Popular Vehicles And Services Limited

Annual Report 2022-23

Kuttukaran
journeys with you

Journeys with *You*

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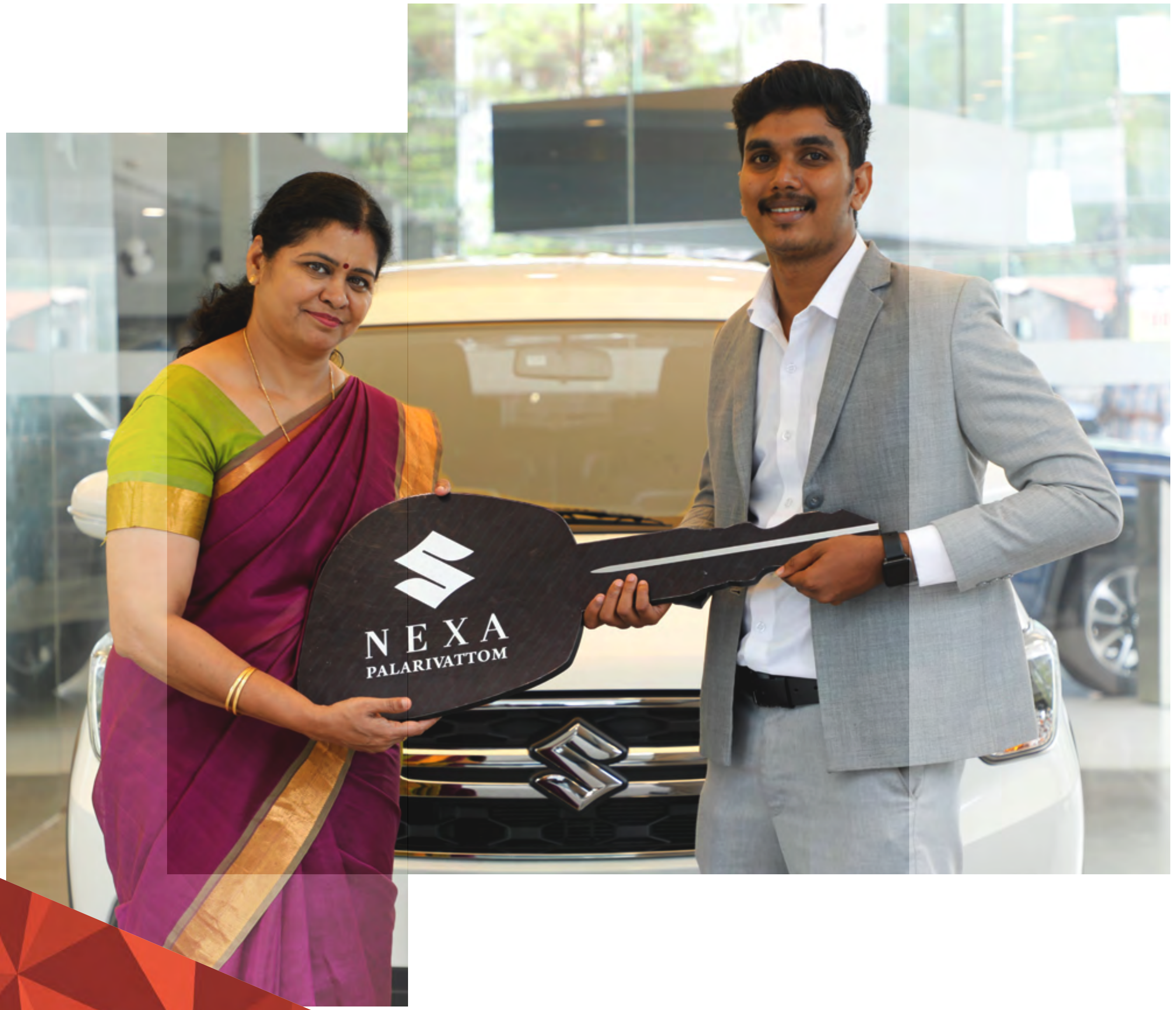


What makes us the trusted partner of many iconic automotive marques, such as

Maruti Suzuki, Honda Cars, Jaguar Land Rover, Tata Motors (CV), Bharat Benz, Ather and Piaggio?

MARUTI SUZUKI

HONDA
The Power of Dreams

JLR

TATA MOTORS
Connecting Aspirations

BHARATBENZ

ATHER

PIAGGIO

It is our 'Journeys with *You*' Philosophy!

A journey, similar to mobility, is more than just movement.

It symbolises opportunity, autonomy and independence, and serves as the bedrock of innovation, acceleration, transformation and change.

It is truly hope for a better future.

At Popular Vehicles And Services Limited (PVSL), our enduring success in a competitive landscape distills down to our ability to meet the varied expectations of our diverse stakeholders.

This explains why, since our humble beginnings as a sole Maruti Suzuki franchise in 1984, we have evolved into a thriving multi-location automobile dealership for global brands with a strong presence in Kerala and beyond, and across the automobile spectrum, including passenger vehicles, commercial vehicles, electric three-wheelers and electric two-wheelers.

We have also successfully established a significant presence in the pre-owned passenger vehicle market with Maruti True Value and other automobile brands, and in the vehicle spares and services sector.

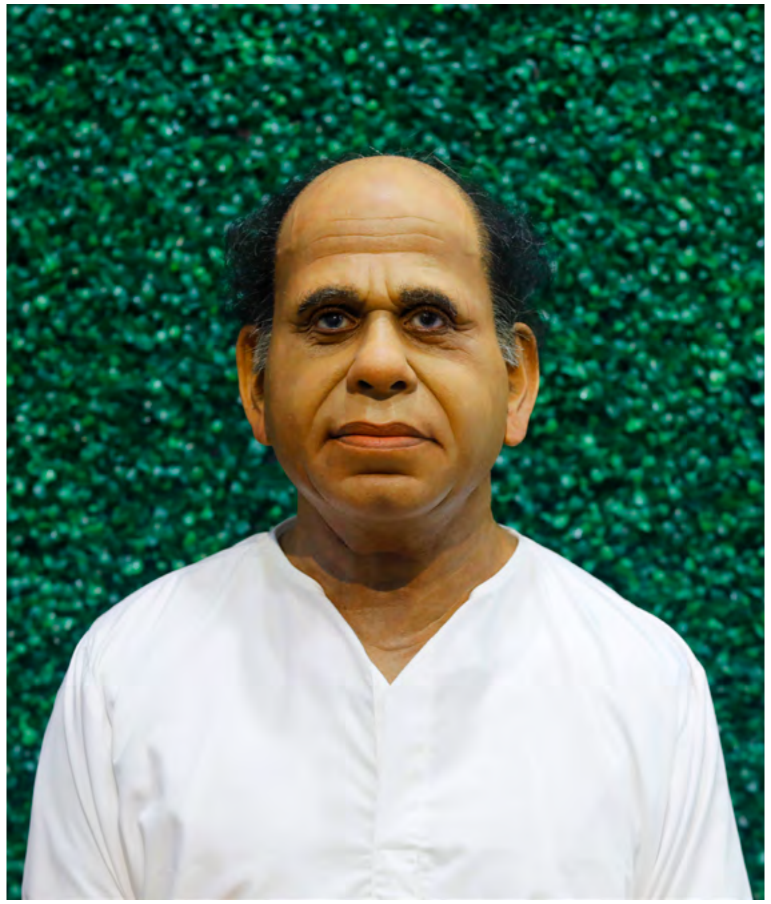
The automotive industry embodies mobility at scale like no other industry, and at PVSL we are proud to be a pioneering value chain partner in accelerating transformation and journeying with all!

Our automotive value chain

- New passenger vehicles
- New commercial vehicles
- Electric vehicles
- Pre-owned vehicles
- Services and repairs
- Spare parts distribution
- 3rd party financial and insurance products
- Driving school

Brand story of PVSL

Leading dealership for renowned OEMs with a diversified and fully integrated business model.



Our Legacy

PVSL is a part of the diversified Kuttukaran Group that has a rich legacy of over 70 years. Established by its intrepid founder, Mr. K.P. Paul, the group today has a presence in the high-growth segments of automobile dealership and spare parts, education and trading. The Group's empowerment initiatives under Kuttukaran Foundation ensure citizenship action for grassroot communities.

STRATEGIC REVIEW

Our Vision

Kuttukaran will be the world's most admired corporate by progressively delivering greater value through entrepreneurship within.

Our DNA

We are:

- An intrepid fellow traveller
- A trusted companion
- A friendly steward
- A knowledgeable navigator
- An inclusive guide

Entrepreneurship

When you find a worthy opportunity, seize it. It is this entrepreneurial spirit of our founder that drives Kuttukaran's growth and diversification, united by our passion for business, innovation and efficiency. We are ***intrepid fellow travellers,*** journeying with our customers and clients as they explore new routes and destinations, in business and life.

Honesty & Trust

We are honest about what we do and are ethical in business. Transparency in operations and intentions follow automatically. A ***trusted companion*** to our customers and clients, we are by their side on the road, always ready with the toolbox.

Customer-focus

Our commitment to quality in products and services comes from our commitment to our customer. Approachable and helpful, we are like a ***friendly steward,*** ready to go that extra mile to make every customer experience a happy one.

Knowledge & Expertise

We know our cars, our business and our land like the back of our hand. Like a ***knowledgeable navigator,*** we have the expertise and the enthusiasm to share it. We support the continuous development and training of our team to improve the Kuttukaran experience for our customers, clients and associates.

Respect for People

While ours is a very structured organisation, we value our people at every level. Kuttukaran is an equal opportunity employer that celebrates diversity. As an ***inclusive guide,*** we treat our employees, associates and partners with respect, keeping open channels of communication and a friendly work atmosphere.

Our Geographic Imprint

State	PV/CV showroom	Service centre	Sales kiosk/ booking office	Preowned PVs showrooms/ sales outlets
Kerala	42	97	111	28
Tamil Nadu	14	23	10	2
Karnataka	2	3	1	-
Maharashtra	1	7	1	-

Spare parts distribution in Kerala and Karnataka

38

Retail Outlets

30

Warehouses

PVSL is #2

Maruti Suzuki True Value dealer in India

PMML is #1

Tata Motors (Commercial) dealer in Kerala

(Popular Mega Motors (India) Pvt Ltd)

Welcome to our world

Popular Vehicles and Services Limited (PVSL)
(Maruti Suzuki dealership) (KL & TN operations)

(FLAGSHIP COMPANY)

6,407	25,136
Employee	Revenue in FY23 (In ₹ Million)

Popular Mega Motors (India) Private Limited
(Operations in KL & TN)
(TATA CV)
1,719 Employee | 14,450 Revenue in FY23 (In ₹ Million)

Popular Auto Dealers Private Limited
(Operations in KL & KA)
(SPARES)
334 Employee | 2,534 Revenue in FY23 (In ₹ Million)

Popular Auto Works Private Limited
(Operations in KA)
(JLR DEALERSHIP)
138 Employee | 1,824 Revenue in FY23 (In ₹ Million)

Kuttukaran Cars Private Limited
(Operations in KL & TN)
(ATHER DEALERSHIP)
85 Employee | 400 Revenue in FY23 (In ₹ Million)

Kuttukaran Green Private Limited
(Operations in KL)
(PIAGGIO DEALERSHIP)
60 Employee | 159 Revenue in FY23 (In ₹ Million)

Keracon Equipments Private Limited
(NON-OPERATIVE)

Prabal Motors Private Limited
(Operations in TN & MH)
(BHARAT BENZ)
327 Employee | 3,893 Revenue in FY23 (In ₹ Million)

Vision Motors Private Limited
(Operations in KL)
(HONDA DEALERSHIP)
664 Employee | 3,230 Revenue in FY23 (In ₹ Million)

KEY
- Direct subsidiary of PVSL
- Step-down subsidiary of PVSL

30,948
Maruti vehicles sold in FY23

Top-5
PVSL is amongst the top-5 dealerships of Maruti Suzuki India (by volume)!

1,50,511
PVSL has sold 1,50,511 new vehicles in the past 5 years!

6,89,514
Maruti vehicles serviced in FY23

Top
PVSL is the no. 1 in service for Maruti Suzuki India (by volume)!

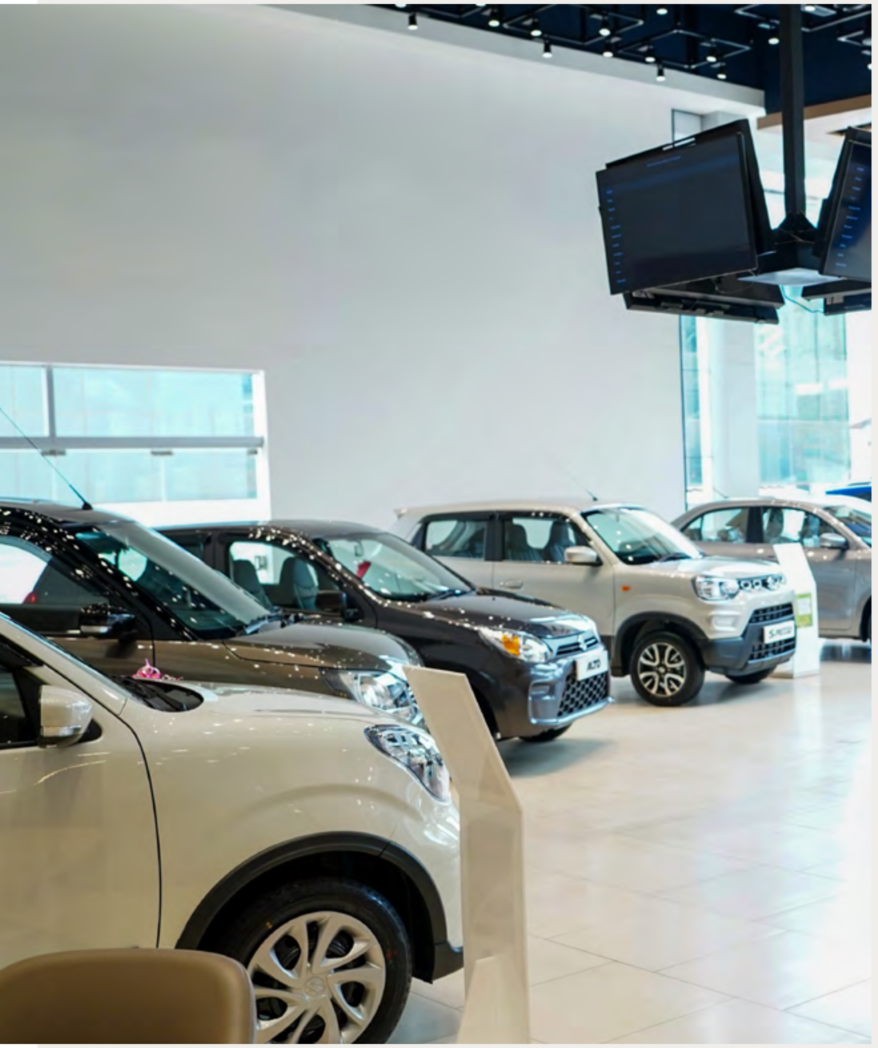
50,338
PVSL has sold 50,338 pre-owned Maruti Suzuki vehicles in the past 5 years!

First
PVSL was Maruti Suzuki's first dealership in Kerala and also amongst the first in India!

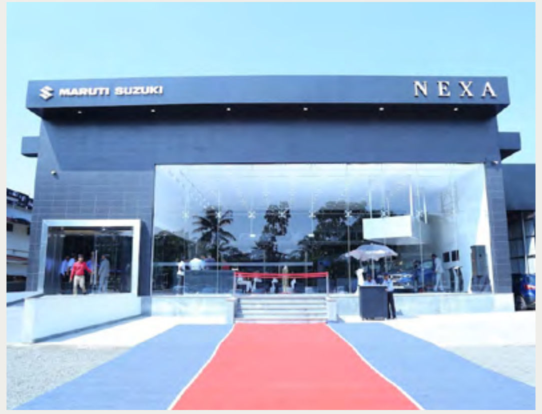
Second
PVSL is among the top-2 Maruti True Value dealership in India (by volume)!

28,65,820
PVSL has serviced 28,65,820 vehicles in the past 5 years!

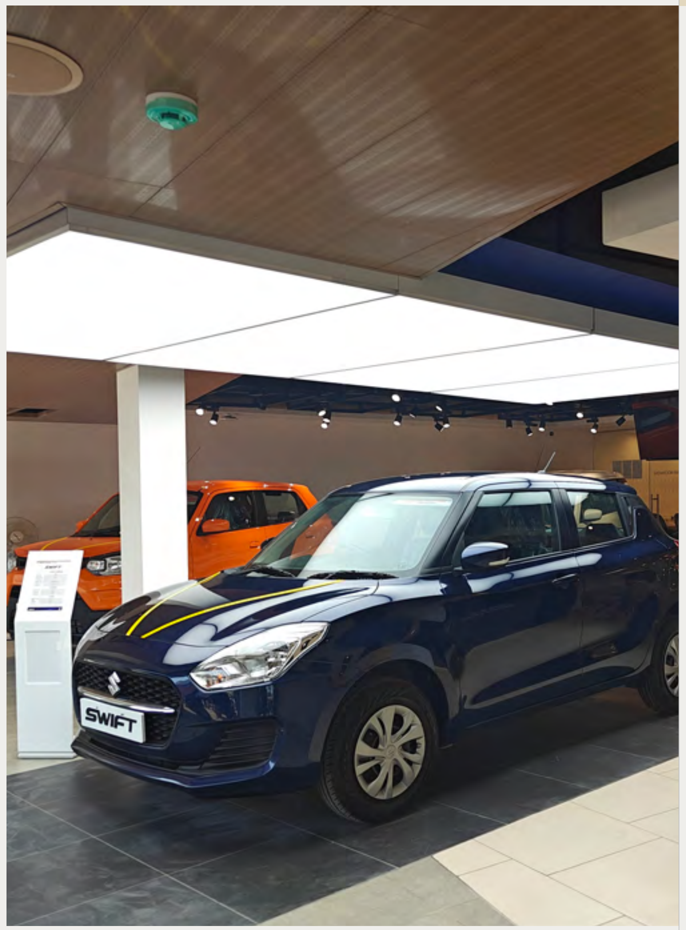
Maruti Suzuki vehicles at our showroom

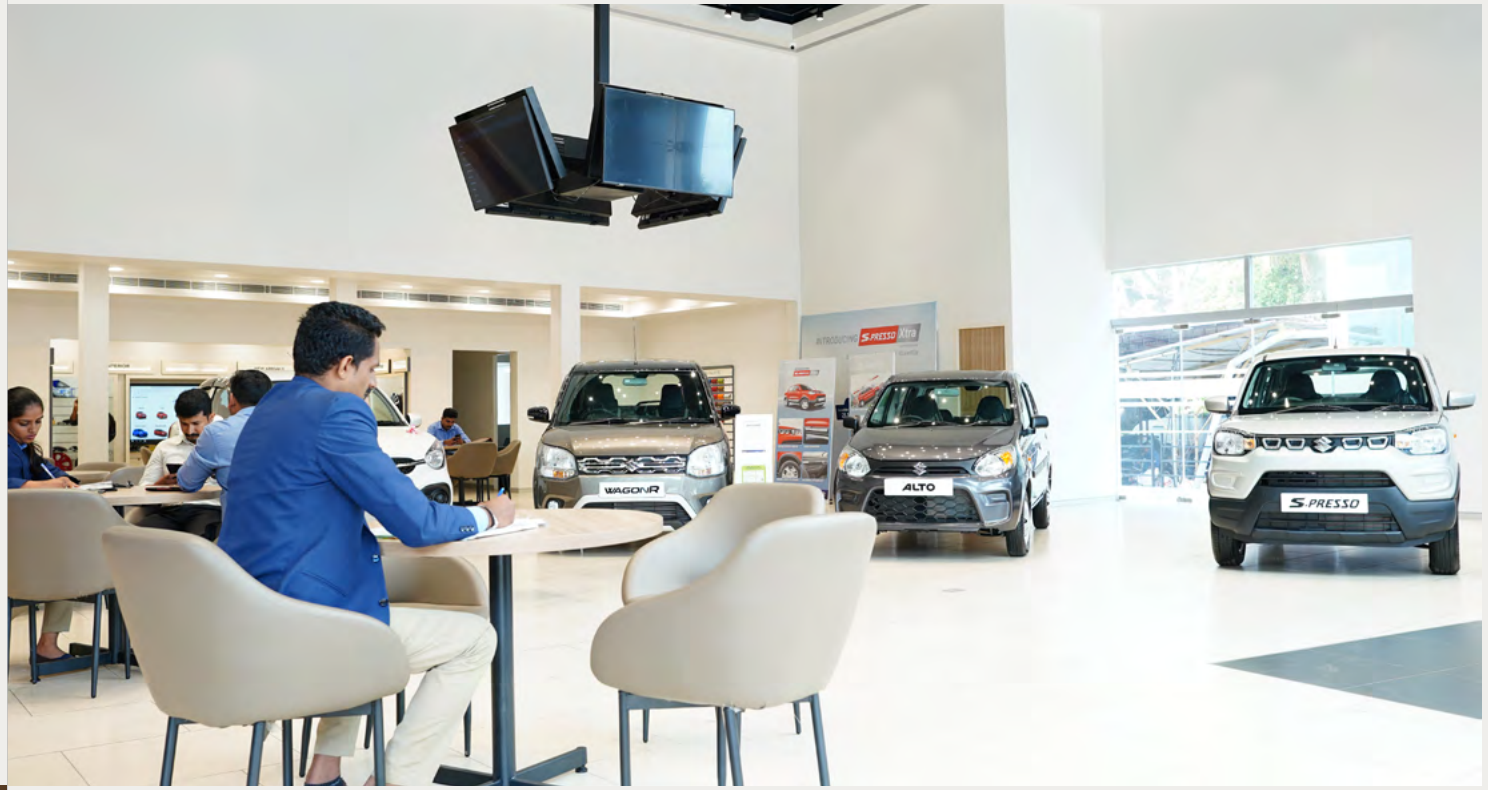


Front view of one of our Nexa showrooms



Vehicle on display at one of our outlets

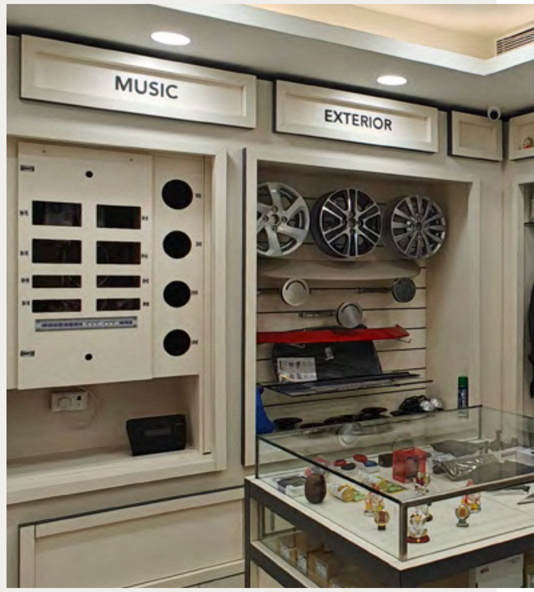




Inside view of one of our showrooms

Vehicles being serviced at one of our service outlets

Separate section in our showroom on vehicle accessories



PVSL is a diversified and profitable dealership for Indian and global automotive brands with a growing footprint in India and presence across the automobile retail value chain.

The Company has been able to accomplish a 30% PBT CAGR over the past five years.

Our Identity

PVSL is the flagship of the well-known Kuttukaran Group founded by the late Shri KP Paul, an intrepid first-generation entrepreneur.

Despite a history in the automotive business, the setting up of a full-fledged automotive dealership in the early 1980s was a paradigm shift for the group, reflecting the conviction of the owners to branch out into uncharted territories and ensure diversification to secure the future.

Today, PVSL has built its brand identity around automotive retail and service, repeatedly being counted as one of Maruti Suzuki's top dealership and vehicle servicing entity on a national basis.

Thus, in a fragmented and competitive market, PVSL has successfully established its brand as one synonymous with journeying with our stakeholders and passionately propelling change.

Our Foundations

Customer service excellence has been foundational for the success of our enterprise.

Right from the beginning, our Company has focused on knowledge-centered sales to drive superior customer engagement, conversion and retention. We have institutionalized training for all our employees, which is our key competitive driver in a market where customers compare dealers and not vehicles.

We do not distinguish between customers, giving equal and courteous attention to all.

Our Transformation Focus

With changing demographics driven by socio-economic prosperity, we have propelled ahead by generating demand organically against just serving existing needs.

This has been accomplished through several inventive measures adopted by us, many of which are for the first time in automotive retail, such as the creation of a dedicated field-force for localized customer engagement, establishment of a one-shutter shop in the hinterlands housing a single car to invite window-shoppers into the outlet and stimulate demand, among others.

While Maruti Suzuki dealership has remained our mainstay, we have also strategically branched out towards a multi-OEM dealership and have also spread our wings outside of our home state of Kerala to the gateway markets of Tamil Nadu, Karnataka and Maharashtra.

Vehicle spare parts and services has always remained a core part of our business wherein for every 1 new car sold we service 22 vehicles. Our retail sales has complemented this business and, together with accessories, insurance and financing, it has contributed to gross margin expansion.

Our Employment Focus

Kuttukaran Group has always remained responsive to the employment needs of the local population and this has been prioritised since such an employee demographic is found to be the best suited to cater to and stimulate demand as they are familiar with the regional environment.

