

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Popular Vehicles and Services Limited
Kuttukaran Centre,
Mamangalam,
Cochin 682 025

Dear Sirs,

1. We B S R & Associates LLP, Chartered Accountants ("we" or "us" or "B S R") have examined the attached restated consolidated financial information of Popular Vehicles and Services Limited (the "Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), comprising the restated consolidated balance sheet as at 30 September 2023, 31 March 2023, 31 March 2022 and 31 March 2021, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows for the six months period ended 30 September 2023 and years ended 31 March 2023, 31 March 2022 and 31 March 2021, the summary statement of significant accounting policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 05 February 2024 for the purpose of inclusion in the Red Herring Prospectus ("RHP") and the Prospectus (collectively referred to as "Offer Documents") prepared by the Company in connection with its proposed initial public offer of equity shares ("IPO") prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, the relevant stock exchanges where the equity shares of the Company are proposed to be listed and Registrar of Companies, Kerala, situated at Ernakulam in connection with the IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2.1 of Annexure V to the Restated Consolidated Financial Information.

The responsibility of respective Board of Directors of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

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3. We have examined such Restated Consolidated Financial Information taking into consideration:
- The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 16 January 2024 in connection with the proposed IPO of equity shares of the Issuer;
 - The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
 - The requirements of Section 26 of the Act, the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the Company's management from:
- the audited special purpose consolidated interim financial statements of the Group as at and for the six months period ended 30 September 2023 prepared in accordance with the Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the "interim consolidated financial statements"), which have been approved by the Board of Directors at their meeting held on 05 February 2024.
 - the audited consolidated financial statements of the Group as at and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the "consolidated financial statements"), which have been approved by the Board of Directors at their meeting held on 20 June 2023, 14 June 2022 and 1 July 2021 respectively.
5. For the purpose of our examination, we have relied on:
- Auditor's report issued by us dated 05 February 2024 on the interim consolidated financial statements of the Group as at and for the six months period ended 30 September 2024 as referred in Paragraph 4 (i) above.

The auditor's report on the Special Purpose Consolidated Interim Financial Statement of the Group as at and for the six months ended 30 September 2023 included the following Emphasis of Matter paragraph (as referred in Annexure VII of the Restated Consolidated Financial Information):

Emphasis of matter:

We draw attention to Note 2.1 to the special purpose consolidated interim financial statements, which describes the basis of accounting. The special purpose consolidated interim financial statements have been prepared by the Company for the purpose of preparation of Restated Consolidated Financial Statements, which will be included in the RHP and Prospectus in connection with the proposed initial public offer of equity shares ("IPO") of the Company. Accordingly, the special purpose consolidated interim financial statement may not be suitable for any other purpose.

Our opinion on the special purpose interim financial statements is not modified in respect of this matter.

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- b. Auditors' reports issued by us dated 20 June 2023, 14 June 2022 and 1 July 2021 respectively on the consolidated financial statements of the Group as at and for the six months period ended 30 September 2023 and years ended 31 March 2023, 31 March 2022 and 31 March 2021 respectively as referred in Paragraph 4 (ii) above.

The auditor's report on the consolidated financial statements of the Group as at and for the year ended 31 March 2021 included the following Emphasis of Matter paragraph (as referred in Annexure VII of the Restated Consolidated Financial Information):

Emphasis of Matter:

“As more fully described in Note 39 to the audited consolidated financial statements, the extent to which the COVID-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.”

6. As indicated in our audit reports referred in paragraph 5 above:

We did not audit the financial statements of seven subsidiaries included in the Group as of and for the six months period ended 30 September 2023, eight subsidiaries included in the Group as of and for year ended 31 March 2023, six subsidiaries included in the Group as of and for the year ended 31 March 2022 and seven subsidiaries included in the Group as of and for the year ended 31 March 2021 whose share of total assets, total revenues and net cash inflows / (outflows), before consolidation adjustments, included in the consolidated financial statements, for the relevant period/ years is tabulated below, which have been audited by other auditors as mentioned in Appendix I, and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

(Rs in million)

Particulars	As at/ for the six months period ended 30 September 2023	As at/ for the year ended 31 March 2023	As at/ for the year ended 31 March 2022	As at/ for the year ended 31 March 2021
Total assets	7,185.52	7,557.54	5,342.74	5,087.29
Total revenue	11,959.42	22,558.79	16,190.07	12,163.43
Net cash inflows / (outflows)	48.70	20.61	(65.66)	(36.45)

Our opinion on the consolidated financial statements is not modified in respect of the matters above.

