non-current lease liabilities	2,490.17	2,542.36
Current lease liabilities	169.11	123.92

\* 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 2023	As at 31 March 2022
Less than one year	386.09	325.91
One to five years	1,460.79	1,377.66
More than five years	3,185.05	3,477.30
<b>Total undiscounted lease liabilities</b>	<b>5,031.93</b>	<b>5,180.87</b>

#### (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 2023	As at 31 March 2022
Balance at 1 April	2,223.56	1,403.63
Addition to right-of-use assets	142.77	1,023.03
Disposal	(7.90)	(0.76)
Rent modification	-	20.91
Depreciation for the year	(263.72)	(223.25)
<b>Balance at 31 March</b>	<b>2,094.71</b>	<b>2,223.56</b>

#### (iv) Amounts recognised in statement of profit or loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities	242.44	212.41
Depreciation on right-of-use assets	263.72	223.25

#### (v) Amounts recognised in statement of cash flows

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Total cash outflow for leases	(384.13)	(319.44)

#### (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.100.15 million (31 March 2022:Rs 83.76 million). These arrangements do not qualify as a lease as per the requirements of Ind AS 116.

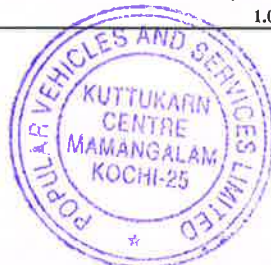
#### (b) Operating lease as a lessor

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 2.96 million(31 March 2022: Rs 2.77 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 2023	As at 31 March 2022
<b>Total equity attributable to the equity shareholders of the Company (A)</b>	<b>2,326.31</b>	<b>2,040.77</b>
Long-term borrowings	591.09	602.69
Short-term borrowings	1,831.85	1,550.04
<b>Total borrowings</b>	<b>2,422.94</b>	<b>2,152.73</b>
Less: cash and cash equivalents	43.03	50.00
<b>Adjusted net debt (B)</b>	<b>2,379.91</b>	<b>2,102.73</b>
<b>Adjusted net debt to total equity ratio (B/A)</b>	<b>1.02</b>	<b>1.03</b>



## 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)  
 Keracon Equipments Private Limited, India (w.e.f 1 February 2023)  
 Prabal Motors Private Limited, India (w.e.f 1 February 2023)

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

- Key management personnel and their relatives (KMP)

Mr. Naveen Philip, Managing Director (w.e.f 14 June 2022)  
 Mr. Francis K Paul, Whole Time Director  
 Mr. John K Paul, Whole Time Director  
 Mr. Jacob Kurian, Director  
 Mrs. Preeti Reddy, Director  
 Mr. George Joseph, Director  
 Mr. Rahul Kurup, Nominee Director (till 27 Sep 2022)  
 Mr. Abhishek Giridharilal Poddar (w.e.f 27 Sep 2022)  
 Mr. John Verghese, Chief Financial Officer  
 Mr. Raj Narayan, Chief Executive Officer (w.e.f 10 October 2022)  
 Mr. Varun Thazhathu Veedu, Company Secretary

- Entities in which KMP has significant influence

Kuttukaran Homes LLP, India  
 Kuttukaran Institute for Human Resource Development, India  
 Kuttukaran Trading Ventures, India

## II. Related party transactions:

(a) The Company has entered into the following transactions with related parties during the year ended 31 March 2023 and 31 March 2022

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Revenue from operations</b>		
Popular Auto Dealers Private Limited	5.21	4.70
Popular Mega Motors (India) Private Limited	2.13	1.42
Prabal Motors Private Limited	0.59	1.90
Vision Motors Private Limited	-	-
Popular Autoworks Private Limited	0.01	0.07
Kuttukaran Institute for Human Resource Development	0.03	-
<b>Lease Rental</b>		
Francis K Paul	2.44	2.35
John K Paul	0.92	0.79
Popular Mega Motors (India) Private Limited	0.12	0.12
Kuttukaran Homes LLP	17.25	16.68
Vision Motors Private Limited	0.12	0.23
Kuttukaran Trading Ventures	12.31	11.76
<b>Guarantee commission received</b>		
Popular Autodealers Private Limited	1.25	0.62
Popular Mega Motors (India) Private Limited	7.62	3.31
Popular Autoworks Private Limited	0.07	-
Vision Motors Private Limited	0.29	0.58
<b>Income from rent</b>		
Popular Auto Dealers Private Limited	2.44	2.31
Popular Mega Motors (India) Private Limited	0.48	0.46
<b>Intercompany loan repaid by subsidiaries</b>		
Popular Autoworks Private Limited	8.18	29.02
Kuttukaran Cars Private Limited	4.00	-
<b>Intercompany loan given</b>		
Kuttukaran Cars Private Limited	8.50	15.00
<b>Interest on loan to related parties</b>		
Popular Autoworks Private Limited	4.67	6.42
Kuttukaran Cars Private Limited	1.55	-
<b>Purchase of assets</b>		
Popular Mega Motors (India) Private Limited	0.70	3.65
<b>Investment</b>		
Keracon Equipments Private Limited - Equity shares	301.46	-
Kuttukaran Green Private Limited - Equity Shares	0.10	-
Kuttukaran Green Private Limited - Preference Shares	15.00	-
<b>Purchase of vehicles/accessories and spares</b>		
Popular Auto Dealers Private Limited	152.33	114.30
Vision Motors Private Limited	35.03	25.31
Popular Autoworks Private Limited	0.39	-
<b>Expense met by the Company</b>		
Popular Auto Dealers Private Limited	0.02	0.20
Popular Autoworks Private Limited	0.18	0.12
Popular Mega Motors (India) Private Limited	0.10	0.03
Kuttukaran Trading Ventures	0.25	0.14
Prabal Motors Private Limited	0.14	-