We are committed to training and development and we have seen the transformative impact of this on the professional advancement of several of our employees. Further, we have also instituted a unique alumni club that comprises all ex-employees of PVSL. This fosters an environment of camaraderie and helps in the exchange of industry best practices and insights. It also ensures we keep the door open should they want to re-return.

As a Group, we provide employment to 10,000+ permanent employees, hence being one of the significant livelihood generators in automobile retail and services. Our operations also help create many indirect employment opportunities.

Our Network

We have developed an expansive sales and services network across our chosen markets comprising 7 Nexa, 9 Arena and 3 commercial vehicle showrooms of Maruti Suzuki, and 8 Honda, 2 JLR, 13 Tata Motors (CV), 8 Bharat Benz, 6 Piaggio and 3 Ather dealerships (as on 31 March 2023).

Our 130 service centres (Group-level) comprise those attached to our showrooms as well as independent outlets and serve customers of most of our OEM affiliates. Further, we own and operate 30 Maruti True Value outlets and 7 driving schools (as on 31 March 2023).

This network bouquet makes us amongst the largest multi-brand automotive dealership of the country, spanning the majority of the auto spectrum, including pre-owned vehicles.

Our institutional strengths

01

Longstanding presence in the automotive industry

02

Partnerships with leading OEMs

03

Large pre-owned PV business with robust margin profile

04

Proven ability to capture organic and inorganic opportunity in the value chain

05

Presence across the lifecycle of vehicle ownership leading to customer retention and revenue diversification

06

Volume-driven and margin-accretive vehicle services and spare parts business providing business stability

07

Experienced promoters with specialist leadership team

08

Sustained financial performance and growing profitability

Mobility for All, Everywhere!

Our fast-growing automotive retail footprint is an indicator of our exceptional level of mobility – measured in square feet!

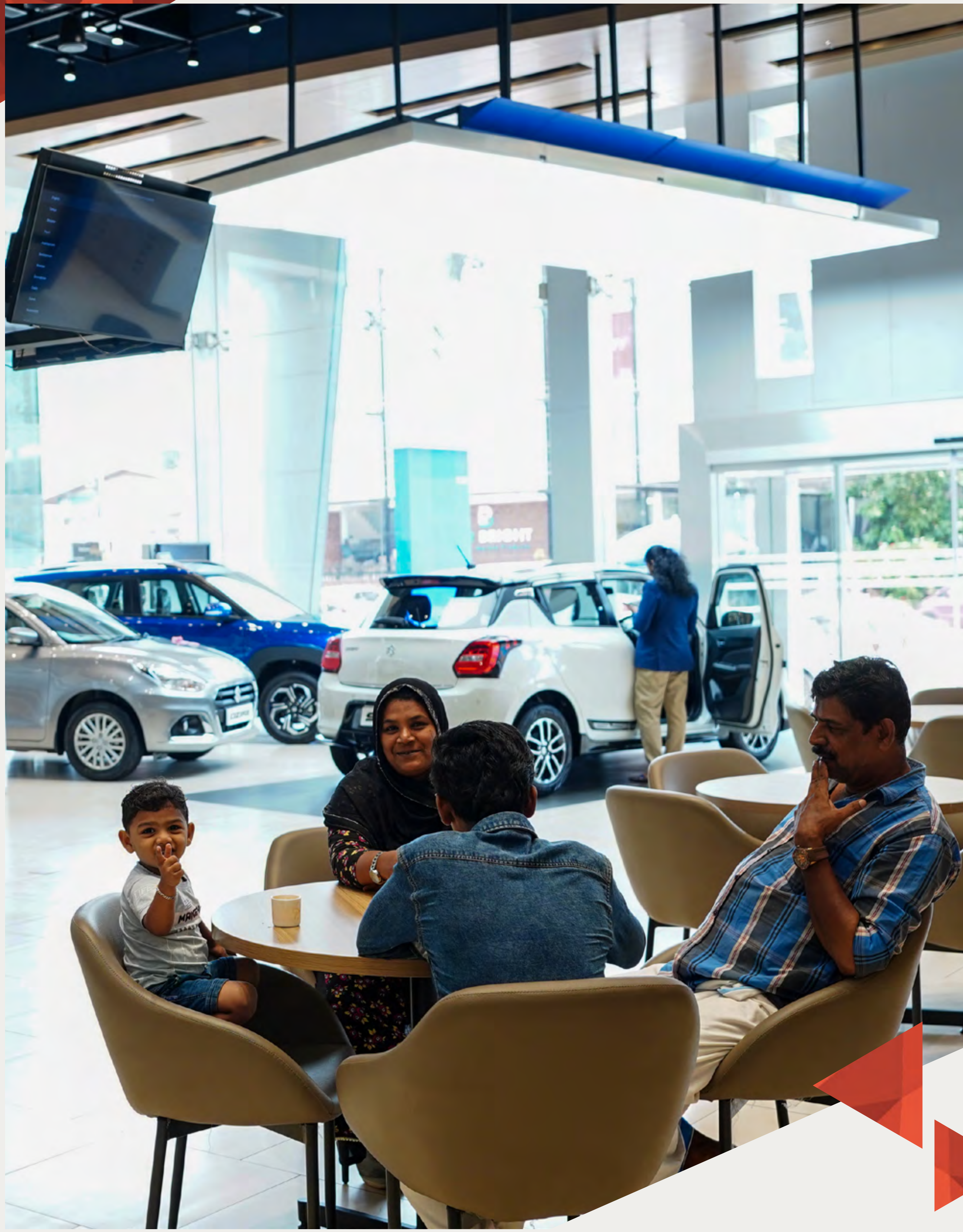
After years of patiently and profitably scaling the business, we believe we have reached a pivotal moment where the mobility of our OEMs is correlated to the roll-out of our showrooms.

This is demonstration of how we have unlocked value for our OEMs as an indispensable part of their value chain, as well as released mobility-related social and economic benefits to our customers and the local economy.

400+

Total touchpoints spread across 4 states

STRATEGIC REVIEW



Mobility for All, Everywhere!

Rooted in our legacy of OEM–customer excellence, we have successfully branched out through forging promising partnerships with several automotive majors!

Mobility is an integral aspect of our corporate identity. It has driven us to evolve alongside the constantly shifting environment.

This thrust has enabled us to establish a thriving multi-decade, multi-retail (NEXA, Arena and True Value) business with Maruti Suzuki that had reposed trust in us by appointing us their first dealer in the state of Kerala and amongst their first batch of dealers in India.

Our drive to exceed expectations has also facilitated partnerships with numerous other prominent and disruptive OEMs in the automotive, commercial, three-wheeler and electric two-wheeler industries.

52%
Percentage of total Maruti Suzuki revenue
(FY23)

48%
Percentage of total non-Maruti Suzuki revenue
(FY23)

Mobility for All, Everywhere!

Having established a robust footprint in our home market of Kerala, we are now developing a strong foothold in other high-potential markets of south and west India!

PVSL is widely identified as "Popular Maruti", a humbling achievement of how our dealership is so closely identified with Maruti Suzuki.

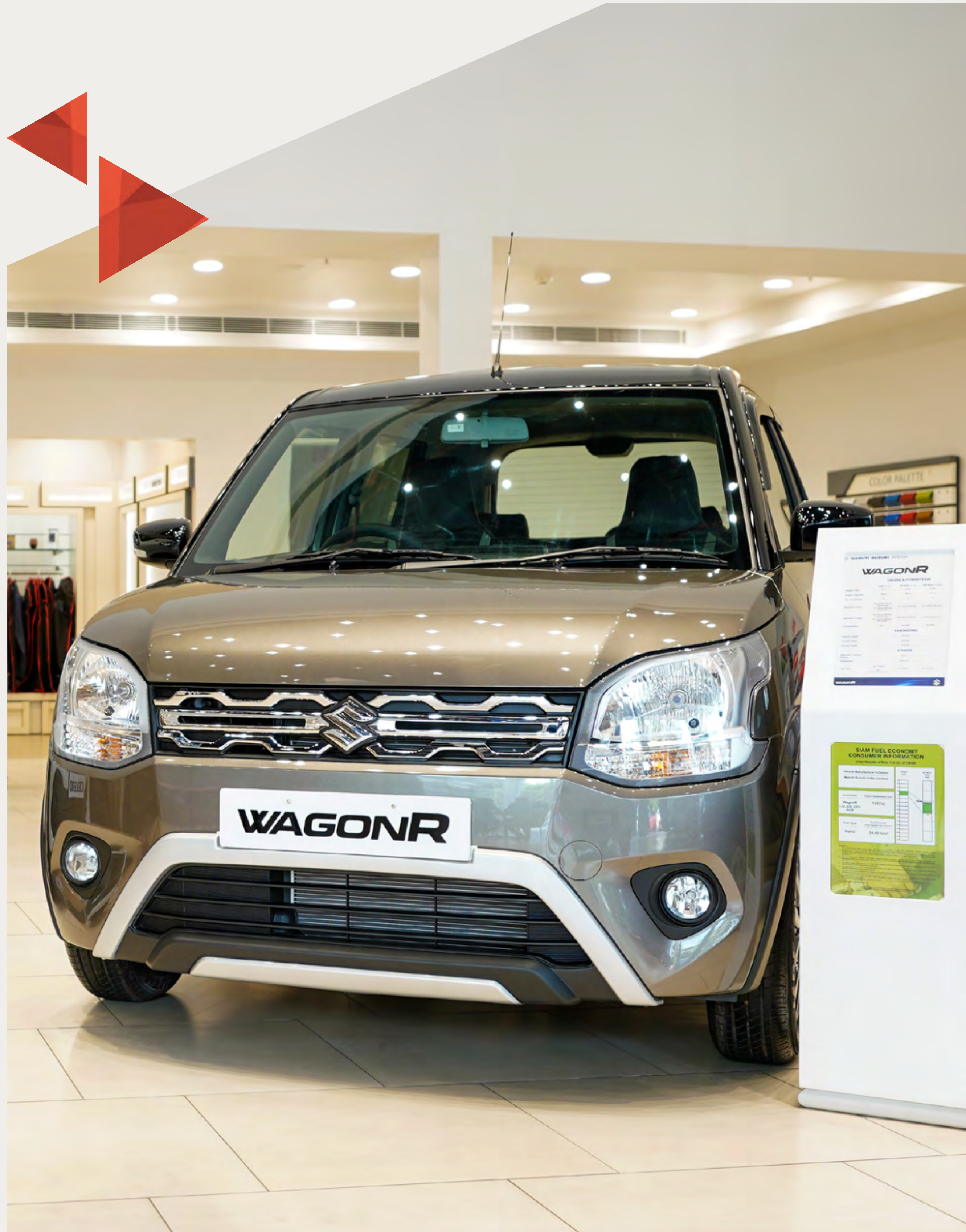
This substantiation has enthused us to expand our geographic presence beyond to other strategic markets of Tamil Nadu, Karnataka and Maharashtra, which have strong growth potential and an appetite for premium vehicles.

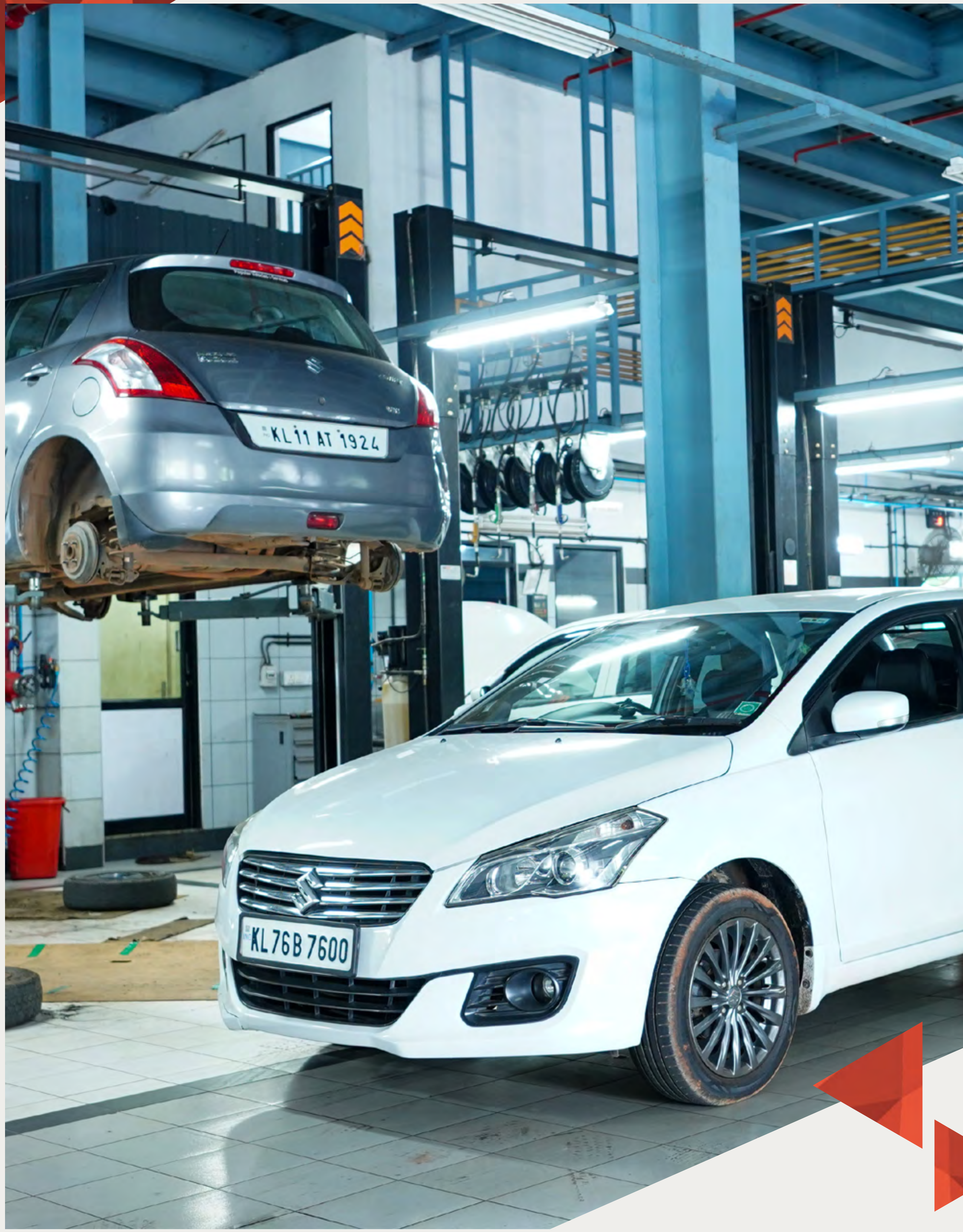
Geographic diversification not only enables us to de-risk and boost revenue and own brand visibility, but also helps our principals shore-up their market share or improve their leadership position.

71%
Percentage of revenue from Kerala
(FY23)

29%
Percentage of revenue from non-Kerala states
(FY23)

STRATEGIC REVIEW





STRATEGIC REVIEW

Mobility for All, Everywhere!

Much like vehicle renewal, our services and spares business rejuvenates the enterprise through margin contribution!

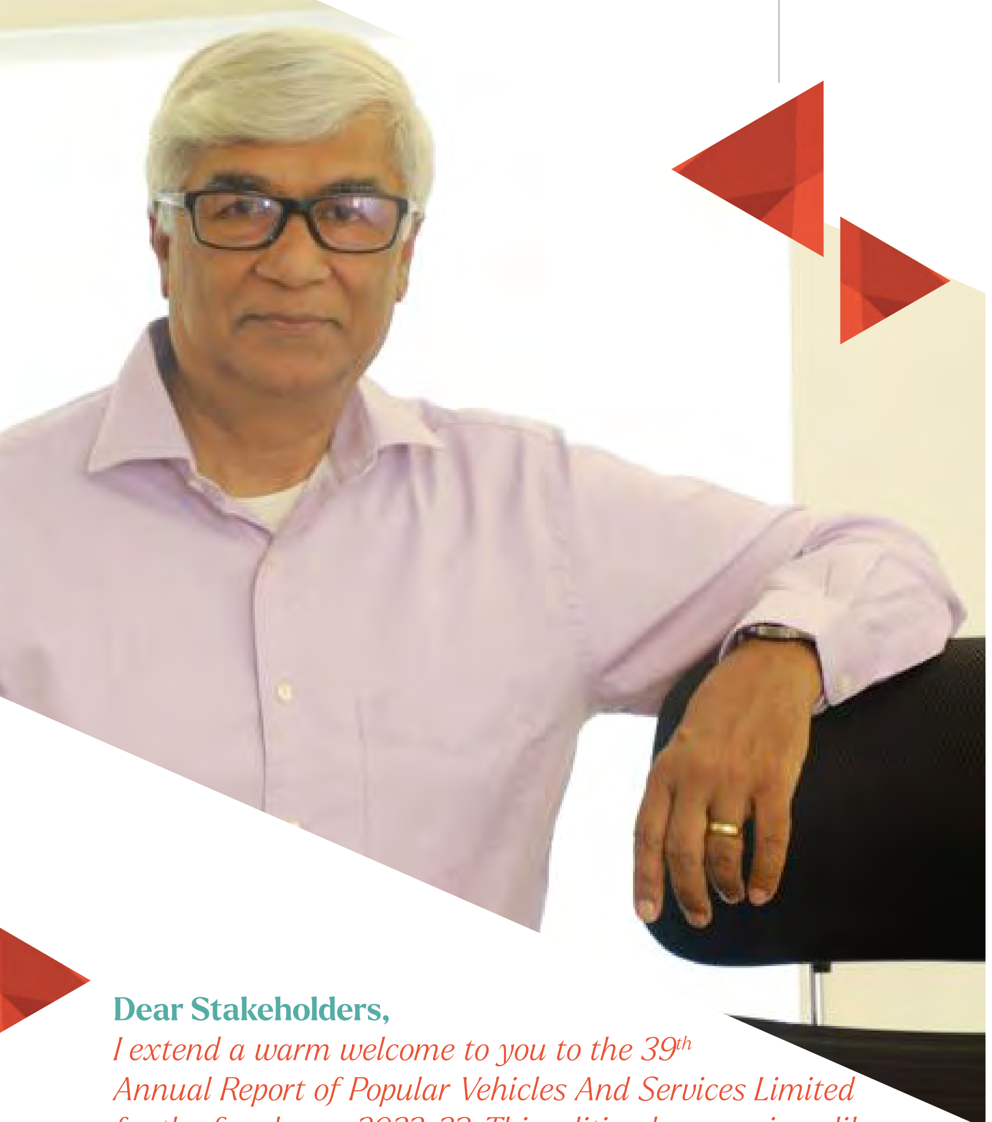
We have spawned a large vehicle servicing business that encompasses 130 centres across all the states of our presence. It complements our retail operations by providing customers the assurance of proper maintenance and upkeep of their vehicles in our state-of-the-art service outlets manned by trained technical specialists. We use only genuine OEM spare parts that provide an added layer of confidence and comfort amongst customers.

While emphasis is on skilling and training as per OEM standards, it is also on diversity and equal opportunity, which is reflected in the large number of women being employed in the operations, many in senior management roles.

20%
Percentage of revenue from services and spare parts

20%
Women as % of total workforce

Reflections of our Chairman



Dear Stakeholders,

I extend a warm welcome to you to the 39th Annual Report of Popular Vehicles And Services Limited for the fiscal year 2022-23. This edition however is unlike any we have prepared in the past since it is more descriptive to depict the exciting transformation story unfolding at your Company. It is indeed a time to celebrate how far we have come in this journey; yet, the realization of how far we still have to go is humbling.

As we pass three years of the dreaded COVID pandemic and the war in Europe that has been going on unabated for more than a year now, it is prudent to reflect and assess our relevance and value to society.

Personifying mobility, the automotive industry is a critical sector that supports economic performance. This is best appreciated in light of the pandemic lockdown-related mobility restrictions that have severely dented many economies of the world, many of which are yet to recover fully.

In this regard, the automotive retail sector is not just an essential intermediary between OEMs and customers, it is also an instrument facilitating mobility and economic recovery. The dealership guarantees a large OEM inventory that facilitates customer choice, provides trained manpower that assists in customer decision-making, offers competent service and repairs, and is an upstanding member of the community providing local employment and contributing to local causes.

Vehicle acquisition is an expensive and complicated process and the dealership provides the opportunity to customers to test-drive multiple models prior to making a decision, arranges finance and insurance, collects taxes, manages state registration, and provides complementary and paid service. It is also prepared for launching consumer offers as per OEM guidelines, for trade-in of old vehicles, and also for handling any recalls by the OEM.

Most importantly, a showroom is a place where emotions run high and it is always a great moment of pride for an individual or a family to own a vehicle. There is celebration, cake-cutting and lots of pictures taken.

At PVSL, we strive to achieve excellence in each of the moving parts illustrated above. Through the seamless unification of many of these variables we are able to provide a joyous experience to our customers, right from when they walk into our showrooms to when they drive out in their new car.

It is not every day that one buys a car. So we try to provide the best and most memorable experience to our customers right through their purchase journey. Models in all dealerships are the same. But what differentiates us is the level of service we provide to customers.

While we have an institutionalized training setup that enables our employees to remain constantly updated on new models, technical details, documentation and soft skills, this is really the foundation that has enabled us to expand our footprint and scale-up the business. We are not only amongst the largest dealership of Maruti Suzuki nationally, we have also grown as a large multi-OEM dealership with a dense footprint in Kerala, our home state, as well as a growing imprint in the competitive and high-potential states of Tamil Nadu, Karnataka and Maharashtra.

While in absolute terms the Maruti business has grown from revenues of ₹ 22,617 mn 5 years back to ₹ 25,257 mn at the close of 2022-23, the non-Maruti proportion has scaled up from 42% to 48% over the similar five-year period. While Maruti will always remain our mainstay business, we have also forged promising partnerships with other marque OEMs that will further fuel our financial performance over the years.

Looking at the business geography-wise, the proportion of business from non-Kerala states has climbed up slowly to contribute 29% of our 2022-23 revenues, up from 26% even three years earlier. Further, though competition has increased, so has our penetration. With increase in penetration there has been sustainable volume growth with no dilution in our customer service levels. This has enabled us to earn many prestigious awards from our OEMs, both in retail and services. You would have seen earlier that we are amongst the top dealerships of Maruti on an all-India basis and this has remained unchanged for the past many years now.

The third major level of transformation in our business is reflected in the portfolio mix. The share of premium or top-end vehicles in the overall portfolio has been growing more strongly than the entry-level vehicles, which is a factor of lower price sensitivity in this segment of buyers and our own nudge in this sales drive. Specially, SUVs have found favour post-pandemic, which has also aided in the premiumization drive.

Going forward, diversification will remain key to drive our future endeavours.

Before I close, my sincere thanks and gratitude to my fellow Board members and the Group's executive team for delivering a satisfying performance amidst high adversity. The business did not only rebound from the 2019-20 COVID-start financial year, but demonstrated the resilience accruing out of diversification and de-risking.

During good times all businesses do well. It is in the challenging times that business models are truly tested, and our performance for the year bears testament that we have enhanced our relevance over the years and decades. This focus will remain unchanged.

Thank you for being a part of our journey.

Jacob Kurian
Chairman

Letter from our Managing Director

Dear Fellow Shareholders and Stakeholders,

Building on our legacy and growth momentum, this was a defining year in which strong relationship with all our stakeholders was fundamental in ensuring business resiliency, adaptability and growth. My sincere thanks to our OEMs and all other stakeholders, especially our employees, for their proactive and focused actions and unshakeable commitment over the course of the year.

Adaptability is coded into PVSL's DNA. The Company's ability to evolve and transform with the times has been a key enabler of our longstanding business presence. We are unique in the sense that there are few dealerships with the kind of legacy and scale like ours, which says much about the complexity and capital intensity of the business. Of course, the other major entry barrier is OEM relationship. The guidelines and protocols of setting up an OEM-affiliated dealership have been made more stringent over the years and few are eligible to qualify.

This leaves the market wide open for players like PVSL, where OEMs prefer to go with their existing dealership to new locations, which is thus a natural growth advantage for us. We have capitalised on this by not only deepening our presence in Kerala, but also by building our presence in three other states in south and west India, with many more promising markets being explored.

In addition to our most longstanding principle, Maruti Suzuki, we have forged relations with many other OEMs across the automobile horizon who have both an established presence and a challenger mindset to mine market opportunity. Most of them are in investment mode too with the vehicle electrification wave sweeping in.

Looking at India, the per capita car ownership is insignificant with only 1 in 12 households owning a car. While this shows significant headroom for growth, the other major point of optimism is the increase in per capita income, which will drive discretionary spends and vehicle ownership. While China's per capita income is 5x India's, India is on the near same trajectory as China was earlier, which probably shows what is to come. In addition, the government's sincere efforts in roads and highways development augurs well for the automobile industry over the long-term.

The government has also recently announced gas pricing reform which will result in the reduction of CNG prices, thus ensuring greater fuel affordability. It will also stimulate investment and jobs and give an impetus to decarbonisation and a cleaner environment. OEMs, including Maruti Suzuki, are expected to commit to bringing advanced-technology CNG vehicles to the market.

Coming to the year 2022-23, it witnessed the persistence of challenges, amongst which the biggest was the shortage of electronic components for vehicles. If not for this, sales could have been better.