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These other auditors of the subsidiaries, as mentioned in Appendix II, have examined the restated standalone financial information of respective entities included in the Restated Consolidated Financial Information for the respective period / years and have confirmed that the restated standalone financial information of respective entities:

- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2023, 31 March 2022 and 31 March 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended 30 September 2023;
 - b) does not contain any qualifications requiring adjustments. Moreover, those qualifications in the Companies (Auditor's Report) Order, 2020 and 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VII to the Restated Consolidated Financial Information; and
 - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the other auditors for the respective subsidiaries, we report that the Restated Consolidated Financial Information:
- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2023, 31 March 2022 and 31 March 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended 30 September 2023;
 - b) does not contain any qualifications requiring adjustments to the Restated Consolidated Financial Information. Moreover, those qualifications in the Companies (Auditor's Report) Order, 2020 and 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VII to the Restated Consolidated Financial Information; and
 - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. We have not audited any financial statements of the Group as of any date or for any period subsequent to 30 September 2023. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as of any date or for any period subsequent to 30 September 2023.
9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 4 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

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12. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India and the stock exchanges where the equity shares of the company are proposed to be listed and the Registrar of Companies, Kerala, in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

for B S R & Associates LLP

Chartered Accountants

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



Baby Paul

Partner

Membership No. : 218255

ICAI Unique Document Identification Number : 24218255BKFWFD3010

5 February 2024

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B S R & Associates LLP

Appendix I

i) List of subsidiaries of Popular Vehicles and Services Limited

Si. No	Name of the entity	Relationship	Country of Incorporation
1	Popular Mega Motors (India) Private Limited	Subsidiary	India
2	Popular Auto Dealers Private Limited	Subsidiary	India
3	Popular Auto Works Private Limited	Subsidiary	India
4	Kuttukaran Cars Private Limited	Subsidiary	India
5	Keracon Equipments Private Limited (w.e.f. 1 February 2023)	Subsidiary	India
6	Avita Insurance Broking LLP (till 29 October 2021)	Subsidiary	India
7	Kuttukaran Green Private Limited	Subsidiary	India
8	Vision Motors Private Limited	Step-down subsidiary	India
9	Prabal Motors Private Limited (w.e.f. 1 February 2023)	Step-down subsidiary	India

ii) Details of entities for the period / years not audited by us and name of the auditor for the respective period / year

Name of the entity	Name of Auditors	Year/ period of their Audit
Popular Mega Motors (India) Private Limited	P S D Y and Associates	31 March 2023 31 March 2022 31 March 2021
Popular Mega Motors (India) Private Limited	R G N Price & Co	30 September 2023
Popular Auto Dealers Private Limited	A.S Narayanamoorthy *	30 September 2023 31 March 2023 31 March 2022 31 March 2021
Popular Auto Works Private Limited	A.S Narayanamoorthy *	30 September 2023 31 March 2023 31 March 2022 31 March 2021
Kuttukaran Cars Private Limited	R G N Price & Co	30 September 2023 31 March 2023 31 March 2022 31 March 2021
Vision Motors Private Limited	P S D Y and Associates	31 March 2023 31 March 2022 31 March 2021
Vision Motors Private Limited	R G N Price & Co	30 September 2023

Appendix I

i) Details of entities for the period / years not audited by us and name of the auditor for the respective period / year (continued)

Name of the entity	Name of Auditors	Year/ period of their Audit
Avita Insurance Broking LLP	R G N Price & Co	31 March 2021
Keracon Equipments Private Limited	R G N Price & Co	30 September 2023 31 March 2023
Prabal Motors Private Limited	R G N Price & Co	31 March 2023
Kuttukaran Green Private Limited	R G N Price & Co	30 September 2023 31 March 2023 31 March 2022 31 March 2021

* As informed to us by the management, the auditor does not hold a valid peer review certificate as issued by the 'Peer Review Board' of the Institute of Chartered Accountants of India'.

Appendix II

ii) Details of subsidiaries where the examination report is issued by other auditors and relied by us

Name of the entity	Name of Auditors
Popular Mega Motors (India) Private Limited	R G N Price & Co
Popular Auto Dealers Private Limited	R G N Price & Co
Popular Auto Works Private Limited	R G N Price & Co
Kuttukaran Cars Private Limited	R G N Price & Co
Vision Motors Private Limited	R G N Price & Co
Prabal Motors Private Limited <i>(for the financial year ended 31 March 2023)</i>	R G N Price & Co
Keracon Equipments Private Limited	R G N Price & Co
Kuttukaran Green Private Limited	R G N Price & Co