## 36 Related parties (continued)

## II. Related party transactions (continued)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Expense met on behalf of the Company</b>		
Kuttukaran Institute for Human Resource Development	0.19	0.08
Popular Auto Dealers Private Limited	3.00	0.63
Popular Autoworks Private Limited	4.21	1.07
Popular Mega Motors (India) Private Limited	3.42	4.76
Kuttukaran Cars Private Limited	0.08	0.02
Kuttukaran Green Private Limited	0.25	-
Prabal Motors Private Limited	3.01	1.46
Vision Motors Private Limited	6.89	2.23
Kuttukaran Homes LLP	0.17	0.24
Kuttukaran Trading Ventures	0.49	0.35
<b>Repairs and maintenance</b>		
Popular Auto Dealers Private Limited	0.52	0.05
Vision Motors Private Limited	0.12	0.03
Popular Mega Motors (India) Private Limited	0.63	0.54
Kuttukaran Trading Ventures	0.79	0.72
<b>Sale of assets</b>		
Popular Mega Motors (India) Private Limited	-	-
Popular Autoworks Private Limited	-	-
Prabal Motors Private Limited	-	0.08
<b>Remuneration (Key Management Personnel)*</b>		
Francis K Paul	10.75	7.38
John K Paul	8.78	7.38
John Verghese	7.02	6.27
Philip Chacko Mundanilkunnathil	-	10.00
Varun Thazhathu Veedu	2.72	2.38
Raj Narayan	5.60	-
<b>Sitting fees to independent directors</b>	4.00	3.38
<b>Commission and incentive</b>		
Francis K Paul	3.00	1.50
John K Paul	3.00	1.50
Others	3.90	1.10

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

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Loans to related parties</b>		
Popular Autoworks Private Limited	38.70	46.88
Kuttukaran Cars Private Limited	19.50	15.00
<b>Trade receivables</b>		
Kuttukaran Institute for Human Resource Development	0.19	-
Popular Auto Dealers Private Limited	1.46	0.71
Popular Autoworks Private Limited	0.43	0.10
Popular Mega Motors (India) Private Limited	2.24	1.21
Prabal Motors Private Limited	1.15	0.12
Kuttukaran Cars Private Limited	0.08	-
Vision Motors Private Limited	0.81	0.22
<b>Commission and incentive payable</b>		
Francis K Paul	3.00	1.50
John K Paul	3.00	1.50
Others	3.90	1.10
<b>Dues to creditors for expenses and others</b>		
Popular Auto Dealers Private Limited	(11.92)	(14.37)
Kuttukaran Homes LLP	(1.06)	(1.55)
Popular Mega Motors (India) Private Limited	(0.03)	(0.01)
Vision Motors Private Limited	(0.60)	(1.91)
Kuttukaran Trading ventures	(0.34)	(0.45)
<b>Rent deposit payable</b>		
Popular Auto Dealers Private Limited	(0.20)	(0.20)
<b>Corporate guarantees</b>		
Popular Auto Dealers Private Limited	134.58	101.59
Popular Mega Motors (India) Private Limited	743.51	648.21
Popular Autoworks Private Limited	36.96	-
Vision Motors Private Limited	51.15	13.74

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





**37 Assets classified as held for sale**

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. As the disbursement of land acquisition award amount was being delayed indefinitely, PVSL filed Writ Petition, WP 4830/2022, before the Hon'ble High Court of Kerala and obtained an order dated 21 February 2023 with a direction to the Tahsildar to consider the documents submitted by Company and complete the proceedings for disbursement of award amount within 2 months. It is also directed to release the amount directly to the ICICI bank loan account of the Company. The Company has received an amount of Rs. 31.47 million, subsequent to the balance sheet date, on 1 June 2023.