Maruti Suzuki India, the country's largest automaker, registered retail sales of 1,479,221 units in 2022-23, attaining a market share of 40.86%, as per the Federation of Automobile Dealers Associations (FADA). In the prior fiscal year, the company had retailed 1,239,688 units with a market share if 42.13%. The auto major has stated a backlog of around 3.8 mn units. Despite the insufficiency in chip supply, the company's renewed focus on the SUV segment through the launch of the updated Brezza and the Grand Vitara helped pull sales.

In line with the growth of Maruti Suzuki's retail volumes of around 19% in 2022-23, PVSL also registered robust OEM volume sales of over 18% during the year to a total of 30,948 vehicles. Similarly, sales at Maruti True Value grew by a robust 10% to 10,684 units in the year and, in line with tradition, many women employees in this business moved up the management ranks, demonstrating merit and sheer perseverance.

PVSL also serviced 6,89,514 vehicles during the year, registering a sharp 30% volume growth over the previous year.

Servicing and spare parts, together with vehicle accessories, finance and insurance help strengthen the overall margin profile and complement the retail side of the business.

Coming to the non-Maruti portfolio, it witnessed a 39% volume growth to 17,668 units in 2022-23, indicating the steady rise in our other OEM affiliations.

As part of our retail expansion strategy, we laid focus on our chosen non-Kerala markets, with 9 showrooms opened in these geographies, against 4 in Kerala during the year. The new storefronts were established for most of our OEMs.

Going into the current year, Maruti has lined up several new models for launch, including premium products such as the Jimny, FRONX, Invicto and other line-ups in the hybrid and electric segments. It is perceived that the company will refresh its product portfolio and give thrust to SUVs and CNG vehicles to improve its market share in these fast-growing segments.

At PVSL, we continue to focus our efforts on driving business sustainability and preparing the foundations for future value creation. Our mantra of diversification has spurred us to continue to add mobility to our business and, in doing so, serve a wide range of customers in the best possible way.

Heartfelt thanks for all your support and cooperation.

Naveen Philip
Managing Director

We have achieved steady and sustainable performance across the years, which has helped create a solid foundation for the future.

At PVSL, we take pride in our conservative financial management, which has been a key factor in our sustained success in a capital-intensive industry. While consistent retail expansion, diversification and premiumisation has given a revenue fillip over the years, strong focus on strategic adjacencies, such as vehicle accessories, insurance, finance, and spares and services have given an impetus to profitability. Particularly, spares and services, including body shop, has emerged as a key performance driver with outsized contribution to gross profit.

Select operational and financial data has been disclosed below.

Operational

TOTAL VEHICLES SOLD

(In Number)

2023	**47,808**
2022	37,872
2021	35,097

TOTAL SHOWROOMS

(In Number)

2023	**59**
2022	47
2021	37

TOTAL VEHICLES SERVICED

(In Number)

2023	**9,57,140**
2022	7,21,400
2021	6,46,280

TOTAL MARUTI SUZUKI VEHICLES SOLD

(In Number)

2023	**30,948**
2022	26,142
2021	26,123

TOTAL MARUTI SUZUKI SHOWROOMS

(In Number)

2023	**19**
2022	17
2021	14

TOTAL MARUTI TRUE VALUE SALES

(In Number)

2023	**10,684**
2022	9,736
2021	9,413

TOTAL MARUTI TRUE VALUE SHOWROOMS

(In Number)

2023	**9**
2022	8
2021	7

TOTAL MARUTI SUZUKI VEHICLES SERVICED

(In Number)

2023	**6,89,514**
2022	5,31,229
2021	4,78,952

TOTAL EMPLOYEES

(In Number)

2023	**9,734**
2022	9,408
2021	8,464

SALES PRODUCTIVITY

(New cars sold per employee)

2023	**2.7**
2022	2.2
2021	2.3

SERVICE PRODUCTIVITY

(Cars serviced per employee)

2023	**13.4**
2022	11.5
2021	11.2

Financial

REVENUE FROM OPERATIONS

(In ₹ Million)

2023	**48,750.02**
2022	34,658.79
2021	28,935.25

FINANCE COST

(In ₹ Million)

2023	**705.34**
2022	608.60
2021	551.10

EMPLOYEE BENEFIT EXPENSES

(In ₹ Million)

2023	**3,082.06**
2022	2,420.12
2021	2,035.07

PROFIT BEFORE TAX

(In ₹ Million)

2023	**848.67**
2022	485.46
2021	472.52

PROFIT AFTER TAX

(In ₹ Million)

2023	**640.74**
2022	336.69
2021	324.55

EARNINGS PER SHARE

(In ₹)

2023	**51.10**
2022	26.85
2021	25.88

TOTAL ASSETS

(In ₹ Million)

2023	**15,037.80**
2022	12,632.88
2021	11,189.36

INVENTORIES

(In ₹ Million)

2023	**4,349.47**
2022	3,620.38
2021	3,116.83

TOTAL BORROWINGS

(In ₹ Million)

2023	**5,050.06**
2022	3,719.10
2021	3,530.42

TOTAL EQUITY OR NETWORTH

(In ₹ Million)

2023	**3,430.44**
2022	2,798.86
2021	2,460.02

DEBT-EQUITY

(In Times)

2023	**1.47**
2022	1.32
2021	1.43

Note: Consolidated figures have been depicted here

Our Board

Left to right standing

Naveen Philip
Managing Director

John Verghese
Chief Financial Officer

Abhishek G. Poddar
Nominee Director

John K. Paul
Whole-time Director

Raj Narayan
Chief Executive Officer

Varun T.V.
Company Secretary

Left to right sitting

Francis K. Paul
Whole-time Director

Preeti Reddy
Independent Director

Jacob Kurien
Chairman and Independent Director

George Joseph
Independent Director

Key

Board Members

Key Managerial Personnel

NOTICE

Notice is hereby given that the 39th Annual General Meeting of the Company will be held on Friday, 18th August, 2023 at 10:00 A.M., through Video Conferencing (VC), adhering to MCA Circulars 10/2022 dated 28th December, 2022, 02/2022 dated 05th May, 2022, 02/2021 dated 13th January 2021 and 20/2020 dated 5th May, 2020 read with circulars 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020, and all other applicable provisions of the Companies Act, 2013, to transact the following businesses:

ORDINARY BUSINESS:

1) To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 together with the Reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 with the Report of the Auditors thereon.

2) To appoint a Director in place of Mr. Francis K. Paul (DIN:00018825), who retires by rotation and, being eligible, offers himself for re-appointment.

3) To fix remuneration of Statutory Auditors and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 142 (1) read with Section 102 (2) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder the Board of Directors of the company be and is hereby authorized to fix the remuneration of M/s. BSR & Associates LLP, 3rd Floor, Syama Business Center, NH Bye pass Road, Vytilla, Kochi-682019, Firm registration No. 116231W/W-100024, for the period from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, who have been re-appointed by the Members in the 37th Annual General meeting as the Statutory Auditors of the Company for a period of 5 years, pursuant to the provisions of Section 139(1) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014."

   Note: The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were re-appointed in the 37th Annual General Meeting of the Company.

SPECIAL BUSINESS:

4. **Reappointment of Mr. Francis K. Paul as Whole-Time Director**

   To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 196(3)(a) read with proviso thereto and Sections 196(4), 197, 203, Part I of Schedule V of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force) and the Articles of Association of the Company, consent of the shareholders of the Company be and is hereby accorded for the reappointment of Mr. Francis K. Paul (DIN:00018825), as Whole-Time Director of the Company, for a period commencing from 01st April, 2024 to 31st March, 2026, liable to retire by rotation and who shall seek reappointment, if eligible, irrespective of his tenure of appointment:

   a) Salary Rs.8,85,775/- per month on an annual increment as may be decided by the Board of Directors on recommendation of the Nomination and Remuneration Committee, subject to a maximum ceiling of 10% increase per annum;

b) Performance Incentive: As determined by the Board based on consolidated net profits of the Company in the following category:

Consolidated net profit	Performance Incentive
Upto Rs.20,00,00,000/-	Nil
Rs.20,00,00,000/- Rs.30,00,00,000/-	1% of the achievement in this slab.
Over and above the slabs mentioned above, milestone-based incentive: For achievement of every Rs.5 crores. (Any fractional achievement to be ignored)	
a) Achievement of Rs.35,00,00,000/-	0.167% for Rs. 5 crores
b) Achievement of Rs.40,00,00,000/- (The slab (a) above will be ignored)	0.333% for Rs. 10 crores
c) Achievement of Rs.45,00,00,000/- (The slab (a) and (b) above will be ignored)	0.50% for Rs. 15 crores
d) Achievement of Rs.50,00,00,000/- and in multiples of every Rs.5 crores thereafter. (Any Fractional achievement to be ignored.) (The slab (a) (b) and (c) above will be ignored)	0.667% for Rs. 20 crores and above in multiples of Rs. 5 crores.

c) Perquisites (valuated as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) like the benefit of the Company's furnished accommodation gas, electricity, water and furnishings, club fees, life and health insurance, use of car and telecommunication facilities including broadband, internet and fax at residence, leave and travel concessions, education benefits.

d) Perquisites and tax deducted at source falling under section 194 R of the Income Tax Act, 1961.

e) **Other Benefits:**

In addition to the salary, Performance Incentive, Perquisites as above, the Whole-Time Director shall be entitled to the following Benefits:-

i. Gratuity: Up to half a month's salary for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972."

"**RESOLVED FURTHER THAT** consent of the shareholders be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits then remuneration as decided above be paid."

"**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds and things as may be necessary to give the effect to the above."

5. Reappointment of Mr. John K. Paul as Whole-Time Director

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 196(3)(a) read with proviso thereto and Sections 196(4), 197, 203, Part I of Schedule V of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force) and the Articles of Association of the Company and subject to the approval of the Regulatory authorities, if any, consent of the shareholders of the Company be and is hereby accorded for the reappointment of Mr. John K. Paul (DIN:00016315), as Whole-Time Director of the Company, for a period commencing from 01st April, 2024 to 31st March, 2026, liable to retire by rotation and who shall seek reappointment, if eligible, irrespective of his tenure of appointment:

a) Salary Rs.8,85,775/- per month on an annual increment as may be decided by the Board of Directors on recommendation of the Nomination and Remuneration Committee, subject to a maximum ceiling of 10% increase per annum;

b) Performance Incentive: As determined by the Board based on consolidated net profits of the Company in the following category:

Consolidated net profit	Performance Incentive
Upto Rs.20,00,00,000/-	Nil
Rs.20,00,00,000/- Rs.30,00,00,000/-	1% of the achievement in this slab
Over and above the slabs mentioned above, milestone-based incentive: For achievement of every Rs.5 crores. (Any Fractional achievement to be ignored.)	
a) Achievement of Rs.35,00,00,000/-	0.167% for Rs. 5 crores
b) Achievement of Rs.40,00,00,000/- (The slab (a) above will be ignored)	0.333% for Rs. 10 crores
c) Achievement of Rs.45,00,00,000/- (The slab (a) and (b) above will be ignored)	0.50% for Rs. 15 crores
d) Achievement of Rs.50,00,00,000/- and in multiples of every Rs.5 crores thereafter. (Any Fractional achievement to be ignored.) (The slab (a) (b) and (c) above will be ignored)	0.667% for Rs. 20 crores and above in multiples of Rs. 5 crores

c) Perquisites (valuated as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) like the benefit of the Company's furnished accommodation gas, electricity, water and furnishings, club fees, life and health insurance, use of car and telecommunication facilities including broadband, internet and fax at residence, leave and travel concessions, education benefits.

d) Perquisites and tax deducted at source falling under section 194 R of the Income Tax Act, 1961.

e) **Other Benefits:**

In addition to the salary, Performance Incentive, Perquisites as above, the Whole-Time Director shall be entitled to the following Benefits:-

i. Gratuity: Up to half a month's salary for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972."

"**RESOLVED FURTHER THAT** consent of the shareholders be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits then remuneration as decided above be paid."

"**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds and things as may be necessary to give the effect to the above."

6. Payment of perquisites to Managing Director and Whole-Time Directors

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196(4), 197 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Schedule V to the Companies Act, 2013 and Articles of Association of the Company, consent of the shareholders of the Company be and is hereby accorded for inclusion with retrospective effect from the date of their respective appointment, of the perquisite mentioned infra in the remuneration approved to Managing Director, Mr. Naveen Philip and Whole-Time Directors of the Company, Mr. Francis K. Paul and Mr. John K. Paul:

(a) Perquisites and tax deducted at source falling under section 194 R of the Income Tax Act, 1961."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary to give the effect to the above Resolution."

BY ORDER OF THE BOARD OF DIRECTORS O F
POPULAR VEHICLES AND SERVICES LIMITED

Sd/-
VARUN T.V.
COMPANY SECRETARY

Kochi-25
Date: 20.06.2023

NOTES:

1. MCA vide its circular nos.10/2022 dated 28th December, 2022, 02/2022 dated 05th May, 2022, 02/2021 dated 13th January, 2021 and 20/2020 dated 5th May, 2020 has directed that Companies may conduct Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) adhering to the provisions as laid down in circular no.14/2020 dated 8thApril, 2020 and circular no.17/2020 dated 13th April, 2020. For the purpose of the meeting, the deemed venue shall be the Registered Office of the Company at Kuttukaran Centre, Mamangalam, Kochi-682025.

2. As per Section 105 of the Companies Act, 2013, a member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Instrument of Proxies, in order to be effective must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. The facility for appointment of proxies by members is not allowed for meeting through VC or OAVM as per MCA circular. However, representative as per section 113 of the Companies Act, 2013 are allowed. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Registered Office of the Company, a certified copy of the Board resolution pursuant to section 113 of the Companies Act, 2013, authorizing their representative to attend and vote on their behalf at the Meeting.

3. Pursuant to section 20(2) of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014, as amended, Companies are permitted to send official documents to their shareholders electronically.

4. Voting shall commence on 18th August, 2023. Voting shall be done through email from the Registered e-mail id of the shareholder to the Designated e-mail id provided herein. The Designated e-mail id is cs@popularv.com.

5. Members are allowed to raise queries in advance and at the meeting. Queries in advance shall be e-mailed to varun.varrier@popularv.com on or before 5 pm on 17th August, 2023.

6. Notice of the Annual General Meeting along with the financial statements are also placed on the website of the Company at https://www.popularmaruti.com/

7. Since the AGM will be held through VC in accordance with MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

8. Members who have not registered their email ids with the Company are requested to update their email ids with the Company. If there is any change in the email id already registered with the Company, the same may be intimated to cs@popularv.com along with credentials such as name of the shareholder, registered folio number, number of shares held and copy of self-attested copy of PAN Card.

9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act,2013.

INSTRUCTION AS TO HOW THE MEMBERS CAN ACCESS AND PARTICIPATE IN THE MEETING

1. The meeting begins at 10.00 a.m. on Friday, 18th August, 2023. Members of the Company holding shares either in physical form or in dematerialized form can participate in the meeting.

2. The members shall be allowed to login to the meeting from 9.45 am to 10.15 am.

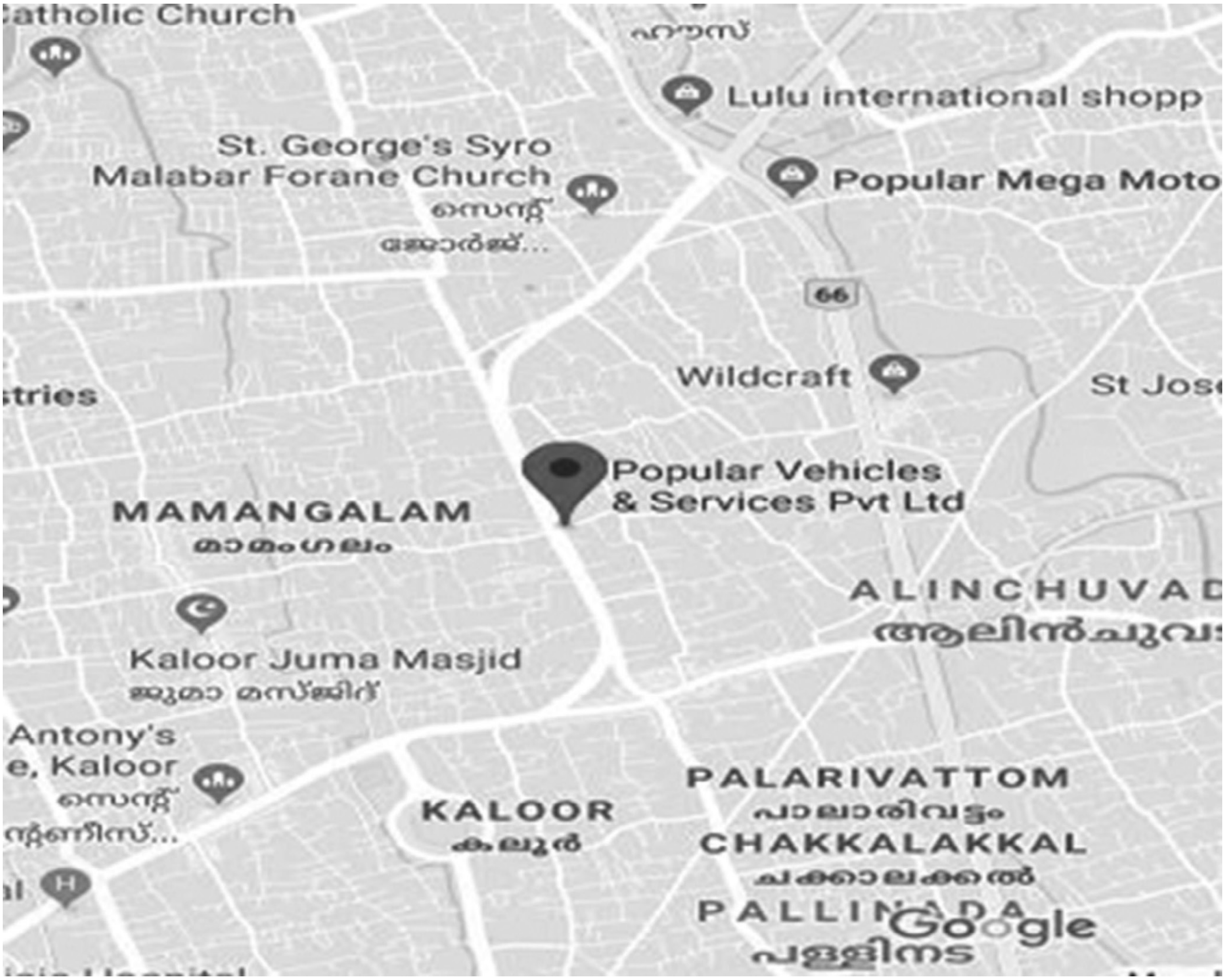
3. The meeting shall be conducted through Google meet platform. Shareholders are advised to visit https://meet.google.com/osv-arci-nii through their browser.

4. The Members are advised to logon through the google meet link mentioned earlier at least 15 minutes before meeting.

5. Any grievances relating to participation in the meeting shall be reported to: Ph:9778690755 Email Id: cor.cs.officer@popularv.com.

This facility shall be available throughout the meeting.

ROUTE MAP


St. George's Syro
Malabar Forane Church
Lulu international shopp
Popular Mega Moto
66
Wildcraft
Popular Vehicles
& Services Pvt Ltd
MAMANGALAM
ALINCHUVAD
Kaloor Juma Masjid
Antony's
e, Kaloor
KALOOR
PALARIVATTOM
CHAKKALAKKAL
Google

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013. ("THE ACT").

Item No. 4

The members at the 37th Annual General Meeting held on 28th September, 2021 had reappointed Mr. Francis K. Paul as the Whole-Time Director of the Company for a period of 2 years from 01st April 2022 to 31st March, 2024. His term as Whole-Time Director is expiring on the 31st March, 2024.

Mr. Francis K. Paul is one of the Promoters of the Company and has been a Director of the Company from the incorporation of the Company in 1983. He holds a bachelor's degree in mechanical engineering from the University of Calicut. He is responsible for corporate social responsibility activities and other policy matters of our Company. He has more than four decades of experience in the automobile sector. He has played an instrumental role in the growth of the company and is continuing the service as the Whole-Time Director of the Company.

Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors at their meeting held on 20th June, 2023 based on the recommendation of the Nomination and Remuneration Committee has re-appointed Mr. Francis K. Paul as a Whole-Time Director for a further term of two consecutive years with effect from 1st April, 2024 to 31st March, 2026, subject to the approval of the members of the Company, on a remuneration as set out in the resolution.

As per Section 196(3)(a) of the Companies Act, 2013, read with proviso thereto, a company can appoint or continue the employment of a person who has attained the age of seventy(70) years as Whole-Time Director, if consent of the members is accorded thereto by passing a Special Resolution at a general meeting of the company. Mr. Francis K. Paul is a promoter Director and has been Key Managerial Personnel of the Company since incorporation. The Board of Directors is confident that with his extensive business knowledge, experience and expertise, Mr. Francis K. Paul would definitely continue to enhance the business strength. Mr. Francis K. Paul has completed 70 years of age and hence the Special Resolution as set out in the notice for your approval.

The salary scale as approved by the shareholders for his proposed term of reappointment as Whole-Time Director is Rs. 8,85,775/- per month on an annual increment as may be decided by the Board of Directors on recommendation of the Nomination and Remuneration Committee, subject to a maximum ceiling of 10% increase per annum.

The proposed remuneration is consistent with the remuneration in the industry of similar size for similarly placed persons. In line with the Companies Act, 2013, the Board recommends the Special Resolution as set out at item no.4 for approval by the shareholders.

For the purpose of considering annual increment, 01st April shall be considered as the due date for annual increment.

The Performance incentive is being calculated as a percentage of the Consolidated Net Profits of the Company, after factoring in the performance of the Company along with the performance of all its subsidiaries as well.

The Finance Act 2022 inserted a new Section 194R in the Income Tax Act, 1961 with effect from 01.07.2022 casting an obligation on the person responsible for providing any benefit or perquisite to a resident, to deduct tax at source @ 10%, whether the benefit or perquisite is in cash or in kind. The benefit or perquisite may or may not be convertible into money but should arise either from carrying out of business, or from exercising a profession, by such resident.

The prevalent practice in the Automobile Industry is that of OEMs, Insurance Companies among others providing direct offers of foreign leisure trips, foreign meetings etc. for the Directors and other leadership teams of dealerships with or without family. These leisure trips are often along with the officials of Maruti and counterparts of other dealerships and is a platform for networking and relationship building. The cost for these visits -are fully borne by the respective OEMs and no cost is shared with the Company. Subsequent to the enactment of Section 194R, the cost associated with such travel shall be accounted as provided to Dealership Companies by the OEM's and get included in the perquisite of the concerned beneficiary. The Company is now made responsible for the payment of tax deduction at source against this perquisite even though no payment is emanating from the Company and show the cost of the benefit as perquisite of the managerial personnel.

Your Board of Directors have at their meeting held on 20th June, 2023 decided to recommend to the members for inclusion of the perquisites falling under Section 194R to Mr. Francis K. Paul, Whole-Time Director of the Company as mentioned in the resolution.

In line with the Companies Act, 2013, the Board recommends the Special Resolution as set out at item no.4 for approval by the shareholders.

Mr. Francis K. Paul has devoted over three and a half decades to the growth and establishment of our Company. He has been a director from its inception. Considering his expertise and contributions to the Company, Shareholders' approval is sought for inclusion of provision for Gratuity payable on retirement. The gratuity considered is as per the Company's policy and paid to the all the employees of the Company on their retirement.

As per the provisions of Section 197 of the Companies Act, 2013, in the event of inadequate profits or losses, any amount may be paid, regardless of the limits as per Schedule V, with the approval of the Shareholders via Special Resolution. Accordingly, the consent of the shareholders is sought by way of a Special Resolution that where in any financial year the Company has no profits or inadequate profits then Salary, Performance Incentive, perquisites, gratuity etc. as decided above be paid to the Whole-Time Director.

Mr. Francis K. Paul is the promoter of the Company and its Managerial Personnel and so he may be deemed to have pecuniary relationship with the Company besides his remuneration in the capacity of Whole-Time Director. Further as on date he holds 27,51,125 Equity shares (21.93%) of the Company.

Except the promoters and directors Mr. John K. Paul, Whole-Time Director, Mr. Francis K. Paul, Whole-Time Director and Mr. Naveen Philip, Managing Director of the Company and their relatives, none of the Key Managerial Personnel of the company or their relatives are interested whether financial or otherwise, in respect of the resolution as set out in the notice. The Board recommends the Resolution as set out in the notice vide item 4 for your approval.

There is no other information and facts to disclose that may enable members to understand the meaning, scope and implications of the said item of business and to take decision thereon.

The special business vide item (4) to be transacted at the meeting of the company does not relate to and affect any other company/entity.

Copies of the relevant records and papers are available at the Registered Office of the company for inspection of the members during business hours between 10 am and 5 pm on all working days, except Saturdays and shall also be laid before the meeting.

Item No. 5

As recommended by the Board of Directors at their meeting held on 14.06.2022, the members at the 38th Annual General Meeting held on 14thJuly, 2022 had appointed Mr. John K. Paul as the Whole-Time Director of the Company for a period commencing from 15th June 2022 to 31st March, 2024 as he had stepped down from the post of Managing Director of the Company on 15th June 2022 to appoint a new Managing Director as part of the Company's succession plan. His term as Whole-Time Director is expiring on the 31st March, 2024.

Mr. John K. Paul is one of the Promoters of the Company and has been a Director of the Company from the incorporation of the Company in 1983. Further he has been holding Managing Director position for over past two decades. He holds a bachelor's degree in mechanical engineering from the University of Calicut. He has more than four decades of experience in automobile industry. He was the past President of Federation of Automobile Dealers of India and is currently the president of Kerala Automobiles Dealership Association. He is also a trustee of the Lawrence School Lovedale Alumni Foundation.

Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of business, the service of Mr. John K. Paul should be available to the Company for a further term of two consecutive years with effect from 1st April, 2024 to 31st March, 2026.

So the Board of Directors at their meeting held on 20th June, 2023 recommended for the reappointment of Mr. John K. Paul as Whole-Time Director of the Company based on the recommendation of the Nomination and Remuneration Committee.

As per Section 196(3)(a) of the Companies Act, 2013, read with proviso thereto, a company can appoint or continue the employment of a person who has attained the age of seventy(70) years as Whole-Time Director, if consent of the members is accorded thereto by passing a special resolution at a general meeting of the company. Mr. John K. Paul is a promoter Director and has been Key Managerial Personnel of the Company since incorporation. The Board of Directors is confident that with his extensive business knowledge, experience and expertise, Mr. John K. Paul would definitely continue to enhance the business strength. Mr. John K. Paul has completed 70 years of age and hence the Special Resolution as set out in the notice for your approval.

The Salary scale as approved by the shareholders for his proposed term of reappointment as Whole-Time Director is Rs. 8,85,775/- per month on an annual increment as may be decided by the Board of Directors on recommendation of the Nomination and Remuneration Committee, subject to a maximum ceiling of 10% increase per annum.

The proposed remuneration is consistent with the remuneration in the industry of similar size for similarly placed persons. In line with the Companies Act, 2013, the Board recommends the Special Resolution as set out at item no.5 for approval by the shareholders.

The Performance incentive is being calculated as a percentage of Consolidated Net Profits of the Company, after factoring in the performance of the Company along with the performance of all its subsidiaries as well.

Mr. John K. Paul was one of the Directors of Kerala Chamber of Commerce and Industries (KCCI) for the financial years 2012-13, 2013-14 and 2014-15 during which KCCI was found in violation of Sections 209(1) and 217(3) of the Companies Act, 1956. He pleaded guilty and remitted a fine of Rs.10,000/- in ST 43/19 and Rs.5,000/- in ST 42/19 before the Chief Judicial Magistrate (Economic Offences) Court at Ernakulam for the said violations.

Hence the approval of Central Government becomes necessary for his appointment. Part I of Schedule V of the Companies Act, 2013 provides that where the Central Government has given its approval to the appointment of a person convicted or detained, as the case may be, no further approval of the Central Government shall be necessary for the subsequent appointment of that person if he had not been so convicted or detained subsequent to such approval.

Company has sought the Central Government approval for Mr. John K. Paul's previous re-appointment as Managing Director and his subsequent appointment as Whole-Time Director which are pending with the Ministry for its approval. Accordingly, if any of the previous applications is approved by the Central Government before the appointment process is completed, the company will not be seeking the Central Government approval again.

The Finance Act 2022 inserted a new Section 194R in the Income Tax Act, 1961 with effect from 01.07.2022 casting an obligation on the person responsible for providing any benefit or perquisite to a resident, to deduct tax at source @ 10%, whether the benefit or perquisite is in cash or in kind. The benefit or perquisite may or may not be convertible into money but should arise either from carrying out of business, or from exercising a profession, by such resident.

The prevalent practice in the Automobile Industry is that of OEMs, Insurance Companies among others providing direct offers of foreign leisure trips, foreign meetings etc. for the Directors and other leadership teams of dealerships with or without family. These leisure trips are often along with the officials of Maruti and counterparts of other dealerships and is a platform for networking and relationship building. The cost for these visits -are fully borne by the respective OEMs and no cost is shared with the Company. Subsequent to the enactment of Section 194R, the cost associated with such travel shall be accounted as provided to Dealership Companies by the OEM's and get included in the perquisite of the concerned beneficiary. The Company is now made responsible for the payment of tax deduction at source against this perquisite even though no payment is emanating from the Company and show the cost of the benefit as perquisite of the managerial personnel.

Your Board of Directors have at their meeting held on 20th June, 2023 decided to recommend to the members for inclusion of the perquisites falling under Section 194R to Mr. John K. Paul, Whole-time Director of the Company as mentioned in the resolution.

In line with the Companies Act, 2013, the Board recommends the Special Resolution as set out at item no.5 for approval by the shareholders.

Mr. John K. Paul has devoted over three and a half decades to the growth and establishment of our Company. He has been a director from its inception. Considering his expertise and contributions to the Company, Shareholders' approval is sought for inclusion of provision for Gratuity payable on retirement. The gratuity considered is as per the Company's policy and paid to the all the employees of the Company on their retirement.

As per the provisions of Section 197 of the Companies Act, 2013, in the event of inadequate profits or losses, any amount may be paid, regardless of the limits as per Schedule V, with the approval of the Shareholders via Special Resolution. Accordingly, the consent of the shareholders is sought by way of a special resolution that where in any financial year the Company has no profits or inadequate profits then Salary, Performance Incentive, perquisites, gratuity etc. as decided above be paid to the Whole-Time Director.

Mr. John K. Paul is the promoter of the Company and its Managerial Personnel and so he may be deemed to have pecuniary relationship with the Company besides his remuneration in the capacity of Whole-Time Director. Further as on date he holds 27,51,125 Equity shares (21.93%) of the Company.

Except the promoters and directors Mr. John K. Paul, Whole-Time Director, Mr. Francis K. Paul, Whole-Time Director and Mr. Naveen Philip, Managing Director of the Company and their relatives, none of the Key Managerial personnel of the company or their relatives are interested whether financial or otherwise, in respect of the resolution as set out in the notice. The Board recommends the Resolution as set out in the notice vide item 5 for your approval.

There is no other information and facts to disclose that may enable members to understand the meaning, scope and implications of the said item of business and to take decision thereon.

The special business vide item (4) to be transacted at the meeting of the company does not relate to and affect any other company/entity.

Copies of the relevant records and papers are available at the Registered Office of the company for inspection of the members during business hours between 10 am and 5 pm on all working days, except Saturdays and shall also be laid before the meeting.

Item No. 6

The members at the 37th and 38thAnnual General Meeting had appointed and fixed remuneration of Managing Director and Whole-Time Directors. The remuneration of Mr. Francis K. Paul and Mr. John K. Paul as Whole-Time Directors of the Company was paid from the Company and of Mr. Naveen Philip, Managing Director was to be made from the Wholly Owned Subsidiary of the Company, Popular Mega Motors (India) Private Limited.

However, the Finance Act 2022 inserted a new Section 194R in the Income Tax Act, 1961 with effect from 01.07.2022 cast an obligation on the person responsible for providing any benefit or perquisite to a resident, to deduct tax at source @ 10%, whether the benefit or perquisite is in cash or in kind. The benefit or perquisite may or may not be convertible into money but should arise either from carrying out of business, or from exercising a profession, by such resident.

The prevalent practice in the Automobile Industry is that of OEMs, Insurance Companies among others providing direct offers of foreign leisure trips, foreign meetings etc. for the Directors and other leadership teams of dealerships with or without family. These leisure trips are often along with the officials of Maruti and counterparts of other dealerships and is a platform for networking and relationship building. The cost for these visits -are fully borne by the respective OEMs and no cost is shared with the Company. Subsequent to the enactment of Section 194R, the cost associated with such travel shall be accounted as provided to Dealership Companies by the OEM's and get included in the perquisite of the concerned beneficiary. The Company is now made responsible for the payment of tax deduction at source against this perquisite even though no payment is emanating from the Company and show the cost of the benefit as perquisite of the managerial personnel.

Your Board of Directors on recommendation of the Nomination and Remuneration Committee have at their meeting held on 20th June, 2023 decided to recommend to the members for inclusion of the perquisites falling under Section 194R to Mr. Francis K. Paul and Mr. John K. Paul as Whole-Time Directors of the Company and Mr. Naveen Philip, Managing Director of the Company as mentioned in the resolution. The Wholly-Owned Subsidiary of the Company, Popular Mega Motors (India) Private Limited also will propose to the members in its Annual General Meeting for approval the inclusion of the above perquisite in the remuneration to Mr. Naveen Philip, Managing Director.

In line with the Companies Act, 2013, the Board recommends the Special Resolution as set out at item no.6 for approval by the shareholders.

Mr. Francis K. Paul, Mr. John K. Paul and Mr. Naveen Philip are promoters of the Company and its Managerial Personnel and so they may be deemed to have pecuniary relationship with the Company besides their remuneration from the Wholly Owned Subsidiary (PMML). Further as on date the holds 27,51,125 Equity shares (21.93%) each of the Company.

Except the promoters and directors Mr. John K. Paul, Whole-Time Director, Mr. Francis K. Paul, Whole-Time Director and Mr. Naveen Philip, Managing Director of the Company and their relatives, none of the Key Managerial personnel of the company or their relatives are interested whether financial or otherwise, in respect of the resolution as set out in the notice. The Board recommends the Resolution as set out in the notice vide item 6 for your approval.

There is no other information and facts to disclose that may enable members to understand the meaning, scope and implications of the said item of business and to take decision thereon.

The special business vide item (6) to be transacted at the meeting of the company does not relate to and affect any other company/entity.

Copies of the relevant records and papers are available at the Registered Office of the company for inspection of the members during business hours between 11.00 am and 1.00 pm on all working days, except Saturdays and shall also be laid before the meeting.

BY ORDER OF THE BOARD OF DIRECTORS O F
POPULAR VEHICLES AND SERVICES LIMITED

Sd/-
VARUN T.V.
COMPANY SECRETARY

Kochi-25
Date: 20.06.2023

DIRECTORS' REPORT

To,
The Members,
Popular Vehicles and Services Limited

Dear Valued Members,
Your Directors are pleased to present the 39th Annual Report of Popular Vehicles and Services Limited, together with the report of the Statutory Auditors and the Audited Financial Statements for the financial year ended 31st March, 2023.

KEY ECONOMIC AND SECTORAL TRENDS

Terming the prevalent global environment to be on the path of a "Rocky Recovery", IMF's World Economic Outlook (WEO) of April 2023 has assessed the global economy to grow by 2.8% in 2023, down from 3.4% in the prior year, before settling at 3% in 2024.

The IMF has attributed a number of factors that will impede global economic recovery, such as unprecedented inflation that has elevated commodity costs and triggered a cost-of-living crisis in many parts of the world. Further, the lingering COVID impacts, geopolitical situation such as the war in Ukraine, and tightening policy by most major central banks of the world has created conditions that point to a rocky path ahead.

India however has seemed to escape the global economic challenges, with the first provisional estimates of the National Statistical Office pegging GDP growth at 7.2% for 2022-23. This was buttressed by the 6.1% GDP growth registered in the last quarter of FY2022-23, with expansion in manufacturing and construction being the primary drivers of growth. This reflects sustained strength in domestic demand even amid a gloomy global economic outlook. The Indian economy is expected to grow by 6.5-7% in the current fiscal year too on the back of strong policy reforms by the government, increased public sector spending, and relatively strong domestic demand.

The Indian automobile industry, a proxy of the broader economy, accomplished a strong performance in 2022-23. As per the Society of Indian Automobile Manufacturers (SIAM), total passenger vehicles (PVs) posted their highest-ever domestic sales during the year at 3.89 million units, growing at a 3.6% CAGR to surpass the previous (pre-pandemic) peak of 3.37 million units in 2018-19. PV sales in 2021-22 stood at 3.06 million units. Within the PV basket, utility vehicles sales increased from 1.48 million units in 2021-22 to 2 million in 2022-23.

A number of factors converged to drive domestic PV sales, including post-COVID pent-up demand, rise in preference for SUVs, new product launches, and imminent vehicle price increase due to more stringent emission norms, elevated input costs, etc. Despite the supply chain challenges spawning from the Russia-Ukraine crisis, the industry did well to ensure operational efficiency to service demand and meet customer expectations.

There were other challenges too, including an acute semi-conductor shortage that impacted production and delivery schedules and created a huge backlog. All in all however, the domestic PV industry did well during the year in review.

The domestic commercial vehicle (CV) market largely stabilised during the year, with offtake impetus emanating from increased trade and commerce and accelerated inter-state movement of cargo. Expansion plans of fleet owners in the wake of economic recovery also contributed to CV demand. Total CV sales enhanced to 0.96 million vehicles in 2022-23, up from 0.71 million vehicles in the prior year. However, CV sales are short of the 1 million mark achieved in the pre-pandemic year of 2018-19, and the current year will likely see CV sales surpass the pre-pandemic year sales.

Going forward, while a low base over the last three fiscal years will tend to accentuate comparative automotive sales growth in the current year, improvement in supply chain and consumer sentiment will be contributing factors too. On the flip side, rising vehicle costs driven by BS VI Phase-2 emission norms and high fuel costs and insurance premiums do pose a concern as well.

PVSL PERFORMANCE OVERVIEW

Within the overall context of its operating environment, PVSL accomplished a satisfactory performance during the financial year 2022-23.

As amongst the top dealership of Maruti Suzuki India Limited (MSIL) vehicles in India, your Company achieved sales of 30,948 MSIL vehicles during the year under report, up from 26,142 vehicles in the previous year, registering a 18.38% YoY growth. This exhibits a sales growth trend that is ahead of MSIL's overall pan-India sales growth of 23% YoY. Though the OEM, which is India's largest PV manufacturer with the highest market share, faced shortage of electronic components that impacted production, it still registered its highest ever total sales in 2022-23. MSIL is joining the SUV growth opportunity with a bang with the launch of the Grand Vitara/Fronx/Jimmy and some more models and will increase its market share in the segment, thus leading to a 3-4% increase in overall market share with NEXA models leading the surge.

The Group registered sound performance in non-MSIL sales too, with satisfactory growth achieved in PV sales of our other OEM principals, such as Honda and JLR. Further, the Group also remained amongst the top CV dealers of Tata Motors and also made good inroads with CVs of Bharat Benz.

In keeping with the future trend, the Group has moved into the e-mobility segment with dealership of Ather and Piaggio, OEMs that are early entrants in the electric segment. We believe we will be able to create a new engine of growth by venturing into this category, with vehicle electrification clearly the future.

As electric vehicle (EV) adoption expands in India, e-2W sales volume in the country is likely to touch 22 million units by 2030. The e-2W market is expected to be over 80% of the overall 2W market by 2030, as per Redseer, a strategy consulting firm. With demand for affordable transportation and focus shifting to reducing carbon emissions, EVs will play a vital role in India's step towards a cleaner and more sustainable future.

SOCIAL INITIATIVES

The Company is deeply aware of the importance of business integration with meeting the needs of society. One of the ways we do so is through local employment at our dealership and services operations that typically require large manpower.

We help our people develop their skills through structured training programs imparted at our own educational setup. A major step the Kuttukaran Group took in this regard comprises the establishment of Kuttukaran Polytechnic College at Manakkapady in Ernakulam, which also comprises a significant diversification in our community educational endeavours.

We also provide need-based support to communities, ensuring we lend a helping hand during their times of need. The major focus areas of our social actions comprise education, healthcare and women empowerment. For instance, the Company contributed to the installation of sanitary napkin burners and water filters in women hostels. There were various seminars, workshops, medical camps, self-defence training classes and skill training classes organized for underprivileged women too as part of our social outreach efforts.

AWARDS AND RECOGNITIONS

We believe that credible external endorsements are a motivating factor in our journey of accomplishing excellence. Continuing with its trailblazing path, the Group was bestowed with a number of awards and accolades in 2022-23. Our Company received the ET Auto Award Top Dealers of the Year 2023 (South).

WAY FORWARD

Vehicle ownership in India is merely 7.5% of overall households in India. Except for only very few states, the penetration in most others is in single digits, including Tamil Nadu at about 6.5%, Karnataka at 9.1%, and Maharashtra at 8.7%. This comprises a key rationale for the Group to venture into these states with its existing OEM dealership to tap into the opportunity presented by these states that are witnessing transformation in per capita income and greater affordability and affluence. This trend is further testified by the growing popularity of SUVs in the country, especially lifestyle SUVs in the premium segment.

We will continue to build on our foundations in customer excellence to drive sales for our OEMs, especially as they launch new models such as MSIL's Jimny and Fronx and Honda's Elevate. Deepening retail engagement will also enable us to expand ancillary income channels, such as sales of accessories and insurance, vehicle spares, maintenance and body work, etc.

Further, we will also continue to build our footprint in pre-owned vehicles of MSIL and other OEMs that will help us transform our margin profile and add stability to the overall business. It will also help us tap into the growing demand for pre-owned vehicles in the country, thus enabling us to serve a wide spectrum of consumers across income brackets and expectations.

We will also seek to adopt digital technologies that enable us to enhance the experience of our customers across their engagement cycle with us, right from test drives to documentation to acquisition of their preferred vehicle. In this, we are also creating learning and training setup for our employees to enable them to serve our customers in the best possible way as well as to ensure their own career growth and advancement.

Looking ahead, some challenges persist, such as constraints in supply chain of semiconductors that will continue to elongate waiting periods against high demand. Further, higher inflation-driven input costs and other regulatory costs will push up the cost of the overall vehicle for the consumer. We will continue to redefine our value proposition with a view to ensure excellence in customer service standards, meeting their demanding expectations. We will also continue to differentiate ourselves in the paradigm of customer service and ensure we remain amongst the top automotive dealership for our OEMs.

FINANCIAL PERFORMANCE

Key highlights of the financial performance of your Company on standalone and consolidated basis for the financial year 2022-23 is provided below:

1. Standalone performance

On a standalone basis, our sales were at Rs. 25,135.66 million for the current year as against Rs. 18,655.31 million in the previous year, registering an increase of 34.74%. We achieved profit before tax of Rs. 390.05 million in the year in review, against profit before tax of Rs. 137.18 million in the prior year, recording an increase of 184.34%.

(In INR million, except earnings per share data)

Particulars	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Revenue from operations	**25,135.66**	18,655.31
Other income	**121.42**	120.84
Total revenue	**25,257.08**	18,776.15
Employee benefits expense	**1,998.99**	1,584.75
Finance costs	**432.07**	374.61
Depreciation and amortization expense	**455.31**	416.42
All other expenses	**21,980.66**	16,263.19
Total expenses	**24,867.03**	18,638.97
Profit/(loss) before tax and exceptional item	**390.05**	137.18
Exceptional item	**-**	-
Profit/(loss) before tax	**390.05**	137.18
Tax expense		
Current tax	**129.32**	60.93
Deferred tax (credit)/charge	**(32.62)**	6.50
Total tax expense	**96.70**	67.43
Profit for the year	**293.35**	69.75
Earnings per equity share (in Rs)		
Basic	**23.39**	5.56
Diluted	**23.39**	5.56

2. Consolidated Performance

On a consolidated basis, our sales increased to Rs 48,750.02 million for the current year, as against Rs. 34,658.79 million in the previous year, recording an increase of around 40.66%. Our profit before tax increased to Rs.848.67 million for the current year as against Rs 485.46 million in the previous year, recording a hike of around 74.82%.

(In INR million, except earnings per share data)

	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Revenue from operations	**48,750.02**	34,658.79
Other income	**176.26**	183.20
Total revenue	**48,926.28**	34,841.99
Employee benefits expense	**3,082.06**	2,420.12
Finance costs	**705.34**	608.60
Depreciation and amortization expense	**794.45**	692.57
All other expenses	**43,495.76**	30635.24
Total expenses	**48,077.61**	34,356.53
Profit/(loss) before tax	**848.67**	485.46

(In INR million, except earnings per share data)

	For the financial year ended March 31, 2023	For the financial year ended March 31, 2022
Tax expense:		
Current tax	**240.10**	129.42
Deferred tax charge/(credit)	**(32.17)**	19.35
Total tax expense	**207.93**	148.77
Profit for the year	**640.74**	336.69
Earnings per equity share (in Rs)		
Basic	**51.10**	26.85
Diluted	**51.10**	26.85

The standalone and consolidated financial statements for the financial year ended 31st March, 2023, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (IndAS), as notified by the Ministry of Corporate Affairs.

3. Share Capital

During the financial year under report, there was no change in the authorised and paid-up equity share capital of the Company.

As on 31st March, 2023, the authorised share capital of your Company stood at Rs.15,00,00,000/- comprising 1,50,00,000 equity shares of face value of Rs.10/- each. Paid-up equity share capital of your Company stood at Rs. 12,54,42,890/- consisting of 12,544,289 equity shares of Rs. 10/- each fully paid up.

The Company has taken necessary action to facilitate dematerialisation of all its existing securities and issue its further securities only in dematerialised form vide Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018, dated September 10, 2018 and Rule 9A which came into effect from October 02, 2018 onwards.

As on 31st March 2023, a total of 12,526,027 equity shares, representing 99.85% of the equity share capital, have been dematerialized and 18,262 equity shares (0.15%) are held in physical form.

4. Dividend & Reserves

The Board of Directors of your Company, after considering holistically the relevant circumstances and keeping in view the Company's dividend distribution policy, has decided that it would be prudent not to recommend any dividend for the year under review.

No amount is proposed to be transferred to general reserves for the financial year ended 31st March, 2023.

5. Material changes and commitments, if any, affecting the financial position of the company, having occurred since the end of the year and till the date of the report.

There have been no material changes and commitments which affect the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this report.

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

There was no change in the nature of business of the Company during the financial year ending on 31st March, 2023.

7. Significant and Material Orders

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

8. Details of Subsidiary/Joint Ventures/Associate Companies

Your Company does not have any Joint Ventures or Associate Companies. The subsidiaries of the Company as on 31st March, 2023 are listed below:

Sl. no.	Name of subsidiary
1	Popular Mega Motors (India) Private Limited
2	Popular Autoworks Private Limited
3	Vision Motors Private Limited
4	Popular Auto Dealers Private limited
5	Kuttukaran Cars Private Limited (erstwhile Prabal Motors Private Limited)
6	Kuttukaran Green Private Limited (erstwhile Kuttukaran Pre Owned Cars Private Limited)
7	Keracon Equipments Private Limited
8	Prabal Motors Private Limited

During the reporting financial year, the shares held by Popular Auto Dealers Private Limited in Kuttukaran Green Private Limited have been transferred to the Company. Hence, Kuttukaran Green Private Limited has become a wholly-owned subsidiary of the Company.

During the reporting financial year, the shares held by the promoters of the Company in Keracon Equipments Private Limited has been transferred to the Company. Hence, Keracon Equipments Private Limited has become a wholly-owned subsidiary of the Company with effect from 01st February, 2023.

Prabal Motors Private Limited which is the subsidiary of Keracon Equipments Private Limited has become the step down subsidiary of the Company with effect from 01st February, 2023.

There has been no material change/s in the nature of business of the subsidiaries during the financial year.

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

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

a) Composition of the Board

During the financial year, the Board of Directors of your Company comprised of seven Directors, i.e. Mr. Naveen Philip, Managing Director, Mr. John K. Paul, Whole-Time Director, Mr. Francis K Paul, Whole-Time Director, Mr. Abhishek G. Poddar, Nominee Director, Mr. Jacob Kurian, Independent Director, Ms. Preeti Reddy, Independent Director, and Mr. George Joseph, Independent Director.

The nomination of Mr. Rahul G. Kurup who was appointed as Nominee Director of the Company was withdrawn by Banyantree Growth Capital II, LLC with effect from 27th September, 2022. The Board of Directors place on record their appreciation of the contributions made by Mr. Rahul G. Kurup during his tenure as a Director of the Company.

Mr. Abhishek G. Poddar has been nominated in place of Mr. Rahul G. Kurup and he is the Nominee Director of the Company with effect from 27th September, 2022.

After the end of the financial year, Mr. Abhishek G Poddar has resigned from the position of the Nominee Director with effect from 19th June, 2023.

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

In accordance with the Articles of Association, Mr. Francis K. Paul, Whole-Time Director retires by rotation at the ensuing Annual General Meeting. Mr. Francis K. Paul, being eligible, seeks reappointment at the Annual General Meeting.

b) Board Meetings

During 2022-23, the Company held five (5) meetings of the Board of Directors on 14th June, 2022, 27th September, 2022, 19th January, 2023, 02nd February, 2023, and 29th March, 2023. The intervening gap between the meetings is within the period as prescribed under Section 173 (1) of the Companies Act, 2013.

c) Board Committees

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

The Company has also constituted a Finance and Authorisation Committee (sub-committee), IPO Committee and Risk Management Committee.

The Audit Committee has been constituted with Mr. George Joseph (Chairman), Mr. Jacob Kurian, Ms. Preeti Reddy and Mr. Naveen Philip as members.

During FY 2022-23, the Company held five (5) meetings of the Audit Committee on 14th June, 2022, 27th September, 2022, 19th January, 2023, 02nd February, 2023, and 29th March, 2023.

All the recommendations of the Audit committee were accepted by the Board during the financial year under review.

The Company reconstituted the Nomination and Remuneration Committee with Ms. Preeti Reddy (Chairperson), Mr. Jacob Kurian, Mr. George Joseph and Mr. Abhishek G. Poddar as members at the Board meeting dated 27th September, 2022.

During 2022-23 the Company held two (2) meetings of the Nomination and Remuneration Committee on 14th June, 2022, and 27th September, 2022.