**38 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.

**38 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.

**39 Ratios as per the Schedule III requirements \***

**a) Current Ratio = Current Assets divided by Current Liabilities**

Particulars	As at 31 March 2023	As at 31 March 2022
Current assets	3,133.99	3,141.72
Current liabilities	3,086.67	2,906.44
<b>Ratio</b>	<b>1.02</b>	<b>1.08</b>
% Change from previous year	-5.56%	-9.24%

**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 2023	As at 31 March 2022
Current borrowings [a]	1,831.85	1,550.04
Non current borrowings [b]	591.09	602.69
<b>Total debt</b>	<b>2,422.94</b>	<b>2,152.73</b>
<b>Total equity</b>	<b>2,326.31</b>	<b>2,040.77</b>
<b>Ratio</b>	<b>1.04</b>	<b>1.05</b>
% Change from previous year	-0.95%	3.96%

**c) Debt Service Coverage Ratio = Earnings available to service debt divided by total interest and borrowings**

Particulars	As at 31 March 2023	As at 31 March 2022
Profit before tax	390.05	137.18
Finance cost	432.07	374.61
Depreciation and amortisation	455.31	416.42
<b>Earnings available to service debt</b>	<b>1,277.43</b>	<b>928.21</b>
Interest cost	432.07	374.61
Non-current borrowings	591.09	602.69
Current borrowings	1,831.85	1,550.04
<b>Debt service coverage ratio</b>	<b>0.45</b>	<b>0.37</b>
% Change from previous year end	21.62%	-9.76%

**d) Return on Equity/Return on Investment = Net profit after tax divided by Equity**

Particulars	As at 31 March 2023	As at 31 March 2022
Net profit after tax	293.35	69.75
Total equity	2,326.31	2,040.77
<b>Ratio</b>	<b>12.61%</b>	<b>3.42%</b>
% Change from previous year	268.7%	-57.6%

As compared to last year, revenue from operations, including service income has increased by 35% in the current year, which has reflected in to higher profitability for the year.





39 Ratios as per the Schedule III requirements \* (continued)

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

Particulars	As at 31 March 2023	As at 31 March 2022
Net Profit after tax	293.35	69.75
Sales	25,135.66	18,655.31
<b>Ratio</b>	<b>1.17%</b>	<b>0.37%</b>
% Change from previous year	216.22%	-60.64%

As compared to last year, revenue from operations, including service income has increased by 35% in the current year, which has reflected in to higher profitability for the year.

f) Inventory Turnover Ratio = Cost of materials consumed divided by closing inventory

Particulars	As at 31 March 2023	As at 31 March 2022
Purchase of stock in trade [a]	20,489.62	15,848.89
Changes in inventories of stock-in-trade [b]	40.82	(579.30)
Cost of material consumed [a]+[b]	20,530.44	15,269.59
Closing inventory	1,963.82	2,004.64
<b>Ratio</b>	<b>10.45</b>	<b>7.62</b>
% Change from previous year	37.1%	-22.5%

As compared to last year, inventory turnover ratio increased mainly due to revenue growth in current year and last year the Company is not fully operational due to COVID impact.

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 2023	As at 31 March 2022
Revenue from operations and other income	25,257.08	18,776.15
Current asset [a]	3,133.99	3,141.72
Current liability (Net) * [b]	1,254.82	1,356.40
Net working capital [a]-[b]	1,879.17	1,785.32
<b>Ratio</b>	<b>13.44</b>	<b>10.52</b>
% Change from previous year	27.8%	118.0%

\* Current liability excluding short term borrowings

Current Year ratio increased due to mainly 35% revenue growth and optimal utilisation of working capital in terms of inventory and debtors.

h) Trade Receivable Turnover Ratio = Revenue from operations divided by trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Revenue from operations	25,135.66	18,655.31
Trade receivable	812.29	661.15
<b>Trade receivable turnover ratio</b>	<b>30.94</b>	<b>28.22</b>
% Change from previous year end	9.6%	43.3%

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

Particulars	As at 31 March 2023	As at 31 March 2022
Profit before tax	390.05	137.18
Finance cost	432.07	374.61
Earnings before interest and tax	822.12	511.79
Total equity[a]	2,326.31	2,040.77
Total borrowings[b]	2,422.94	2,152.73
<b>Capital employed [a]+[b]</b>	<b>4,749.25</b>	<b>4,193.50</b>
<b>Ratio</b>	<b>0.17</b>	<b>0.12</b>
% Change from previous year	41.7%	-14.3%

Current Year ratio increased mainly due to the increase in profitability ratio which is the reflection of revenue growth and optimal utilisation of internal accruals & better working capital management

j) Trade Payable Turnover Ratio = Purchases divided by closing trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Purchase of stock in trade	20,489.62	15,848.89
Trade payable	397.30	500.39
<b>Trade payable turnover ratio</b>	<b>51.57</b>	<b>31.67</b>
% Change from previous year end	62.8%	-19.1%

Current Year ratio increased mainly due the decrease in overall trade payable by 21% in order to better working capital management with internal accruals and less cash & bank balance at the end of current year



- 40 Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act, 2013
- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
  - ii) The Company does not have any transactions with companies struck off.
  - iii) The Company has not revalued its property, plant and equipment, right-of-use assets or intangible assets or both during the current or previous year.
  - iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
  - v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
  - vi) None of the entities in The Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
  - viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- 41 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  
20 June 2023

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



**Naveen Philip**  
Managing Director  
DIN: 00018827



**Francis K Paul**  
Whole Time Director  
DIN: 00018825



**John Verghese**  
Chief Financial Officer



**Raj Narayan**  
Chief Executive Officer



**Varun T V**  
Company Secretary  
Membership no. 22044

Kochi  
20 June 2023