The Company reconstituted its Stakeholders' Relationship Committee with Mr. George Joseph (Chairman), Mr. Naveen Philip, Ms. Preeti Reddy and Mr. Abhishek G. Poddar as members at its Board meeting dated 27th September, 2022.

During 2022-23, the Company held one (1) meeting of the Stakeholders' Relationship Committee on 19th January, 2023.

Corporate Social Responsibility Committee was reconstituted with Mr. Francis K. Paul (Chairman), Mr. John K. Paul, Mr. Abhishek G. Poddar and Mr. Jacob Kurian as members at the Board meeting dated 27th September, 2022.

During 2022-23, the Company held one (1) meeting of the Corporate Social Responsibility Committee on 29th March, 2023.

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

There were no meetings of the Risk Management Committee during 2022-23.

The Company also reconstituted the Finance and Authorisation Committee (sub-committee) with Mr. Naveen Philip (Chairman), Mr. John K. Paul, Mr. Francis K. Paul and Mr. Abhishek G. Poddar as members at its Board meeting dated 27th September, 2022.

During 2022-23, the Company held twenty (20) meetings of the Finance and Authorisation Committee on 01st April, 2022, 03rd May, 2022, 06th May, 2022, 17th June, 2022, 04th July, 2022, 13th July, 2022, 18th August, 2022, 15th September, 2022, 28th September, 2022, 17th October, 2022, 26th October, 2022, 24th November, 2022, 02nd December, 2022, 17th December 2022, 09th January, 2023, 12th January, 2023, 06th February, 2023, 23rd February, 2023, 08th March, 2023, and 29th March, 2023.

d) Managing Director and Whole-Time Director

The shareholders at the 38th Annual General Meeting held on 14.07.2022 appointed Mr. Naveen Philip as the Managing Director of the Company for a period of 5 years commencing from 15th June, 2022 till 14th June, 2027.

As recommended by the Board of Directors at their meeting held on 14.06.2022, the members at the 38th Annual General Meeting held on 14th July, 2022 had appointed Mr. John K. Paul as Whole-Time Director of the Company, subject to approval of the Central Government for a period commencing from 15th June 2022 to 31st March, 2024 as he had stepped down from the post of Managing Director of the Company on 15th June 2022 to appoint a new Managing Director, as part of the Company's succession plan.

Mr. Francis K. Paul has been re-appointed as the Whole-Time Director of the Company till 31st March, 2024.

At the ensuing 39th Annual General Meeting, it is proposed to re-appoint Mr. John K. Paul and Mr. Francis K. Paul as Whole-Time Directors of the Company for a period of 2 years commencing from 01st April, 2024 to 31st March, 2026.

e) Key Managerial Personnel (KMPs)

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

(i) Mr. Raj Narayan as Chief Executive Officer

(ii) Mr. John Verghese as Chief Financial Officer

(iii) Mr. Varun T V as Company Secretary

Mr. Raj Narayan was appointed as the Chief Executive Officer of the Company with effect from 10th October, 2022.

10. Evaluation of Directors, Board and Committees

The Company has devised a policy for performance evaluation of the individual directors and the Board, which includes criteria for performance evaluation.

The provisions as contained in Schedule IV of the Companies Act, 2013 does not provide for performance evaluation of independent directors by the Board on yearly basis and is said to be taken to decide on their reappointment, hence the performance evaluation of independent directors is not done by the entire Board of Directors.

However, a separate meeting of the Independent Directors was held on 29th March,2023 for evaluation of the performance of Non-Independent Directors, performance of the Board as a whole and that of the Chairman of the Board.

Feedback was sought from all the Directors of the Company, by way of a structured questionnaire covering various aspects, on performance evaluation of the Board, Committees of Board, Independent Directors, Non-Independent Directors and the Chairman considering criteria such as Board's composition and structure, effectiveness of the Board, performance of the Board, processes and information provided to the Board, etc.

The committee of independent directors evaluated performance of its own and of its Committees based on the feedback so received.

11. Directors' Responsibility Statement

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

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

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

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

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

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

12. Public Deposits

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

13. Statutory Auditors

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

14. Statutory Auditor's Report

The Statutory Auditors' Report on the standalone financial statements for the financial year ending 31st March, 2023 does not contain any qualification, reservation or adverse remarks.

However the Statutory Auditors' report on the consolidated financial statements has reference to the modified opinion as given in Annexure A of the Independent Auditor's report of Popular Mega Motor(s) India Private Limited (clause (xi)(a)-Fraud), Kuttukaran Cars Private Limited (clause (ix) (d)- fund raised on short term basis), Prabal Motors Private Limited (clause (ii)(b)-quarterly returns filed by the Company and clause (ix)(d)- fund raised on short term basis). The Board of Directors of the respective Companies have responded to the modified opinions in their report.

15. Particulars of loans, guarantees or investments

During the year under review, the Company has given Corporate Guarantees amounting to Rs. 44 crores for Popular Mega Motors (India) Private Limited, Rs. 4 crores for Kuttukaran Cars Private Limited, Rs. 2 crores for Kuttukaran Green Private Limited, Rs. 4.83 crores for Popular Auto Dealers Private Limited and Rs.9.50 crores to Popular Autoworks Private Limited for availing credit facility from bank/NBFCs by the subsidiary companies.

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

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

16. Particulars of contracts or arrangements with related parties

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

17. Managerial remuneration

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

Name	Designation	Educational Qualification	Age	Experience (in years)	Date of Joining	Remuneration for the FY (in Rs. million)	Nature of Employment	Previous Employment and Designation	% of share holding in the Company	Whether any such employeeis a relative of any director or manager of the company
Mr. Francis K Paul	WTD	Bachelor's degree in Mechanical Engineering, University of Calicut	75	44	01.04.2006	13.75	In the rolls of the Company	-	21.93%	Yes. Relative of Mr. John K. Paul and Mr. Naveen Philip, Directors of the Company
Mr. John K Paul	WTD	Bachelor's degree in Mechanical Engineering, University of Calicut	70	44	01.04.2006	11.78	In the rolls of the Company	-	21.93%	Yes. Relative of Mr. Naveen Philip and Mr. Francis K. Paul, Directors of the Company
Mr. Raj Narayan	CEO	MBA ICFAI University, Manger Development Programme, IIM Ahmedabad	50	23	10.10.2022	5.60	In the rolls of the Company	Globacom Limited as CEO	Nil	No
Mr. Naveen Philip	MD	PGDBM Xavier Institute of Management Bachelor's degree in Mechanical Engineering, University of Calicut	53	24	01.04.2018	11.78*	In the rolls of the Subsidiary, Popular Mega Motors (India) Private Limited	Godrej Telecom Limited, Manager	21.93%	Yes. Relative of Mr. John K. Paul and Mr. Francis K. Paul, Directors of the Company

* Paid from PMML

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

The Company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The Company has constituted an Internal Committee as required under the said Act to take necessary preventive actions as may be possible and also to carry out redressal of complaints, if any, on sexual harassment and for matters connected therewith or incidental thereto. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Summary of sexual harassment complaints received and disposed of during the calendar year 2022 are as follows:

(a) Number of complaints pending at the beginning of the year : 1

(b) Number of complaints received during the year: 1

(c) Number of complaints disposed off during the year: 2

(d) Number of cases pending at the end of the year: 0

The Committee has submitted the Annual Report on POSH to the Company and to the District Officer, pursuant to Section 21 of the POSH Act, 2013. The report has also been submitted to authorities under law.

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

The Company uses power-saving lighting equipment for its offices and workshops and conserves power wherever there is scope for energy savings.

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

There was no foreign exchange earnings during the Financial Year ended 31st March 2023. The Foreign exchange outgo during the Financial Year ended 31st March 2023 is given below;

Payment Date	Vendor Name	Description	Amount in Rs.
31.05.2022	Secure Docs Inc	Towards Membership and Subscription	2,37,036

20. Corporate Social Responsibility

The Company, since its inception, has been a responsible member of the society and has pioneered activities that promote various social and charitable objectives. The Company has also, over the years, undertaken various social and charitable activities directly as well as through NGOs.

As on 31st March, 2023, the CSR committee consists of:

- Mr. John K. Paul, Whole-Time Director
- Mr. Francis K. Paul, Whole-Time Director
- Mr. Jacob Kurian, Independent Director
- Mr. Abhishek G. Poddar, Nominee Director

The major focus of the Committee was education, health and women empowerment. The committee supported the installation of sanitary napkin burners and water filters for girls hostels. There were various seminars, workshops, medical camps, self-defence training classes and skill training classes organized for underprivileged women in the society and it also supported in providing accommodation and food for eligible girl students. This was executed through the "K.P. Paul Foundation".

The Company's CSR policy is available on our website, at https://www.popularmaruti.com/investor-relations/wp-content/uploads/2022/01/Corporate-Social-Responsibility-Policy.pdf

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

21. Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013, the Company has appointed Mr. M.C. Sajumon, Practising Company Secretary, Kochi, as Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year ending 31st March, 2023. The report of the Secretarial Auditor for the financial year 2022-23 is annexed to this report. The secretarial auditor's report does not contain any qualifications, reservations or adverse remarks or disclaimer.

22. Annual Return

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

23. Vigil mechanism

In accordance with Section 177 of the Companies Act, 2013, the Company has formulated a Vigil Mechanism for Directors and employees to report their genuine concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct. It provides adequate safeguards against victimisation. It also provides direct access to the higher levels of supervisors and/or to the Chairman of the Audit Committee, in appropriate or exceptional cases. The policy has been overseen by the Audit Committee. The details of the policy can also be accessed on the Company's website: https://popularmaruti.com/investor-relations/wp-content/uploads/2022/01/WhistleBlower-Policy.pdf.

24. Risk Management and Adequacy of Internal Financial Controls

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

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by the statutory as well as internal auditors. Significant audit observations and follow-up actions thereon are reported to the Board.

25. Credit Rating

During the year under review, CRISIL through its credit rating report dated 25th April, 2023 has re-affirmed CRISIL BBB+/Stable rating for long-term facilities; short-term rating of 'CRISIL A2' for the debt instruments/facilities has been re-affirmed too.

26. Internal Audit

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

27. Reporting of Fraud by Auditors

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

28. Human Resources Management

Human Resource Department (HRD) plays a pivotal role in achieving organizational excellence. Your Company constantly strives to develop quality human resources by providing a congenial and conducive work environment to meet the challenges of a competitive business environment and to build critical capabilities in accomplishing the Company's objectives and goals. The Company continuously renews and updates the knowledge and skills of its employees at all levels through training and development.

As on 31st March, 2023, the Company had a total head count of 6,407 employees, a decrease of 209 people over the previous year. Your Company takes significant efforts on employee development by imparting training to employees at various levels or the organisation.

Your Company wishes to put on record its deep appreciation for the cooperation and efforts of its employees for the continuous betterment of the organization.

29. Industrial Relations

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

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

The NRC of the Board has devised a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management. The Committee has formulated the criteria for determining the qualifications, positive attributes and independence of Directors, which has been put up on the Company's website:

https://popularmaruti.com/investor-relations/wp-content/uploads/2023/02/Remuneration-Policy-for Directors-and-Senior-Management.pdf.

31. Secretarial Standards

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

32. Disclosure about the application as made or any proceeding is pending under the Insolvency and Bankruptcy Code (IBC), 2016 during the year along with their status as at the end of the financial year.

Not applicable.

33. Disclosure about the difference between the amounts of the valuation executed at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

Not applicable.

34. Insurance

All the assets of the Company have been adequately insured.

35. Acknowledgements

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

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

Place: Kochi-25
Date: 20.06.2023

sd/-	sd/-
Naveen Philip	**Francis K Paul**
(Managing Director)	(Whole Time Director)
DIN:00018827	DIN:00018825

Annexure A

FORM AOC-1

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

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

(In Rs. million)

Sl. No	Name of Subsidiary	Financial period ended	Date since when subsidiary was acquired	Reporting Currency	Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover	PBT	Provision for Tax	Profit After tax	Proposed Dividend	% of shareholding
1	Popular Mega Motors (India) Private Limited	March 31, 2023	21.06.2004	INR	69.44	977.16	3252.26	3252.26	288.47	14449.54	159.03	41.4	117.63	-	100%
2	Popular Autoworks Private Limited	March 31, 2023	09.01.2014	INR	251.12	(72.69)	1115.40	1115.40	-	1873.02	33.05	10.09	22.97	-	100%
3	Vision Motors Private Limited	March 31, 2023	20.06.2012	INR	146.77	244.73	914.36	914.36	2.24	3242.35	160.54	40.08	120.46	-	100%
4	Popular Auto Dealers Private limited	March 31, 2023	01.10.2015	INR	5.10	332.92	832.21	832.21	9.13	2539.26	102.41	25.62	76.79	-	100%
5	Kuttukaran Cars Private Limited	March 31, 2023	06.01.2014	INR	20.00	(27.99)	156.33	156.33	-	400.93	(6.15)	1.82	(4.33)	-	100%
6	*Kuttukaran Green Private Limited (Former Kuttukaran Pre Owned Cars Private Limited)	March 31, 2023	13.06.2017	INR	15.10	(0.86)	96.85	96.85	-	159.23	(11.57)	(2.97)	(8.60)	-	100%
7	Keracon Equipments Private Limited	March 31, 2023	01.02.2023	INR	9.48	(11.09)	3.55	3.55	0.1	3.80	3.29	-	3.29	-	100%
8	**Prabal Motors Private Limited	March 31, 2023	01.02.2023	INR	0.20	130.34	1186.58	1186.58	-	3911.14	106.63	31.75	72.28	-	100%

* Share capital of Kuttukaran Green Private Limited consists of 10,000 equity shares of Rs. 10/- each and 15,000 preference shares of Rs. 1000/- each which is fully held by the company.

** Share capital of Prabal Motors Private Limited consists of 20,000 preference shares of Rs. 10/- each which is fully held by the company.

Company does not have any associate companies or joint ventures as on March, 31, 2023.

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

sd/-
Naveen Philip
(Managing Director)
DIN:00018827

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

Place: Kochi-25
Date: 20.06.2023

SECRETARIAL AUDIT REPORT

POPULAR VEHICLES AND SERVICES LIMITED

(For the financial year ended on 31.03.2023)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Popular Vehicles and Services Limited (CIN: U50102KL1983PLC003741) (hereinafter called the Company), having registered office at Kuttukaran Centre, Mamangalam, Cochin, Ernakulam, Kerala, Pin- 682025 and incorporated on 05.07.1983, carrying on the business of purchase, sale and services of automobiles, spare parts and accessories. The Company has Six subsidiaries and two step down subsidiaries. Popular Mega Motors (India) Private Limited, Popular Autoworks Private Limited, Popular Auto Dealers Private Limited, Kuttukaran Cars Private Limited (Formerly known as Prabal Motors Private Limited), Keracon Equipments Private Limited and Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned Cars Private Limited) are subsidiaries and Vision Motors Private Limited and Prabal Motors Private Limited are step down subsidiaries. Secretarial Audit of M/s Popular Vehicles And Services Limited for the financial year ending on 31.03.2023 was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31.03.2023 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under- Not applicable as the company is an unlisted public company;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; The company has dematerialized its share certificates and appointed M/s Link Intime India Private Limited having Registered office at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai, Mumbai City, Maharashtra-400083 as Registrar and Transfer Agent (RTA) to comply with the provisions of the Act. However, as on 31.03.2023, certificates of 18,262 shares (0.145%) are held in physical form.

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

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

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

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

   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015-

Not applicable as the company is an unlisted public company;

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

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

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

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

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

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

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

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

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

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

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

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

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

I further report that the compliance by the company of the financial laws like direct and indirect tax laws and various labour laws and other laws has not been reviewed in this audit, since they do not come under the scope of this audit. However based on the information received and records maintained by the company and on their examination I report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with general laws like labour laws, Competition law, environmental laws, rules, regulations and guidelines.

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

a) The Company in the Annual General Meeting held on 14.07.2022 appointed Mr. Naveen Philip (DIN: 00018827), by a Special Resolution, as Managing Director of the company, for a period of 5 years commencing from 15.06.2022 to 14.06.2027, liable to retire by rotation and decided to continue the payment of remuneration and benefits to him, from the wholly owned subsidiary, Popular Mega Motors India Private Limited. Nomination and Remuneration Committee and the Board of Directors at their meeting held on 14.06.2022 considered and approved and recommended for the appointment of Mr. Naveen Philip, as Managing Director of the company as aforesaid.

b) Mr. John Kuttukaran Paul (DIN: 00016513) had resigned from the post of Managing Director of the Company w.e.f. 15.06.2022 in order to appoint Mr. Naveen Philip (DIN: 00018827) as new Managing Director of the Company as part of the Company's succession plan.

c) The Company in the Annual General Meeting held on 14.07.2022 appointed Mr. John Kuttukaran Paul (DIN: 00016513), by a Special Resolution, subject to the approval of Central Government, as Wholetime Director of the company, from 15.06.2022 to 31.03.2024, liable to retire by rotation and decided to pay remuneration and benefits to him, even if in any financial year the Company has no profits or inadequate profits. Nomination and Remuneration Committee and the Board of Directors at their meeting held on 14.06.2022 considered and approved and recommended for the appointment of Mr. John Kuttukaran Paul, as Wholetime Director of the company as aforesaid.

d) The Board of Directors of the Company at their meeting held on 27.09.2022, appointed Mr. Abhishek Girdharilal Poddar (DIN: 07143528), the representative/ nominee of M/s Banyan Tree Growth Capital II LLC, the private equity investor as Nominee Director of the Company in place of Mr. Rahul G Kurup, w.e.f. 27th September 2022 to hold office for a period of five years, pursuant to the Articles of Association of the Company and Section 161(3) of the Companies Act, 2013.

e) The Board of Directors of the Company at their meeting held on 27.09.2022, appointed Mr. Raj Narayan (PAN: ACKPN0616P) as Chief Executive Officer (CEO) of the Company w.e.f. 10.10.2022 to perform the duties assigned to him by the Board of Directors from time to time. Nomination and Remuneration Committee at their meeting held on 27.09.2022 considered and recommended for the appointment of Mr. Raj Narayan as CEO of the Company.

f) Mr. Naveen Philip (DIN: 00018827), Director, who retired by rotation in terms of Section 152 of the Companies Act, 2013 was re-appointed as Director of the Company at the 38th Annual General Meeting held on 14.07.2022 as recommended by the Board at their meeting held on 14.06.2022.

g) The Board of Directors at their meeting held on 14.06.2022 decided to pay profit related commission to Independent Directors Mr.Jacob Kurian (Rs.4 Lakh), Ms. Preeti Reddy (Rs.4 Lakh) and Mr. George Joseph (Rs.3 Lakh), as approved by the Shareholders at the AGM held on 28.09.2021 to pay commission to Non-executive Directors at the rate not exceeding 1% of the net profit of the Company for a period of five years and as recommended by the Nomination and Remuneration Committee at their meeting held on 30.03.2022.

h) As approved by the Shareholders at the AGM held on 28.09.2021, the Board of Directors at their meeting held on 14.06.2022 decided to pay performance incentive of Rs.10 Lakhs each to Mr. John K Paul, then Managing Director and Mr. Francis K Paul, Wholetime Director of the Company, based on consolidated Net profit of the Company.

Further during the audit period the Company has also appointed its employees as Directors in its subsidiary companies.

I further report that the company has held Five (5) Board meetings during the period under report, respectively on 14.06.2022, 27.09.2022, 19.01.2023, 02.02.2023 and 29.03.2023. Adequate notice was given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent in advance duly complying with the time limits specified and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The proceedings of the above meetings have been recorded and signed by the Chairman.

In addition to the general business and statutory matters, the Board has in the meeting held on 29.03.2023 considered and accorded omnibus approval for related party transactions (in the nature of sale and supply of goods or materials, availing/rendering of services, Selling or otherwise disposing off or buying property of any kind and Leasing of property of any kind) between the company and the subsidiary companies/other related parties to be carried out on arms length basis in the ordinary course of business during the financial year 2023-24. Approval for entering into related party transactions during the financial year 2022-23 was accorded at the Board Meeting held on 30.03.2022.

During the period under report, the Company has related party transactions with Wholly owned Subsidiary/step down Subsidiary Companies M/s Popular Mega Motors (India) Private Limited (CIN:U31103KL1997PTC011748), M/s Popular Auto Dealers Private Limited (CIN: U50101KL2005PTC018670), M/s Popular Autoworks Private Limited (CIN: U34100KL2009PTC024318), M/s Kuttukaran Cars Private Limited (CIN: U34100KL2011PTC029542), M/s Kuttukaran Green Private Limited (CIN: U50400KL2017PTC049442), M/s Keracon Equipments Private Limited (CIN: U51503KL2011PTC029161), M/s Vision Motors Private Limited (CIN:U34100KL2008PTC022049) and M/s Prabal Motors Private Limited (CIN: U50101KL2006PTC019140), in the nature of purchase and sale of goods, fixed assets, availing or rendering of services, receipt of Corporate Guarantee Commission etc. and in respect of which the Company has complied with provisions of Sections 188/186 of the Companies Act, 2013, as the case may be.

During the period under report, the Company has at the Board meeting held on 14.06.2022, appointed Secretarial Auditor for conducting Secretarial Audit pursuant to Section 204 of the Act for a period of Three years with effect from 01st April 2022 to 31st March 2025.

Regarding evaluation of the performance of Independent Directors by the Board, in accordance with schedule IV, u/s 149 (8) of the Companies Act, 2013, it is explained by the company that since there is no mention, in the schedule, as to such evaluation on yearly basis and is said to be taken to decide on their reappointment, it has not been taken on yearly basis. The Board at the meeting held on 14.06.2022 took note of the declaration u/s 149(7) of the Act regarding whether Independent Directors meet the criteria of Independence u/s 149(6) and ensured it and also noted that independent directors are not disqualified to act as such. The Board also noted the declaration given by the directors pursuant to section 164(2) of the Act and ensured that none of the directors are disqualified under the provisions of section 164(2) of the Act. The Board also noted the Disclosure of interest and shareholding of Directors received pursuant to Section 184(1) of the Act. The Board in the meeting held on 14.06.2022 had considered and approved the draft financial statements as on 31.03.2022 as well as Auditor's Report and Board's Report thereon. The Board of Directors at their meeting held on 14.06.2022 had fixed the date of 38th Annual General Meeting of the Company for the Financial Year ended 31.03.2022 and approved draft Notice of 38th AGM.

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

The Committees of the Board consists of Audit committee, Nomination and Remuneration Committee and Finance and Authorisation Committee (subcommittee), CSR Committee, Stakeholders Relationship Committee and, IPO Committee and Risk Management Committee.

During the financial year 2022-23, the Audit committee has met Five (5) times respectively on 14.06.2022, 27.09.2022, 19.01.2023, 02.02.2023 and 29.03.2023. The Audit Committee Meeting held on 14.06.2022 has considered, discussed and recommended to the Board Standalone & Consolidated Financial Statements of the company as on 31.03.2022 and Auditors Report thereon. Audit committee has also scrutinized the

Investments, Corporate Guarantee and Security made by the Company. In the Audit Committee Meetings held respectively on 27.09.2022, 19.01.2023 and 29.03.2023, the Internal Auditor made a presentation to the Committee and answered to the queries raised by the members. The Audit Committee held on 29.03.2023 gave omnibus approval for entering into Related Party Transactions for the Financial Year 2023-24. The Audit committee has also made the evaluation of transaction of the company with related parties and also considered matters such as remuneration of auditors of the company and revision of EMI Schedule along with change in the rate of Interest of Inter-corporate Loan .

The company has an Internal Complaints Committee (ICC) under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Audit Committee at their meeting held on 19.01.2023 took note of the Annual Report for the Calendar Year 2022 submitted by the Internal Complaints Committee of the Company and Subsidiaries under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further as per explanation received and records of the company, the Committee had submitted the Annual Report dated 29th July 2022 for the Calendar Year 2021 to the Company and to the District Officer, pursuant to Section 21 of the POSH Act, 2013.

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

Separate meeting of the Independent Directors without the attendance of non-independent directors and the members of the management was held on 29.03.2023 for the financial year 2022-23 in order to comply with the requirement as per provisions of section 149(8) and schedule IV (Code of Conduct of Independent Directors-Para VII) and reviewed the performance of non-independent directors and the Board as a whole and also reviewed the performance of the Chairman of the company. The proceedings of the above meeting was duly recorded and signed by the Chairman.

During the reporting period, the Nomination and Remuneration Committee was reconstituted by the Board of Directors at their meeting held on 27.09.2022. During the financial year 2022-23, the Nomination and Remuneration Committee had met two (2) times respectively on 14.06.2022 and 27.09.2022. The proceedings of the above committee meetings were duly recorded and signed by the Chairman.

During the financial year 2022-23, the CSR Committee was reconstituted by the Board of Directors at their meeting held on 27.09.2022. CSR Committee Meeting held on 29.03.2023 reviewed the CSR activities undertaken during the financial year 2022-23 and noted the amount spent towards it. The specified CSR amount to be spent for the financial year 2022-23 was Rs. 1.31 Million and the said amount was spent towards CSR through an implementation Agency K P Paul Foundation bearing CSR Registration Number CSR00015233. The Committee also approved CSR budget for the financial year 2023-24 and proceedings of the meeting was duly recorded and signed by the Chairman.

During the financial year 2022-23, the Finance and Authorisation Committee was reconstituted and the terms of reference of the said Committee was revised by the Board of Directors at their meeting held on 27.09.2022. During the financial year ending 31.03.2023, Meetings of sub-committee, viz; Finance and Authorisation Committee were held on 01.04.2022, 03.05.2022, 06.05.2022, 17.06.2022, 04.07.2022, 13.07.2022, 18.08.2022, 15.09.2022, 28.09.2022, 17.10.2022, 26.10.2022, 24.11.2022, 02.12.2022, 17.12.2022, 09.01.2023, 12.01.2023, 06.02.2023, 23.02.2023, 08.03.2023 and 29.03.2023 respectively. The proceedings of the above committee meetings were duly recorded and signed by the Chairman.

During the financial year 2022-23, the Stakeholders Relationship Committee, constituted by a meeting of the Board held on 10.06.2021, was reconstituted by the Board of Directors at their meeting held respectively on 14.06.2022 and 27.09.2022. During the reporting period, Stakeholders Relationship Committee meetings was held on 19.01.2023 and the proceedings were duly recorded and signed by the Chairman.

38th Annual General Meeting of the company for the financial year ended 31.03.2022 was held on 14.07.2022 through Video Conference, adhering to the provisions of MCA Circulars 02/2022 dated 05th May, 2022, 02/2021 dated 13th January 2021 and 20/2020 dated 5th May, 2020 read with circulars 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020. The proceedings of the above General Meeting was recorded and signed by the Chairman.

During the period under report the Company has filed the following eforms with ROC in addition to other eforms for change in the composition of the Board of Directors and other KMPs, annual filing compliances and registration of charges etc.:

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

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

(iii) eForm PAS-6 pursuant to sub-rule (8) of Rule 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014, in respect of Reconciliation of share Capital Audit Report for the half year ended 31.03.2022 and 30.09.2022, respectively.

(iv) eForm MR-2 for filing Application to the Central Government in respect of Appointment of Mr. John Kuttukaran Paul, as Wholetime Director (DIN: 00016513) of the company, for a period commencing from 15.06.2022 to 31.03.2024 and payment of remuneration and benefits to him, pursuant to Section 196(4), Part I of Schedule V of the Companies Act, 2013 and Rule 7 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. In this regard the Company had received a letter from Central Government seeking additional information/clarification and the Company had given reply on time. The Company is waiting for approval of Form MR-2 filed by the Company for earlier appointment of Mr. John Kuttukaran Paul as Managing Director (from 01.04.2022 to 31.03.2024) as well as his present appointment as Wholetime Director of the company

I further report that based on the information received and records maintained by the company there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

(1) As per the recommendation of the Audit Committee, the Board of Directors at their meeting held on 30.03.2022 had given consent and accordingly the Company had purchased 10,000 Equity shares of Rs.10/- each of M/s Kuttukaran Green Private Limited from M/s Popular Auto Dealers Private Limited at a total consideration of Rs.1,00,000/- in order to make M/s Kuttukaran Green Private Limited a wholly owned Subsidiary of M/s Popular Vehicles and Services Limited. Further pursuant to Section 187(1) of the Companies Act, 2013 it was decided to hold one share of Rs.10/- each of M/s Kuttukaran Green Private Limited in the name of Mr. Naveen Philip, Director as nominee of M/s Popular Vehicles and Services Limited to ensure that the number of members of M/s Kuttukaran Green Private Limited is not reduced below the statutory limit.

(2) The Company had subscribed 15,000, 0.1% Non-Cumulative Compulsorily Convertible Preference shares of Rs.1,000/- each, aggregating to Rs. 1,50,00,000/-, of stepdown subsidiary of the Company Kuttukaran Green Private Limited, offered to the Company through Private Placement. The Finance and Authorisation Committee meeting held on 06.05.2022 gave approval for the said investment.

(3) As decided at the Finance and Authorisation Committee meeting held on 13.07.2022, the company has granted

Corporate Guarantee for the wholly owned subsidiary company M/s Popular Mega Motors (India) Private Limited in favour of The Karur Vysya Bank Limited to secure the eDFS - Vehicle Funding Facility of Rs.15 Crore granted by The Karur Vysya Bank Limited to M/s Popular Mega Motors (India) Private Limited.

(4) The company has made renewal of the Corporate Guarantee furnished in favour of IndusInd Bank Limited in relation to the credit facility of Rs.37.50 Crores availed by wholly owned subsidiary company M/s Popular Mega Motors (India) Private Limited as decided at the Finance and Authorisation Committee meeting held on 13.07.2022.

(5) As authorized by the Board of Directors at their meeting held on 10.06.2021, the Finance and Authorisation Committee at their meeting held on 13.07.2022 decided to extent an Intercorporate Loan up to an amount of Rs.40 Lakhs for a period of One Month to the wholly owned subsidiary M/s Kuttukaran Cars Private Limited.

(6) As authorized by the Board of Directors at their meeting held on 10.06.2021, the Finance and Authorisation Committee at their meeting held on 15.09.2022 decided to extent an Intercorporate Loan up to an amount of Rs.50 Lakhs for a period of Six Months to the wholly owned subsidiary M/s Kuttukaran Cars Private Limited.

(7) As decided at the Finance and Authorisation Committee meeting held on 15.09.2022, the company has provided Corporate Guarantee for the wholly owned subsidiary company M/s Kuttukaran Cars Private Limited in favour of The Karur Vysya Bank Limited to secure the eDFS Facility of Rs.2 Crores granted by The Karur Vysya Bank Limited to M/s Kuttukaran Cars Private Limited.

(8) As decided at the Finance and Authorisation Committee meeting held on 28.09.2022, the company has provided Corporate Guarantee for the wholly owned subsidiary company M/s Popular Mega Motors (India) Private Limited in favour of South Indian Bank Limited in relation to the Individual Dealer Limit under Dealer Finance Scheme availed by Popular Mega Motors (India) Private Limited from the Bank upto an amount of Rs.10 Crores

(9) The Company has furnished Corporate Guarantee to the wholly owned subsidiary company Popular Auto Dealers Private Limited in favour of State Bank of India in relation to the Cash Credit under Electronic Dealer Funding Scheme (e-DFS) availed by Popular Auto Dealers Private Limited from the Bank upto an amount of Rs. 2 Crores, as decided at the Finance and Authorisation Committee meeting held on 28.09.2022.

(10) As decided at the Finance and Authorisation Committee meeting held on 26.10.2022, the company has granted corporate guarantee and mortgaged the following immovable properties owned by the Company as collateral security in favour of South Indian Bank Limited towards credit facilities upto an amount of Rs.1783 Lakhs availed by the wholly owned subsidiary company M/s Popular Auto Dealers Private Limited:

(i) A total extend 1.98 Ares under Re. Sy. No. 142/8 ,Re. Sy. No. 142/29-34 comprising of a building of 1,000 sqft in Block No. 25 in Perumbaikkadu Village in Kottayam Taluk, Kottayam District.; and

(ii) A total extend of 14.42 Ares under Re. Sy. No. 142/29 in Block No. 25 in Perumbaikkadu Village in Kottayam Taluk, Kottayam District

(11) As decided at the Finance and Authorisation Committee meeting held on 02.12.2022, the company has provided Corporate Guarantee to the wholly owned subsidiary company M/s Popular Autoworks Private Limited in favour of State Bank of India in relation to the Cash Credit under Electronic Dealer Funding Scheme (e-DFS) availed by Popular Autoworks Private Limited

from the Bank upto an amount of Rs. 9,50,00,000/-.

(12) As decided at the Finance and Authorisation Committee meeting held on 17.12.2022, the company has made renewal of Corporate Guarantee provided for the wholly owned subsidiary company Popular Mega Motors (India) Private Limited in favour of State Bank of India in relation to the Cash Credit under Electronic Dealer Funding Scheme (e-DFS) upto an amount of Rs. 20 Crores availed by Popular Mega Motors (India) Private Limited from the Bank.

(13) As decided at the Finance and Authorisation Committee meeting held on 17.12.2022, the company has provided Corporate Guarantee for the wholly owned subsidiary company M/s Kuttukaran Cars Private Limited in favour of HDFC Bank Limited to secure the Inventory Funding Facility of Rs.2 Crores granted by HDFC Bank Limited to M/s Kuttukaran Cars Private Limited.

(14) As decided at the Finance and Authorisation Committee meeting held on 09.01.2023, the company has provided Corporate Guarantee for the wholly owned subsidiary company M/s Kuttukaran Cars Private Limited in favour of HDFC Bank Limited to secure the Inventory Funding Facility of Rs.2 Crores granted by HDFC Bank Limited to M/s Kuttukaran Cars Private Limited.

(15) As per the recommendation of the Audit Committee, the Board of Directors at their meeting held on 02.02.2023 had given consent and accordingly the Company had purchased 9,48,000 Equity shares of Rs.10/- each of M/s Keracon Equipments Private Limited from Mr. John K Paul, Mr. Francis K Paul and Mr. Naveen Philip at Rs.318/- per share aggregating to a total consideration of Rs.30,14,64,000/- in order to make M/s Keracon Equipments Private Limited a wholly owned subsidiary of Popular Vehicles and Services Limited. Further pursuant to Section 187(1) of the Companies Act, 2013 it was decided to hold one share of Rs.10/- each of M/s Keracon Equipments Private Limited in the name of Mr. Naveen Philip, Managing Director as nominee of M/s Popular Vehicles and Services Limited to ensure that the number of members of M/s Keracon Equipments Private Limited is not reduced below the statutory limit.

M/s Prabal Motors Private Limited is a wholly owned subsidiary of M/s Keracon Equipments Private Limited and the latter is a wholly owned subsidiary of M/s Popular Vehicles and Services Limited. Accordingly M/s Prabal Motors Private Limited became a step down subsidiary of the ultimate Holding company M/s Popular Vehicles and Services Limited

(16) As decided at the Finance and Authorisation Committee meeting held on 12.01.2023, the company has furnished Corporate Guarantee for the wholly owned subsidiary company M/s Popular Mega Motors (India) Private Limited in favour of ICICI Bank Limited to secure the Inventory Funding Facility of Rs.22 Crores granted by ICICI Bank Limited to M/s Popular Mega Motors (India) Private Limited.

(17) As decided at the Finance and Authorisation Committee meeting held on 06.02.2023, the company has provided Corporate Guarantee for the wholly owned subsidiary company M/s Popular Mega Motors (India) Private Limited in favour of TCFSL Bank Limited to secure the Channel Finance Facility of Rs.12 Crores granted by TCFSL Bank Limited to M/s Popular Mega Motors (India) Private Limited.

(18) As decided at the Finance and Authorisation Committee meeting held on 23.02.2023, the company has provided Corporate Guarantee for the wholly owned subsidiary company M/s Popular Mega Motors (India) Private Limited in favour of HDFC Bank Limited to secure the Commercial Vehicle Inventory Funding Facility of Rs.10 Crores granted by HDFC Bank Limited to M/s Popular Mega Motors (India) Private Limited.

(19) As decided at the Finance and Authorisation Committee meeting

held on 29.03.2023, the company has provided Corporate Guarantee for the wholly owned subsidiary company M/s Kuttukaran Green Private Limited in favour of State Bank of India in relation to the Cash Credit under Electronic Dealer Funding Scheme (e-DFS) upto an amount of Rs.2 Crores granted by State Bank of India to M/s Kuttukaran Green Private Limited.

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

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

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

Place: Kochi-18
Date: 20.06.2023
UDIN: A009868E000495188 dtd.24.06.2023

'Annexure A'

ANNEXURE TO SECRETARIAL AUDIT REPORT

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

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

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

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

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

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

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

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

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

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

Place: Kochi-18
Date: 20.06.2023
UDIN: A009868E000495188 dtd.24.06.2023

FORM NO. AOC -2

ANNEXURE B TO THE DIRECTORS' REPORT

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms-length transaction under third proviso thereto.

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

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

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

SL. No.	Particulars	1	2	3	4	5	6	7	8	9
a) 1. 1	Name (s) of the related party & nature of relationship	Popular Auto Dealers Private Limited	Prabal Motors Private Limited	Popular Mega Motors (India) Private Limited	Popular Auto Dealers Private Limited	Popular Autoworks Private Limited	Vision Motors Private Limited	Popular Mega Motors (India) Private Limited	Kuttukaran Institute for Human Resource Development	Popular Autoworks Private Limited
2	Nature of contracts/ arrangements/ transaction	Revenue from Operations	Revenue from Operations	Revenue from Operations	Purchase of Accessories and spares	Revenue from Operations	Purchase of Accessories and spares	Purchase of Fixed Assets	Revenue from Operations	Expenses met by the Company
3	Duration of the contracts / arrangements/ transaction	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of goods in the ordinary course of business amounting to Rs 5.21 million.	Sale of goods in the ordinary course of business amounting to Rs 0.59 million.	Sale of goods in the ordinary course of business amounting to Rs 2.13 million.	Purchase of Accessories and spares in the ordinary course of business amounting to Rs 152.33 million.	Sale of goods in the ordinary course of business amounting to Rs. 0.01 million.	Purchase of Accessories and spares in the ordinary course of business amounting to Rs 35.03 million.	Purchase of Fixed assets amounting to Rs. 0.70 million.	Sale of goods in the ordinary course of business amounting to Rs 0.03 million.	Expenses met by the Company in the ordinary course of business amounting to Rs. 0.18 Millions
5	Dates of approval by the Board, if any	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.200 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.15 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.200 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.50 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions	Board meeting dated 0/03/2022 sanctioned an overall limit of Rs.10 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions
6	Amount paid as advance, if any	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

SL. No.	Particulars	10	11	12	13	14	15	16	17
1.	Name (s) of the related party & nature of relationship	Popular Auto Dealers Private Limited	Vision Motors Private Limited	Kuttukaran Trading Ventures	Popular Auto Dealers Private Limited	Popular Autoworks Private Limited	Kuttukaran Institute for Human Resource Development	Popular Mega Motors (India) Private Limited	Prabal Motors Private Limited
2	Nature of contracts/ arrangements/ transaction	Expenses met by the Company	Expenses met on behalf of the Company	Expenses met by the Company	Expenses met on behalf of the Company	Expenses met on behalf of the Company	Expenses met on behalf of the Company	Expenses met on behalf of the Company	Expenses met on behalf of the Company
3	Duration of the contracts / arrangements/ transaction	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions

SL. No.	Particulars	10	11	12	13	14	15	16	17
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Expenses met by the Company in the ordinary course of business amounting to Rs 0.02 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 6.89 Millions	Expenses met by the Company in the ordinary course of business amounting to Rs 0.25 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 3.00 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 4.21 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 0.19 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 3.42 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 3.01 Millions
5	Dates of approval by the Board, if any	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.200 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.200 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.15 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions
6	Amount paid as advance if any	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

SL. No.	Particulars	18	19	20	21	22	23	24	25
1.	Name (s) of the related party & nature of relationship	Kuttukaran Cars Private Limited	Kuttukaran Green Private Limited	Kuttukaran Homes LLP	Kuttukaran Trading Ventures	Vision Motors Private Limited	Popular Mega Motors (India) Private Limited	Popular Auto Dealers Private Limited	Kuttukaran Trading Ventures
2	Nature of contracts/ arrangements/ transaction	Expenses met on behalf of the Company	Expenses met on behalf of the Company	Expenses met on behalf of the Company	Expenses met on behalf of the Company	Repairs & Maintenance	Repairs & Maintenance	Repairs & Maintenance	Repairs & Maintenance
3	Duration of the contracts / arrangements/ transaction	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions
4	Salient terms of the contracts or arrangements or transaction including the value if any	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 0.08 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 0.25 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 0.17 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 0.49 Millions	Repair and maintenance of vehicles in the ordinary course of business amounting to Rs.0.12 Millions	Repair and maintenance of vehicles in the ordinary course of business amounting to Rs.0.63 Millions	Repair and maintenance of vehicles in the ordinary course of business amounting to Rs.0.52 Millions	Repair and maintenance of vehicles in the ordinary course of business amounting to Rs.0.79 Millions
5	Dates of approval by the Board or General Meeting, if any	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.15 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.200 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions
6	Amount paid as advance if any	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

SL. No.	Particulars	26	27	28	29	30
1.	Name (s) of the related party & nature of relationship	Popular Autoworks Private Limited	Vision Motors Private Limited	Mr. John K Paul	Mr. Francis K Paul	Mr. Naveen Philip
2	Nature of contracts/ arrangements/ transaction	Transfer of deposit received from Axalta Coating Systems	Transfer of deposit received from Axalta Coating Systems	Purchase of goods	Purchase of goods	Purchase of goods
3	Duration of the contracts / arrangements/ transaction	Single transaction	Single transaction	Single transaction	Single transaction	Single transaction
4	Salient terms of the contracts or arrangements or transaction including the value if any	Transfer of deposit received from Axalta Coating Systems amounting to Rs 2.5 Millions	Transfer of deposit received from Axalta Coating Systems amounting to Rs 1.80 Millions	Purchase of equity shares amounting to Rs. 100.49 million	Purchase of equity shares amounting to Rs. 100.49 million	Purchase of equity shares amounting to Rs. 100.49 million
5	Dates of approval by the Board or General Meeting if any	Board meeting dated 19/01/2023	Board meeting dated 19/01/2023	Board meeting dated 02/02/2023	Board meeting dated 02/02/2023	Board meeting dated 02/02/2023
6	Amount paid as advance if any	Nil	Nil	Nil	Nil	Nil

* Refer Note No. 36 of the Standalone Financial Statement for details

SL. No.	Particulars	31	32	33
1.	Name (s) of the related party & nature of relationship	Popular Autoworks Private Limited	Popular Mega Motors (India) Private Limited	Prabal Motors Private Limited
2	Nature of contracts/ arrangements/ transaction	Purchase of Accessories and spares	Expenses met by the Company	Expenses met by the Company
3	Duration of the contracts /arrangements/ transaction	Multiple transactions	Multiple transactions	Multiple transactions
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Purchase of Accessories and spares in the ordinary course of business amounting to Rs. 0.39 million.	Expenses met by the Company in the ordinary course of business amounting to Rs 0.10 Millions	Expenses met by the Company in the ordinary course of business amounting to Rs 0.14 Millions
5	Dates of approval by the Board, if any	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.15 millions	Board meeting dated 30/03/2022 sanctioned an overall limit of Rs.10 millions
6	Amount paid as advance if any	Nil	Nil	Nil

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

Place: Kochi-25
Date: 20.06.2023

sd/-
Naveen Philip
(Managing Director)
DIN:00018827

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

Annexure C

Annual Report on Corporate Social Responsibility (CSR)

(Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

CSR has been a long-standing commitment at Popular Vehicles and Services Limited ("Company") and forms an integral part of our activities. Being a responsible corporate citizen, the Company is committed to performing its role towards the society at large. In alignment with its vision, the Company always works towards adding value to its stakeholders by going beyond business goals and contributing to the well-being of the community. Its contribution to social sector development includes several pioneering interventions and is implemented through the involvement of stakeholders within the Company and with the broader community.

2. COMPOSITION OF CSR COMMITTEE:

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

During the financial year ended 31.03.2023, the CSR Committee has met once, on 29th March, 2023.

3. PROVIDE THE WEB-LINK(S) WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of the Directors, is available on the Company's website at https://www.popularmaruti.com/investor-relations/wp-content/uploads/2022/01/Corporate-Social-Responsibility-Policy.pdf .

4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE.

N/A

5. (a) Average net profit of the company as per sub-section (5) of section 135.
Rs. 6,53,09,264.00/-

(b) Two percent of average net profit of the company as per sub-section (5) of section 135.
Rs. 13,06,185.28/-

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.
Nil

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

(e) Total CSR obligation for the financial year [(b)+(c)-(d)].
Rs. 13,06,185.28/-

6. (a) Amount spent on CSR projects (both ongoing projects and other than ongoing projects).
Rs. 13,10,000.00/-

(b) Amount spent in administrative overheads.
Nil

(c) Amount spent on impact assessment, if applicable.
N/A

(d) Total amount spent for the financial year [(a)+(b)+(c)].
Rs. 13,10,000.00/-

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer.
13,10,000.00	-	-	-	-	

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	13,06,185.28
(ii)	Total amount required to be set off for the financial year, if any	-
(iii)	Total CSR obligation for the financial year (i)- (ii)	13,06,185.28
(iv)	Total amount spent for the Financial Year	13,10,000.00
(v)	Excess amount spent for the Financial Year [(ii)-(i)]	3,814.72
(vi)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(vii)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	3,814.72

7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

Sl.No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	FY-1	-	-	-	-	-	-	-
2	FY-2	-	-	-	-	-	-	-
3	FY-3	-	-	-	-	-	-	-

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:

No

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SUB-SECTION (5) OF SECTION 135.

Nil

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

Sd/-
Francis K Paul
Chairman of CSR committee)

Place: Kochi-25
Date: 20.06.2023

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

(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
Membership No.: 218255
ICAI UDIN:23218255BGXTJQ2174

Place: Kochi
Date: 20 June, 2023

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:

Amounts in Indian Rupees Millions

Particulars	Guarantees	Loans
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.

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:

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

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	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, 1994	Service Tax, Interest and Penalty	1.26	0.23	2006-07 to 2015-16	Customs, Excise 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 willful 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 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 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
Membership No.: 218255
ICAI UDIN:23218255BGXTJQ2174

Place: Kochi
Date: 20 June, 2023

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.

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
Membership No.: 218255
ICAI UDIN:23218255BGXTJQ2174

Place: Kochi
Date: 20 June, 2023

Standalone Balance Sheet

as at 31 March, 2023

(All amounts in Indian Rupees million)

Particulars	Notes	As at 31 March, 2023	As at 31 March, 2022
Assets			
Non-current assets			
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**	-
Financial assets			
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
Total non-current assets		**5,384.14**	**5,067.15**
Current assets			
Inventories	8	**1,963.82**	2,004.64
Financial assets			
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
Total current assets		**3,133.99**	3,141.72
Assets classified as held for sale	37	**15.42**	15.42
Total assets		**8,533.55**	**8,224.29**
Equity and liabilities			
Equity			
Equity share capital	13	**125.44**	125.44
Other equity		**2,200.87**	1,915.33
Total equity		**2,326.31**	**2,040.77**
Liabilities			
Non-current liabilities			
Financial liabilities			
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
Total non-current liabilities		**3,120.57**	**3,277.08**
Current liabilities			
Financial liabilities			
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
Total current liabilities		**3,086.67**	**2,906.44**
Total equity and liabilities		**8,533.55**	**8,224.29**
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

Standalone Statement of Profit and Loss

for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

Particulars	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
Income			
Revenue from operations	19	**25,135.66**	18,655.31
Other income	20	**121.42**	120.84
Total income		**25,257.08**	**18,776.15**
Expenses			
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 losses on financial and contract assets	33	**8.03**	-
Other expenses	26	**1,442.19**	993.60
Total expenses		**24,867.03**	**18,638.97**
Profit before tax		**390.05**	**137.18**
Income tax expense			
Current tax	27	**129.32**	60.93
Deferred tax (credit)/ charge	27	**(32.62)**	6.50
Total tax expense		**96.70**	**67.43**
Profit for the year		**293.35**	**69.75**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
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)
Other comprehensive (loss) for the year, net of income tax		**(7.81)**	**3.79**
Total comprehensive income for the year		**285.54**	**73.54**
Earnings per share (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

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

Baby Paul
Partner
Membership No.: 218255

Naveen Philip
Managing Director
DIN: 00018827

Francis K Paul
Whole Time Director
DIN: 00018825

Raj Narayan
Chief Executive Officer

Kochi
20 June, 2023

John Verghese
Chief Financial Officer

Varun T V
Company Secretary
Membership no. 22044

Kochi
20 June, 2023

Standalone Statement of Changes in Equity

for the year 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 **B S R & Associates LLP**
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Baby Paul
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Kochi
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for and on behalf of the Board of Directors of
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Managing Director
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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

Standalone Statement of Cash flows

for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Cash flows from operating activities		
Profit before tax	**390.05**	**137.18**
Adjustments:		
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)
Operating cash flow before working capital changes	**1239.93**	**849.31**
Working capital movements:		
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)/incrrease in liabilities and provisions	**(213.07)**	93.16
Cash generated from operations	**1003.65**	**345.45**
Income taxes (paid)/refund, net	**(148.27)**	(72.32)
Net cash generated from/ (used in) operating activities (A)	**855.38**	**273.13**
Cash flows from investing activities		
Acquisition of investments in a subsidiary	**(301.46)**	-
Additional investment in subsidiary	**(15.00)**	-
Sale /(acquisition) of other investments, net	**11.74**	(3.07)
Intercorporate 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
Net cash (used in) / generated from investing activities (B)	**(566.54)**	**(268.90)**
Cash flows from financing activities		
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)
Net cash used in financing activities (C)	**(295.81)**	**(307.18)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(6.97)**	**(302.95)**
Cash and cash equivalents at the beginning of the year	**50.00**	352.95
Cash and cash equivalents at the end of the year	**43.03**	**50.00**
(Refer to note 10 - Cash and cash equivalents)		

Standalone Statement of Cash flows

for the year 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 1 April, 2022	Cash flows	Non cash changes		As at 31 March, 2023
			Fair value changes	Others	
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 1 April, 2021	Cash flows	Non cash changes		As at 31 March, 2022
			Fair value changes	Others	
Non current borrowings (including current maturities)	773.23	2.27	-	-	775.50
Current borrowings (Refer note 14)	1,205.67	171.56	-	-	1,377.23
Lease liabilities (refer note 34)	1,799.24	(319.44)	-	1,186.48	2,666.28

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
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Company Secretary
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Kochi
20 June, 2023

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

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

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.

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

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.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

A. Recognition and measurement

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

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

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

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.

3.2 Intangible assets

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

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

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').

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

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.

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

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 or issue.

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

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.

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.

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.

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

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.

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).

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

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.

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.

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

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.

3.12 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

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

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.

3.13 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.

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

3.17 Contingent liabilities and assets

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

Contingent assets are neither recognised nor disclosed.

3.18 Non-current assets classified as held for sale

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

3.19 Recent accounting pronouncements

'Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 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.

Notes to Financial Statements as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	Freehold land	Buildings#	Leasehold improvements	Furniture and fixtures	Electrical equipment	Plant and machinery	Tools and equipment	Motor car	Computer equipment	Office equipment	Motor cycles and trucks	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying value														
Balance at 1 April, 2021	91.97	131.81	755.77	125.18	115.24	403.00	71.35	197.20	89.94	55.12	9.24	2,045.82	161.16	2,206.98
Additions	-	-	209.05	25.56	25.08	54.38	9.01	4.70	12.91	7.54	4.40	352.63	249.17	601.80
Disposals / write off	-	-	0.68	0.01	0.35	3.34	0.33	48.58	47.03	2.51	2.14	104.97	290.30	395.27
Balance at 31 March, 2022	**91.97**	**131.81**	**964.14**	**150.73**	**139.97**	**454.04**	**80.03**	**153.32**	**55.82**	**60.15**	**11.50**	**2,293.48**	**120.03**	**2,413.51**
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
Balance at 31 March, 2023	**91.97**	**131.81**	**1,150.00**	**167.91**	**165.48**	**480.51**	**74.96**	**106.72**	**62.43**	**56.44**	**11.08**	**2,499.31**	**54.73**	**2,554.04**
Accumulated Depreciation														
Balance at 1 April, 2021	-	20.20	198.81	45.42	47.43	119.79	33.15	58.45	63.60	31.34	3.25	621.44	-	621.44
Depreciation for the year	-	8.04	55.87	13.92	12.44	33.21	7.00	25.62	16.52	8.94	1.04	182.60	-	182.60
Disposals / write off	-	-	0.37	0.01	0.28	2.09	0.31	42.57	46.81	2.36	2.01	96.81	-	96.81
Balance at 31 March, 2022	**-**	**28.24**	**254.31**	**59.33**	**59.59**	**150.91**	**39.84**	**41.50**	**33.31**	**37.92**	**2.28**	**707.23**	**-**	**707.23**
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
Balance at 31 March, 2023	**-**	**35.47**	**312.45**	**63.11**	**69.22**	**143.38**	**34.28**	**35.62**	**32.91**	**32.34**	**2.26**	**761.04**	**-**	**761.04**
Net carrying amount														
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

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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	
Reason for not being held in the name of the Company	NA	

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				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
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				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Project - Trivandrum Commercial Vehicles Showroom	1.67	-	-	-	1.67

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

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

5 INTANGIBLE ASSETS

Particulars	Computer software	Brand	Total (A)	Intangible assets under development (B)	Total (A+B)
Reconciliation of carrying amount					
Gross carrying amount					
Balance at 1 April, 2021	**37.83**	**49.47**	**87.30**	**-**	**87.30**
Additions	1.05	-	1.05	-	1.05
Balance at 31 March, 2022	**38.88**	**49.47**	**88.35**		**88.35**
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
Balance at 31 March, 2023	**40.83**	**49.47**	**90.30**	**2.42**	**92.72**
Amortisation					
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
Balance at 31 March, 2022	**28.91**	**19.16**	**48.07**		**48.07**
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
Balance at 31 March, 2023	**34.59**	**22.32**	**56.91**		**56.91**
Net carrying amount					
At 31 March, 2023	**6.24**	**27.15**	**33.39**	**2.42**	**35.81**
At 31 March, 2022	**9.97**	**30.31**	**40.28**	**-**	**40.28**

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	**-**	**-**	**-**	**-**	**-**

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

6. INVESTMENTS

	As at 31 March, 2023	As at 31 March, 2022
Non-current investments, unquoted		
Investments in equity instruments of subsidiaries (at cost less provision for other than temporary impairment), fully paid-up		
Investment in subsidiaries		
Popular Auto Dealers Private Limited 51,034 (31 March, 2022: 51,034) equity shares of face value of INR 100 each	**49.95**	49.95
Popular Mega Motors (India) Private Limited 6,943,963 (31 March, 2022: 6,943,963) equity shares of face value of INR 10 each	**309.57**	309.57
Popular Autoworks Private Limited 25,111,780 (31 March, 2022: 25,111,780) equity shares of face value of INR 10 each	**247.23**	247.23
Kuttukaran Green Private Limited 10,000 (31 March, 2022 : Nil) equity shares of face value of INR 10 each	**12.83**	-
Keracon Equipments Private Limited 9,48,000 (31 March, 2022 : Nil) equity shares of face value of INR 10 each	**301.46**	-
Kuttukaran Cars Private Limited (formerly known as Prabal Motors Private Limited) 2,000,000 (31 March, 2022: 2,000,000) equity shares of face value of INR 10 each	**15.50**	15.50
Less: Provision for diminution in value	**(15.50)**	(15.50)
Investments in preference shares at FVTPL		
Prabal Motors Private Limited (formerly known as Popular Kuttukaran Cars Private Limited) 20,000 (31 March, 2022 : 20,000) preference shares of face value of INR 10 each	**0.20**	0.20
Investment in others at FVTPL		
Quoted		
Muthoot Finance Limited Nil (31 March, 2022: 469) equity shares of face value of INR 10 each	**-**	0.63
Investment in mutual funds at FVTPL		
Unquoted		
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 27,350.24 (31 March, 2022: Nil)	**2.03**	-
Total investments	**926.03**	**607.58**
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)
Current investments		
Investment in debentures at FVTPL		
Unquoted		
Investment in debentures measured at fair value through profit or loss	**-**	15.89
	-	**15.89**
Aggregate value of current investments-unquoted	**-**	**15.89**

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

7 OTHER ASSETS

	As at 31 March, 2023	As at 31 March, 2022
Non-current		
Unsecured, considered good		
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
	111.15	**119.19**
Current		
Unsecured, considered good		
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
	228.21	**337.74**
	339.36	**456.93**

* 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

8 INVENTORIES

	As at 31 March, 2023	As at 31 March, 2022
(Valued at lower of cost and realisable value)		
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
	1,991.18	**2,022.21**
Less: Provision for obsolete inventory	**(27.36)**	(17.57)
	1,963.82	**2,004.64**

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)

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

9 TRADE RECEIVABLES

	As at 31 March, 2023	As at 31 March, 2022
Current		
Unsecured		
Considered good	**812.29**	661.15
Considered doubtful	**16.64**	20.16
	828.93	**681.31**
Allowances for expected credit loss (refer note 33 C(ii))	**(16.64)**	(20.16)
Net trade receivables	**812.29**	**661.15**
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	**6.36**	**2.35**
Net trade receivables	**6.36**	**2.35**

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**
	13.41	**789.81**	**21.06**	**4.65**	**828.93**

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
	18.88	**643.84**	**10.54**	**8.05**	**681.31**

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.

10 CASH AND CASH EQUIVALENTS

	As at 31 March, 2023	As at 31 March, 2022
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
Cash and cash equivalents in balance sheet	**43.03**	**50.00**
Cash and cash equivalents in the statement of cash flows	**43.03**	**50.00**

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31 March, 2023	As at 31 March, 2022
Balance with banks held as margin money	**24.99**	1.84
	24.99	**1.84**

12 OTHER FINANCIAL ASSETS

	As at 31 March, 2023	As at 31 March, 2022
Non-current		
Unsecured, considered good		
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
	247.77	**248.79**
Current		
Unsecured, considered good		
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)
	61.65	**70.46**
	309.42	**319.25**

* 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.

13 EQUITY SHARE CAPITAL

	As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of INR 10 each	**15.00**	**150.00**	15.00	150.00
	15.00	**150.00**	**15.00**	**150.00**
Issued, subscribed and paid-up				
Equity shares of INR 10 each fully paid-up				
At the beginning of the year	**12.54**	**125.44**	12.54	125.44
Add: Additions during the year	**-**	**-**	-	-
At the end of the year	**12.54**	**125.44**	**12.54**	**125.44**

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

(a) Terms and rights attached to equity shares

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

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

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

Equity shares of INR 10 each fully paid up held by	As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	% holding in the class	No. 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	
	No. of shares	% holding in the class	No. 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.

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

14 BORROWINGS

	As at 31 March, 2023	As at 31 March, 2022
Non-current		
Secured		
Term loans from banks	**588.82**	596.58
Vehicle loans from financial institutions	**2.27**	6.11
	591.09	**602.69**
Current		
Secured		
Short term loan from banks	**1,496.87**	1,323.40
Current maturities of long-term borrowings	**213.78**	172.81
Unsecured		
Short term loans from banks	**63.09**	-
Short term loans from financial institutions	**58.11**	53.83
	1,831.85	**1,550.04**
Total borrowings	**2,422.94**	**2,152.73**

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

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

Lenders name	Security terms	Nature of borrowings	Tenure	As at 31 March, 2023	As at 31 March, 2022
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 colleteral 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
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

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

Lenders name	Security terms	Nature of borrowings	Tenure	As at 31 March, 2023	As at 31 March, 2022
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	Securedby advances, receivables and stock of new vehicles of the company and personal guarantees of John K Paul, Francis K Paul and Naveen Philip, directors of the Company.	Short term loan from banks - Secured	60 days	**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 parippassu 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
				2,422.94	**2,152.73**

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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.

15 OTHER FINANCIAL LIABILITIES

	As at 31 March, 2023	As at 31 March, 2022
Current		
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
	197.05	**141.77**

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

16 PROVISIONS

	As at 31 March, 2023	As at 31 March, 2022
Non-current		
Provision for employee benefits		
Net defined benefit liability - Gratuity *	**4.55**	3.29
Compensated absences	**34.76**	31.60
	39.31	**34.89**
Current		
Provision for employee benefits		
Compensated absences	**27.06**	20.62
	27.06	**20.62**
	66.37	**55.51**

* Also refer note 32

17 OTHER LIABILITIES

	As at 31 March, 2023	As at 31 March, 2022
Non-current		
Advance from vendors for rebates	**-**	97.14
	-	**97.14**
Other liabilities		
Current		
Contract liabilities	**363.36**	451.67
Advance from vendors for rebates	**24.70**	74.69
Statutory dues payables	**76.24**	43.34
	464.30	**569.70**
	464.30	**666.84**

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

	As at 31 March, 2023	As at 31 March, 2022
Movement in contract liabilities		
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	**363.36**	**451.67**

* 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.

18 TRADE PAYABLES

	As at 31 March, 2023	As at 31 March, 2022
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
	397.30	**500.39**

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**
	394.71	**1.59**	**-**	**1.00**	**397.30**

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
	439.36	**60.03**	**1.00**	**-**	**500.39**

All trade payables are 'current'.

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

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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:

	As at 31 March, 2023	As at 31 March, 2022
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.

19 REVENUE FROM OPERATIONS

	Year ended 31 March, 2023	Year ended 31 March, 2022
Sale of products		
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
	22,094.16	**16,192.20**
Sale of services	**1,987.59**	**1,644.78**
	24,081.75	**17,836.98**
Other operating revenues		
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
	25,135.66	**18,655.31**
Reconciliation of revenue from sale of products and services		
Gross revenue	**24,634.86**	18,326.95
Less: Discount allowed	**553.11**	489.97
	24,081.75	**17,836.98**

(A) Disseggregate of revenue information

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

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue by contract type		
Fixed price	**25,135.66**	18,655.31
	25,135.66	**18,655.31**

(B) Contract balances

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

	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.

	Year ended 31 March, 2023	Year ended 31 March, 2022
Within 1 year	**363.36**	451.67
More than 3 years	**-**	-
Closing balance	**363.36**	**451.67**

20 OTHER INCOME

	Year ended 31 March, 2023	Year ended 31 March, 2022
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
	121.42	**120.84**

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

21 PURCHASES OF STOCK-IN-TRADE

	Year ended 31 March, 2023	Year ended 31 March, 2022
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
	20,489.62	**15,848.89**

22 CHANGE IN INVENTORIES OF STOCK-IN-TRADE

	Year ended 31 March, 2023	Year ended 31 March, 2022
Opening inventory	**2,004.64**	1,425.34
Closing inventory	**1,963.82**	2,004.64
	40.82	**(579.30)**

23 EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March, 2023	Year ended 31 March, 2022
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
	1,998.99	**1,584.75**

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.

24 FINANCE COSTS

	Year ended 31 March, 2023	Year ended 31 March, 2022
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
	432.07	**374.61**

25 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March, 2023	Year ended 31 March, 2022
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
	455.31	**416.42**

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

26 OTHER EXPENSES

	Year ended 31 March, 2023	Year ended 31 March, 2022
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
	1,442.19	**993.60**

Details of Corporate social responsibility expenditure

		Year ended 31 March, 2023	Year ended 31 March, 2022
(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

Notes to Standalone Financial Statements

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(All amounts in Indian Rupees million)

		Year ended 31 March, 2023	Year ended 31 March, 2022
	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	-	-	

27 INCOME TAXES

	Year ended 31 March, 2023	Year ended 31 March, 2022
Income tax assets	**57.90**	38.95
Income tax liabilities	**-**	-
Net income tax assets at the end of the year	**57.90**	**38.95**

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

	Year ended 31 March, 2023	Year ended 31 March, 2022
Current tax (including MAT)	**129.79**	60.93
Income tax expense - for earlier years	**(0.47)**	-
Deferred tax charge	**(32.62)**	6.50
Tax expenses	**96.70**	**67.43**

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

(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
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
Effective tax rate	**24.91%**	**49.15%**

Recognised deferred tax assets and (liabilities)

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

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Deferred tax asset		
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
Total deferred tax assets (A)	**171.29**	**136.77**
Deferred tax liabilities		
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	**(53.52)**	(54.25)
Total deferred tax liability (B)	**(53.52)**	**(54.25)**
Deferred tax asset/ (liability) net (A+B)	**117.77**	**82.52**

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.

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

(ii) Movement in temporary differences

Movement during the year ended 31 March, 2023	As at 1 April, 2022	Charge/ (credit) in the statement of profit and loss	Charge/ (credit) in other comprehensive Income	As at 31 March, 2023
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)**
Net deferred tax assets/ (liabilities)	**82.52**	**(32.62)**	**(2.63)**	**117.77**

Movement during the year ended 31 March, 2022	As at 1 April, 2021	Charge/ (credit) in the statement of profit and loss	Charge/ (credit) in other comprehensive Income	As at 31 March, 2022
Allowance for expected credit loss	9.42	4.35	-	5.07
Provision for employee benefits	17.75	1.67	1.28	14.80
Other timing differences	-	(5.47)	-	5.47
Lease liabilities, impact on account of Ind AS 116	138.24	26.81	-	111.43
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(75.11)	(20.86)	-	(54.25)
Net deferred tax assets/ (liabilities)	**90.30**	**6.50**	**1.28**	**82.52**

28 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contingent liabilities		
Claims against the Company not acknowledged as debts		
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
Commitments		
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

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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.

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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
Net defined benefit liability/ (asset)	**4.55**	**3.29**
Liability for compensated absences	**61.82**	52.22
Total employee benefit liability	**66.37**	**55.51**
Non-current defined benefit liability	**39.31**	34.89
Current defined benefit liability	**27.06**	20.62

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

C Reconciliation of net defined benefit (assets)/ liability

i) Reconciliation of present values of defined benefit obligation

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

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

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
Re-measurements		
Return on plan assets excluding amount included in net interest on the net defined liability/(asset)	**0.89**	-
Balance at the end of the year	**203.96**	**180.42**
Net defined benefit liability/ (asset)	**4.55**	**3.29**

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)
Net gratuity cost	**23.11**	**21.11**

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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
Re-measurements		
Return on plan assets excluding amount included in net interest on the net defined liability/(asset)	**0.89**	-
- return on plan asset		
Balance at the end of the year	**203.96**	**180.42**
Net defined benefit liability	**4.55**	**3.29**

(iii) Remeasurements recognised in other comprehensive income

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

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 obligaiton	**9 years**	9 years

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Financial assets									
Cash and cash equivalents	10	**43.03**	-	-	**43.03**	-	-	-	-
Bank balances other than cash and cash equivalents	11	**24.99**	-	-	**24.99**				
Trade receivables	9	**812.29**	-	-	**812.29**	-	-	-	-
Other financial assets	12	**309.42**	-	-	**309.42**	-	-	-	-
Financial asset measured at fair value									
Investments *	6	-	**4.99**	-	**4.99**	-	**4.79**	**0.20**	**4.99**
Total		**1,189.73**	**4.99**	-	**1,194.72**	-	**4.79**	**0.20**	**4.99**

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

Particulars	Note	Carrying amount				Fair value			
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortised cost									
Trade payables	18	**-**	**-**	**397.30**	**397.30**	**-**	**-**	**-**	**-**
Borrowings	14	**-**	**-**	**2,422.94**	**2,422.94**	**-**	**-**	**-**	**-**
Lease liabilities	34	**-**	**-**	**2,659.28**	**2,659.28**	**-**	**-**	**-**	**-**
Other financial liabilities	17	**-**	**-**	**197.05**	**197.05**	**-**	**-**	**-**	**-**
Total		**-**	**-**	**5,676.57**	**5,676.57**	**-**	**-**	**-**	**-**

As at 31 March, 2022

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

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.

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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.

B Measurement of fair values

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

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

The Company's board of directors ('the Board') has overall responsibility for the establishment and oversight of the risk management framework. They oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

ii) Credit risk

Credit risk is the risk 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.

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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**

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

34 LEASES

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

(i) Lease liabilities

Following are the changes in the lease liabilities for the year ended 31 March, 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)
Balance as at 31 March, 2023	**2,659.28**	**2,666.28**
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
Total undiscounted lease liabilities	**5,031.93**	**5,180.87**

(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)
Balance at 31 March,	**2,094.71**	**2,223.56**

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

(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.

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

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

36 RELATED PARTIES

I. Names of related parties and description of relationship:

(a)	Entity having significant influence over the Company	BanyanTree Growth Capital II, LLC, Mauritius
(b)	Subsidiaries and step down subsidiaries	Popular Mega Motors (India) Private Limited, India Popular Autoworks Private Limited, India Vision Motors Private Limited, India Kuttukaran Cars Private Limited, India Popular Auto Dealers Private Limited, India 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

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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
Revenue from operations		
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**	-
Lease Rental		
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
Guarantee commission received		
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
Income from rent		
Popular Auto Dealers Private Limited	**2.44**	2.31
Popular Mega Motors (India) Private Limited	**0.48**	0.46
Intercorporate loan repaid by subsidiaries		
Popular Autoworks Private Limited	**8.18**	29.02
Kuttukaran Cars Private Limited	**4.00**	
Intercorporate loan given		
Kuttukaran Cars Private Limited	**8.50**	15.00
Interest on loan to related parties		
Popular Autoworks Private Limited	**4.67**	6.42
Kuttukaran Cars Private Limited	**1.55**	-
Purchase of assets		
Popular Mega Motors (India) Private Limited	**0.70**	3.65
Investment		
Keracon Equipments Private Limited - Equity shares	**301.46**	-
Kuttukaran Green Private Limited - Equity Shares	**0.10**	-
Kuttukaran Green Private Limited - Preference Shares	**15.00**	-

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Purchase of vehicles/accessories and spares		
Popular Auto Dealers Private Limited	**152.33**	114.30
Vision Motors Private Limited	**35.03**	25.31
Popular Autoworks Private Limited	**0.39**	
Expense met by the Company		
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**	-
Expense met on behalf of the Company		
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
Repairs and maintenance		
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
Sale of assets		
Popular Mega Motors (India) Private Limited	**-**	-
Popular Autoworks Private Limited	**-**	-
Prabal Motors Private Limited	**-**	0.08
Remuneration (Key Management Personnel)*		
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**	-
Sitting fees to independent directors	**4.00**	3.38

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Commission and incentive		
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	Year ended 31 March, 2023	Year ended 31 March, 2022
Loans to related parties		
Popular Autoworks Private Limited	**38.70**	46.88
Kuttukaran Cars Private Limited	**19.50**	15.00
Trade receivables		
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
Commission and incentive payable		
Francis K Paul	**3.00**	1.50
John K Paul	**3.00**	1.50
Others	**3.90**	1.10
Dues to creditors for expenses and others		
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)
Rent deposit payable		
Popular Auto Dealers Private Limited	**(0.20)**	(0.20)
Corporate guarantees		
Popular Auto Dealers Private Limited	**134.58**	101.59
Popular Mega Motors (India) Private Limited	**743.51**	648.21
PopularAutoworks 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.

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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
Ratio	**1.02**	**1.08**
% 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
Total debt	**2,422.94**	2,152.73
Total equity	**2,326.31**	2,040.77
Ratio	**1.04**	**1.05**
% Change from previous year	**-0.95%**	3.96%

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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
Earnings available to service debt	**1,277.43**	**928.21**
Interest cost	432.07	374.61
Non-current borrowings	591.09	602.69
Current borrowings	1,831.85	1,550.04
Debt service coverage ratio	**0.45**	**0.37**
% 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
Ratio	**12.61%**	**3.42%**
% 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.

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
Ratio	**1.17%**	**0.37%**
% 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
Ratio	**10.45**	**7.62**
% Change from previous year	37.1%	-22.5%

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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 captial [a]-[b]	**1,879.17**	1,785.32
Ratio	**13.44**	**10.52**
% 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
Trade receivable turnover ratio	**30.94**	**28.22**
% 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
Capital employed [a]+[b]	**4,749.25**	**4,193.50**
Ratio	**0.17**	0.12
% 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

Notes to Standalone Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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
Trade payable turnover ratio	**51.57**	**31.67**
% 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 **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

Independent Auditor's Report

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Popular Vehicles and Services Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March, 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

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

Other Matters

a. We did not audit the financial statements of eight subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs.7,557.54 Million as at 31 March, 2023, total revenues (before consolidation adjustments) of Rs.22,558.79 Million and net cash inflows (before consolidation adjustments) amounting to Rs. 20.61 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 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 Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March, 2023 on the consolidated financial position of the Group. Refer Note 28 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March, 2023.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March, 2023.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 38(a) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other 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 Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 38(b) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors 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 Holding Company and its subsidiary companies incorporated in India have 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 Holding Company or any of such subsidiary companies 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 and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Baby Paul
Partner
Membership No.: 218255
ICAI UDIN::23218255BGXTJR3229

Place: Kochi
Date: 20 June, 2023

Annexure A

to the Independent Auditor's Report on the Consolidated Financial Statements of Popular Vehicles and Services Limited for the year ended 31 March, 2023

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

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

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Popular Mega Motors (India) Private Limited	U31103KL1997 PTC011748	Subsidiary Company	Clause (xi)(a)
2	Kuttukaran Cars Private Limited	U34100KL2011 PTC029542	Subsidiary Company	Clause (ix)(d)
3	Prabal Motors Private Limited	U50101KL2006 PTC019140	Subsidiary Company	Clause (ix)(d)
4	Prabal Motors Private Limited	U50101KL2006 PTC019140	Subsidiary Company	Clause (ii)(b)

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Baby Paul
Partner
Membership No.: 218255
ICAI UDIN::23218255BGXTJR3229

Place: Kochi
Date: 20 June, 2023

Annexure B

to the Independent Auditor's Report on the consolidated financial statements of Popular Vehicles and Services Limited for the year ended 31 March, 2023

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

(REFERRED TO IN PARAGRAPH 2(A)(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

Opinion

In conjunction with our audit of the consolidated financial statements of Popular Vehicles and Services Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March, 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditor on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March, 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Other Matters

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

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Baby Paul
Partner
Membership No.: 218255
ICAI UDIN: :23218255BGXTJR3229

Place: Kochi
Date: 20 June, 2023

Consolidated Balance Sheet

as at 31 March, 2023

(All amounts in Indian Rupees million)

Particulars	Notes	As at 31 March, 2023	As at 31 March, 2022
Assets			
Non-current assets			
Property, plant and equipment	4	**2,935.35**	2,464.05
Capital work-in-progress	4	**77.26**	123.28
Right-of-use assets	33	**3,479.87**	3,129.94
Goodwill	5	**115.47**	11.80
Intangible assets	5	**182.28**	39.05
Intangible assets under development	5	**2.42**	-
Financial assets			
Investments	6	**57.69**	44.31
Other financial assets	7	**379.17**	329.37
Income tax assets (net)	27	**97.60**	85.46
Deferred tax assets (net)	27	**161.22**	157.69
Other non-current assets	8	**193.26**	176.90
Total non-current assets		**7,681.59**	**6,561.85**
Current assets			
Inventories	9	**4,349.47**	3,620.38
Financial assets			
Investments	6	**2.24**	15.89
Trade receivables	10	**2,237.84**	1,766.01
Cash and cash equivalents	11	**238.25**	183.96
Bank balances other than cash and cash equivalents	12	**43.35**	19.56
Other financial assets	7	**44.73**	58.93
Other current assets	8	**424.91**	390.88
Total current assets		**7,340.79**	**6,055.61**
Assets classified as held for sale	37	**15.42**	15.42
Total assets		**15,037.80**	**12,632.88**
Equity and liabilities			
Equity			
Equity share capital	13	**125.44**	125.44
Other equity		**3,305.00**	2,673.42
Total equity		**3,430.44**	**2,798.86**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	**911.32**	880.55
Lease liabilities	33	**3,998.02**	3,570.07
Other non-current liabilities	17	**-**	97.14
Provisions	16	**59.43**	62.79
Income tax liabilities (net)	27	**2.46**	1.05
Total non-current liabilities		**4,971.23**	**4,611.60**
Current liabilities			
Financial liabilities			
Borrowings	14	**4,138.74**	2,838.55
Lease liabilities	33	**335.39**	269.94
Trade payables	18		
- Total outstanding dues of micro and small enterprises		**45.80**	27.67
- Total outstanding dues of creditors other than micro and small enterprises		**861.94**	840.63
Other financial liabilities	15	**228.00**	164.16
Provisions	16	**32.70**	27.13
Income tax liabilities (net)	27	**12.29**	-
Other current liabilities	17	**981.27**	1,054.34
Total current liabilities		**6,636.13**	**5,222.42**
Total equity and liabilities		**15,037.80**	**12,632.88**
Significant accounting policies	3		

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

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Baby Paul
Partner
Membership No.: 218255

Kochi
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

Consolidated Statement of Profit and Loss

for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

Particulars	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
Income			
Revenue from operations	19	**48,750.02**	34,658.79
Other income	20	**176.26**	183.20
Total income		**48,926.28**	**34,841.99**
Expenses			
Purchases of stock-in-trade	21	**41,751.51**	29,671.24
Changes in inventories of stock-in-trade	22	**(325.52)**	(503.55)
Employee benefits expense	23	**3,082.06**	2,420.12
Finance costs	24	**705.34**	608.60
Depreciation and amortisation	25	**794.45**	692.57
Impairment loss on financial and contract assets	32	**30.53**	9.42
Other expenses	26	**2,039.24**	1,458.13
Total expenses		**48,077.61**	**34,356.53**
Profit before tax		**848.67**	**485.46**
Income tax expense	27		
Current tax		**240.10**	129.42
Deferred tax (credit)/charge		**(32.17)**	19.35
Total tax expense		**207.93**	**148.77**
Profit after tax for the year		**640.74**	**336.69**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit plan (expense)/income		**(12.47)**	2.94
Income tax credit/(charge) relating to the item that will not be reclassified to profit or loss		**3.31**	(0.79)
Other comprehensive (loss) / income for the year, net of income tax		**(9.16)**	**2.15**
Total comprehensive income for the year		**631.58**	**338.84**
Profit/(loss) attributable to :			
Owners of the company		**640.74**	336.69
Non-controlling interest		**-**	-
Profit/(loss) for the year		**640.74**	**336.69**
Other Comprehensive Income attributable to :			
Owners of the company		**(9.16)**	2.15
Non-controlling interest		**-**	-
Other comprehensive income for the year, net of income tax		**(9.16)**	**2.15**
Total Comprehensive Income attributable to :			
Owners of the company		**631.58**	338.84
Non-controlling interest		**-**	-
		631.58	**338.84**
Earnings per share (equity share of face value of INR 10 each)	29		
Basic (in INR)		**51.10**	26.85
Diluted (in INR)		**51.10**	26.85
Significant accounting policies	3		

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

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Baby Paul
Partner
Membership No.: 218255

Kochi
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

Consolidated Statement of Changes in Equity

for the year ended March 31, 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	Other reserves	Capital reserve	Retained earnings	Remeasurement of net defined benefit liability/ (asset), net of tax	
Balance as at 1 April, 2021	**636.68**	**43.41**	**(16.82)**	**21.75**	**1,649.56**	**-**	**2,334.58**
Total comprehensive income for the year							
Profit for the year	-	-	-	-	336.69	-	336.69
Other comprehensive income, net of tax	-	-	-	-	-	2.15	2.15
Total comprehensive income	**-**	**-**	**-**	**-**	**336.69**	**2.15**	**338.84**
Transferred to retained earnings	-	-	-	-	2.15	(2.15)	-
Balance as at 31 March, 2022	**636.68**	**43.41**	**(16.82)**	**21.75**	**1,988.40**	**-**	**2,673.42**
Balance as at 1 April, 2022	**636.68**	**43.41**	**(16.82)**	**21.75**	**1,988.40**	**-**	**2,673.42**
Total comprehensive income for the year							
Profit for the year	-		-	-	640.74	-	640.74
Other comprehensive income, net of tax	-	-	-	-	-	(9.16)	(9.16)
Total comprehensive income	**-**	**-**	**-**	**-**	**640.74**	**(9.16)**	**631.58**
Transferred to retained earnings	-	-	-	-	(9.16)	9.16	-
Balance as at 31 March, 2023	**636.68**	**43.41**	**(16.82)**	**21.75**	**2,619.98**	**-**	**3,305.00**

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

a) Securities premium

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

b) General reserve

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

c) Other reserve

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

d) Capital reserve

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

e) Retained earnings

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

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

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

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

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Baby Paul
Partner
Membership No.: 218255

Kochi
20 June, 2023

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

Consolidated Statement of Cash flows

for the year ended March 31, 2023

(All amounts in Indian Rupees million)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Cash flows from operating activities		
Profit before tax	**848.67**	485.46
Adjustments:		
Finance costs	**705.34**	608.60
Depreciation and amortisation	**794.45**	692.57
Impairment loss on financial and contract assets	**30.53**	9.42
Liabilities/ provisions no longer required written back	**(66.40)**	(60.01)
Interest income	**(19.03)**	(31.98)
Rent concession received	**-**	(34.82)
Gain on derecognition of right-of-use assets	**(36.21)**	(0.78)
Net gain on financial assets measured at fair value through profit and loss	**(0.64)**	(6.89)
Loss/(Gain) on sale of property, plant and equipment (net)	**11.24**	(8.20)
Operating cash flow before working capital changes	**2,267.95**	**1,653.37**
Working capital movements:		
Increase in inventories	**(325.52)**	(503.55)
Increase in trade receivables	**(394.47)**	(168.16)
Increase in loans and other financial assets and other assets	**(30.04)**	(236.19)
(Decrease)/increase in liabilities and provisions	**(175.76)**	102.79
Cash generated from operations	**1,342.16**	**848.26**
Income taxes (paid) / refund, net	**(253.23)**	(151.34)
Net cash generated fromoperating activities (A)	**1,088.93**	**696.92**
Cash flows from investing activities		
(Acquisition) / sale of investments, net	**0.91**	(4.10)
Interest received	**19.03**	31.98
Acquisition of property, plant and equipment including capital work-in-progress	**(540.20)**	(478.57)
Acquisition of intangible assets including intangibles under developemnt	**(26.86)**	(2.47)
Proceeds from sale of property, plant and equipment	**36.76**	39.32
Acquisition of subsidiary net of cash	**(285.84)**	-
Net cash used in investing activities (B)	**(796.20)**	**(413.84)**
Cash flows from financing activities		
Interest paid	**(332.46)**	(286.70)
Long-term borrowings availed	**352.19**	266.43
Long-term borrowings repaid	**(359.89)**	(250.32)
Short-term borrowings availed /(repaid), net	**762.87**	172.57
Lease payments during the year	**(661.15)**	(554.51)
Net cash used in financing activities (C)	**(238.44)**	**(652.53)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**54.29**	**(369.45)**
Cash and cash equivalents at the beginning of the year	**183.96**	553.41
Cash and cash equivalents at the end of the year	**238.25**	**183.96**
(Refer to note 11 - Cash and cash equivalents)		

Consolidated Statement of Cash flows

for the year ended March 31, 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 1 April, 2022	Cash flows	Non cash changes		As at 31 March, 2023
			On account of acquisition	Others	
Non-current borrowings (including current maturities)	1,184.89	(7.70)	101.85	-	**1,279.04**
Current borrowings	2,534.21	762.87	473.94	-	**3,771.02**
Lease liabilities (refer note 33)	3,840.01	(661.15)	268.76	885.79	**4,333.41**

Particulars	As at 1 April, 2021	Cash flows	Non cash changes		As at 31 March, 2022
			On account of acquisition	Others	
Non-current borrowings (including current maturities)	1,168.78	16.11	-	-	1,184.89
Current borrowings	2,361.64	172.57	-	-	2,534.21
Lease liabilities (refer note 33)	2,969.43	(554.51)	-	1,425.09	3,840.01

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

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

As per our report of even date attached
for **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
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Chief Executive Officer

John Verghese
Chief Financial Officer

Varun T V
Company Secretary
Membership no. 22044

Kochi
20 June, 2023

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

Basis of preparation and significant accounting policies

1. COMPANY OVERVIEW

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

These consolidated financial statements of the Group comprise the Company and its subsidiaries (collectively referred to as the 'Group'). 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 and Prabal Motors Private Limited which are engaged in the business of sale and services of automobiles, sale of spare parts and accessories, finance and insurance commission. These subsidiaries have operations in Kerala, Tamil Nadu, Karnataka and Maharashtra.

2. BASIS OF PREPARATION

A. Statement of compliance

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

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

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 20 June, 2023.

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

B. Functional and presentation currency

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

C. Basis of measurement

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

Items	Measurement basis
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Investments	Fair value

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.

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

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 33 - 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 31 – 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 32 – financial instruments;

Note 32 – impairment of financial assets

E. Measurement of fair values

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

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

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

F. Recent Accounting Pronouncements

Amendments:

' Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 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:

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(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.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

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

Name of the company	Country	Proportion of ownership interest (%)	Proportion of voting power held directly or indirectly (%)	Proportion of ownership interest (%)	Proportion of voting power held directly or indirectly (%)
		As at 31 March, 2023		As at 31 March, 2022	
Subsidiaries					
Popular Mega Motors (India) Private Limited	India	**100%**	**100%**	100%	100%
Popular Auto Dealers Private Limited	India	**100%**	**100%**	100%	100%
Popular Auto Works Private Limited	India	**100%**	**100%**	100%	100%
Kuttukaran Cars Private Limited	India	**100%**	**100%**	100%	100%
Keracon Equipments Private Limited	India	**100%**	**100%**	-	-
Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned Cars Private Limited)	India	**100%**	**100%**	100%	100%
Step-down subsidiaries					
Vision Motors Private Limited	India	**100%**	**100%**	100%	100%
Prabal Motors Private Limited	India	**100%**	**100%**	-	-

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

The consolidated financial statements have been prepared in the following basis:

The financial statement of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealized profits in full.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its separate financial statements. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

i. Business Combination

In accordance with Ind AS 103, the Group accounts for the business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the gain.

business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently, and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income (OCI), as appropriate.

Business combinations (common control business combinations)

Business combinations arising from transfers of interest in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the value of net assets and the consequent reduction in value of investment held by the Group is transferred to the capital reserve or to the accumulated balance of profit and loss.

ii. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group till the date on which the control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

iii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions and grouped under other reserves.

iv. Associates

Associates are all entities over which the Group has significant influence but not control or joint control over the financial and operating policies.

Interests in an associate is accounted for using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees until the date on which significant influence ceases.

Equity method:

the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from an associate is recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

v. Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra - Group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the Investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Property, plant and equipment

A. Recognition and measurement

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

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

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

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

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

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 Group.

C. Depreciation

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

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

Class of assets	Useful life
Building owned	60
Motor cars	8
Motor cycles and trucks	10
Office Equipment	5
Plant and machinery	15 -25
Tools and Equipment	5 – 15
Electrical fittings	10
Furniture and fittings	10
Computer equipment	3

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

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

3.3 Intangible assets and goodwill

Intangible assets other than goodwill:

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

The estimated useful lives are as follows:

Class of assets	Years
Software	3
Brand	5-15
Supplier Relationship	5

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

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

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

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

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

Goodwill:

For measurement of goodwill that arise from business combination [see note 3.1 (i)] above. Subsequent measurement is at cost less any accumulated impairment loss.

3.4 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

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

Defined benefit plans

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

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

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

Other long term employee benefits

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

3.5 Provisions

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

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognizes any impairment loss on the assets associated with that contract.

3.6 Revenue

i) Sale of products

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

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

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

ii) Rendering of services

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

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iii) Commission, discount and incentive income

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

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

iv) Other Income

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

3.7 Inventories

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

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 Group becomes a party to the contractual provisions of the instrument.

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

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

Notes to Consolidated Financial Statements

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

Notes to Consolidated Financial Statements

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Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) De recognition

Financial assets

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

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

Financial liabilities

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

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

iv) Off setting

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

3.9 Impairment

i) Impairment of financial instruments

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

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

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

ii) Impairment of non- financial assets

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

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

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

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

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

3.10 Leases

i. Determining whether an arrangement contains a lease

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

ii. Group as a lessee

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

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

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

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

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

iii. Group as a lessor

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

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

3.11 Recognition of interest income or interest expense

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

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

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

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as at and for the year ended 31 March, 2023

3.12 Income tax

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

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or 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 tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

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

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

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

3.13 Borrowing cost

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

3.14 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

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

3.15 Cash-flow statement

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

3.16 Cash and cash equivalents

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

3.17 Contingent Liabilities and Assets

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

3.18 Non-current assets classified as held for sale

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

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

(All amounts in Indian Rupees million)

PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	Freehold land	Buildings#	Leasehold improvements	Furniture and fixtures	Electrical equipment	Plant and machinery	Tools and equipment	Motor car	Computer equipment	Office equipment	Motor cycles and trucks	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying value														
Balance at 1 April, 2021	91.97	639.56	755.78	315.98	149.48	637.09	71.36	362.82	132.29	84.42	22.50	3,263.25	173.09	3,436.34
Additions	-	51.71	217.58	61.97	32.31	80.88	9.97	29.74	23.93	12.63	6.42	527.14	245.62	772.76
Disposals / write off	-	2.17	0.68	7.14	0.89	3.34	0.33	82.89	47.05	2.51	2.93	149.93	295.43	445.36
Balance at 31 March, 2022	**91.97**	**689.10**	**972.68**	**370.81**	**180.90**	**714.63**	**81.00**	**309.67**	**109.17**	**94.54**	**25.99**	**3,640.46**	**123.28**	**3,763.74**
Balance at 1 April, 2022	91.97	689.10	972.68	370.81	180.90	714.63	81.00	309.67	109.17	94.54	25.99	3,640.46	123.28	3,763.74
Additions	-	47.05	211.09	73.96	37.57	120.66	12.53	35.18	33.94	16.63	0.98	589.59	294.39	883.98
Acquisition through business combination - Refer Note 40	-	148.33	-	19.25	6.36	16.92	17.98	4.95	3.20	10.64	16.05	243.68	1.17	244.85
Disposals / write off	-	0.09	9.91	27.37	5.80	59.26	13.41	71.57	18.65	17.04	1.78	224.88	341.58	566.46
Balance at 31 March, 2023	**91.97**	**884.39**	**1,173.86**	**436.65**	**219.03**	**792.95**	**98.10**	**278.23**	**127.66**	**104.77**	**41.24**	**4,248.85**	**77.26**	**4,326.11**
Accumulated depreciation														
Balance at 1 April, 2021	-	116.86	198.81	117.59	63.91	207.55	33.15	131.41	95.23	46.00	8.54	1,019.05	-	1,019.05
Depreciation for the year	-	18.31	56.01	34.69	15.82	53.31	7.08	49.64	24.96	13.44	2.91	276.17	-	276.17
Disposals / write off	-	0.14	0.37	5.75	0.79	2.09	0.31	57.56	46.83	2.36	2.61	118.81	-	118.81
Balance at 31 March, 2022	**-**	**135.03**	**254.45**	**146.53**	**78.94**	**258.77**	**39.92**	**123.49**	**73.36**	**57.08**	**8.84**	**1,176.41**	**-**	**1,176.41**
Balance at 1 April, 2022	-	135.03	254.45	146.53	78.94	258.77	39.92	123.49	73.36	57.08	8.84	1,176.41	-	1,176.41
Depreciation for the year	-	52.56	60.05	37.81	18.87	56.60	8.76	39.88	21.13	14.73	3.59	313.98	-	313.98
Disposals / write off	-	0.87	1.13	26.20	5.59	48.81	12.98	45.23	17.92	16.53	1.63	176.89	-	176.89
Balance at 31 March, 2023	**-**	**186.72**	**313.37**	**158.14**	**92.22**	**266.56**	**35.70**	**118.14**	**76.57**	**55.28**	**10.80**	**1,313.50**	**-**	**1,313.50**
Net carrying amount														
At 31 March, 2023	**91.97**	**697.67**	**860.49**	**278.51**	**126.81**	**526.39**	**62.40**	**160.09**	**51.09**	**49.49**	**30.44**	**2,935.35**	**77.26**	**3,012.61**
At 31 March, 2022	**91.97**	**554.07**	**718.23**	**224.28**	**101.96**	**455.86**	**41.08**	**186.18**	**35.81**	**37.46**	**17.15**	**2,464.05**	**123.28**	**2,587.33**

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	**918.20**	**702.60**	684.37	534.53

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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	The Company	
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Not applicable	
Reason for not being held in the name of the Company	Not applicable	

b) Ageing of capital work-in-progress

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

As at 31 March, 2023

Description	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**77.10**	**0.16**	**-**	**-**	**77.26**
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
	77.10	**0.16**	**-**	**-**	**77.26**

As at 31 March, 2022

Description	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	123.06	0.22	-	-	123.28
Projects temporarily suspended	-	-	-	-	-
	123.06	0.22	-	-	123.28

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				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
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				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Project - Trivandrum Commercial Vehicles Showroom	1.67	-	-	-	1.67

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

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

5 INTANGIBLE ASSETS

Particulars	Computer software	Supplier Relationship	Other intangible assets	Total (A)	Goodwill (Refer Note below) (B)	Intangible Assets under development (C)	Total (A+B+C)
Reconciliation of carrying amount							
Gross carrying value							
Balance at 1 April, 2021	40.15	-	97.37	137.52	11.80	-	149.32
Additions/transfers	2.47	-	-	2.47	-	-	2.47
Balance at 31 March, 2022	**42.62**	**-**	**97.37**	**139.99**	**11.80**	**-**	**151.79**
Balance at 1 April, 2022	42.62	-	97.37	139.99	11.80		151.79
Additions/transfers	4.44	-	20.00	24.44	-	3.34	27.78
Acquisition through business combination - Refer Note 40	6.53	90.30	42.06	138.89	103.67	-	242.56
Disposals	0.88	-	-	0.88	-	0.92	1.80
Balance at 31 March, 2023	**52.71**	**90.30**	**159.43**	**302.44**	**115.47**	**2.42**	**420.33**
Accumulated amortisation							
Balance at 1 April, 2021	23.47	-	64.18	87.65	-	-	87.65
Amortisation/ impairment for the year	7.76	-	5.53	13.29	-	-	13.29
Balance at 31 March, 2022	**31.23**	**-**	**69.71**	**100.94**	**-**	**-**	**100.94**
Balance at 1 April, 2022	31.23	-	69.71	100.94	-	-	100.94
Amortisation/ impairment for the year	7.69	3.01	9.39	20.09	-	-	20.09
Disposals / write off	0.87	-	-	0.87	-	-	0.87
Balance at 31 March, 2023	**38.05**	**3.01**	**79.10**	**120.16**	**-**	**-**	**120.16**
Net carrying amount							
At 31 March, 2023	**14.66**	**87.29**	**80.33**	**182.28**	**115.47**	**2.42**	**300.17**
At 31 March, 2022	**11.39**	**-**	**27.66**	**39.05**	**11.80**	**-**	**50.85**

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**

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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	**-**	**-**	**-**	**-**	**-**

Note

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's Cash generating units ('CGU') (operating divisions) as follows ;

Particulars	Amount
Keracon Equipment Private Limited	103.67
Popular Auto Dealers Private Limited	11.80
	115.47

Goodwill is tested for impairment annually in accordance with the Group's procedure for determining the recoverable value of such assets. The goodwill is not impaired at the balance sheet date.

The recoverable amount of the CGUs was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. Key assumptions on which the Group has based its determination of value in use includes;

a) Estimated cash flows for the five years based on the most recent financial budgets approved by the management.

b) Terminal value arrived by extrapolating last forecasted year cash flows to perpetuity using long term growth rate of 2%.

c) Discount rate which is a post-tax measure estimated based on the historical industry average weighted-average cost of capital of 15%.

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

6. INVESTMENTS

	As at 31 March, 2023	As at 31 March, 2022
Non-current investments, unquoted		
Investments in equity shares at FVTPL		
Loginomic Tech Solutions Private Limited 9,600 equity shares of INR 10 each (9600 equity shares of Rs.10 each)	**2.40**	2.40
Less: Provision for impairment	**(2.40)**	(2.40)
Investments in preference shares at FVTPL		
Prabal Motors Private Limited (formerly known as Popular Kuttukaran Cars Private Limited) Nil (31 March, 2022 : 20,000) redeemable preference shares of face value of INR 10 each	**-**	0.20
Non-current investment in others, FVTPL		
Quoted		
Investments in equity instruments (valued at FMV), fully paid up	**17.99**	20.94
Unquoted		
Investment in mutual funds	**39.70**	23.17
	57.69	**44.31**
Aggregate book value of non-current investments-unquoted	**42.10**	25.77
Aggregate book/ market value of non-current investments-quoted	**17.99**	20.94
Aggregate provision for impairment in value of investment	**(2.40)**	(2.40)
Current investments		
Investment in debentures at FVTPL		
Investment in debentures measured at fair value through profit or loss	**2.24**	15.89
	2.24	**15.89**
Aggregate book value of current investments-unquoted	**2.24**	15.89

7 OTHER FINANCIAL ASSETS

	As at 31 March, 2023	As at 31 March, 2022
Non-current		
Considered good - Unsecured		
Rent and other deposits	**374.76**	302.86
Balance with bank held as margin money	**4.41**	26.51
	379.17	**329.37**
Current		
Considered good - Unsecured		
Rent and other deposits	**44.73**	58.93
Dues from others	**5.00**	5.00
Less: Allowances for expected credit loss	**(5.00)**	(5.00)
	44.73	**58.93**

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

8 OTHER ASSETS

	As at 31 March, 2023	As at 31 March, 2022
Non-current		
Considered good - Unsecured		
Capital advances	**29.08**	31.01
Less: allowances for expected credit loss	**(5.58)**	(4.18)
Prepayments	**135.03**	115.35
Balance with statutory / government authorities	**34.73**	34.72
	193.26	**176.90**
Current		
Considered good - Unsecured		
Prepayments #	**93.04**	89.23
Balance with statutory/ government authorities	**159.21**	219.91
Advance to staff	**1.50**	0.81
Balance with Life Insurance Corporation Gratuity Fund, net (refer note 31)	**2.04**	-
Payment to vendors for supply of goods and services	**169.12**	80.93
	424.91	**390.88**
	618.17	**567.78**

Prepayments include the expenditure incurred by the Company amounting to Rs. 58.37 million as on 31 March, 2023 (Rs. 52.80 million as on 31 March, 2022) towards the proposed initial public offer which has been classified under "other current assets" in the financial statements. The Company expects to recover certain amounts from the shareholders and the balance amount would be charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon the shares being issued.

The Group has not given any loan to their directors for the year ended 31 March, 2023 and 31 March, 2022.

9 INVENTORIES

	As at 31 March, 2023	As at 31 March, 2022
(Valued at lower of cost and net realisable value)		
New vehicles	**2,904.37**	2,490.89
Pre-owned vehicles	**461.21**	442.66
Spares and lubricants	**904.01**	614.22
Accessories	**143.58**	118.73
	4,413.17	**3,666.50**
Less: Provision for obsolete inventory	**(63.70)**	(46.12)
	4,349.47	**3,620.38**

Closing stock includes value of goods in transit of new vehicles for Rs. 987.77 million (31 March, 2022:Rs. 1,349.96 million), accessories for Rs.27.11 (31 March, 2022:Rs. 27.78 million) and spares and lubricants for Rs. 65.94 million (31 March, 2022: Rs. 55.42 million)

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

10 TRADE RECEIVABLES

	As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good		
From related parties (refer note 36)	**0.19**	10.03
Other than related parties	**2,237.65**	1,755.98
	2,237.84	**1,766.01**
Unsecured, credit impaired		
Other than related parties	**60.94**	49.50
	60.94	**49.50**
Less: allowances for expected credit loss (refer note 32 B(ii))	**(60.94)**	(49.50)
Net trade receivables	**2,237.84**	**1,766.01**

For details of trade receivables pledged, refer note 14.

The Group's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 32.

Trade receivables ageing schedule

As at 31 March, 2023

Description	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables – considered good	**13.42**	**2,125.56**	**20.99**	**5.51**	**-**	**-**	**2,165.48**
ii) Undisputed Trade receivables – which have significant increase in credit risk	**-**	**65.58**	**5.96**	**0.16**	**0.17**	**0.47**	**72.34**
iii) Undisputed Trade receivables – credit impaired	**-**	**9.55**	**12.04**	**25.68**	**4.16**	**9.51**	**60.94**
	13.42	**2,200.69**	**38.99**	**31.35**	**4.33**	**9.98**	**2,298.76**

As at 31 March, 2022

Description	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables – considered good	18.88	1,659.43	9.69	8.05	-	-	1,696.05
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	69.06	0.90	-	-	69.96
iii) Undisputed Trade Receivables – credit impaired	-	12.75	9.09	21.94	5.72	-	49.50
	18.88	**1,672.18**	**87.84**	**30.89**	**5.72**	**-**	**1,815.51**

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

11 CASH AND CASH EQUIVALENTS

	As at 31 March, 2023	As at 31 March, 2022
Balance with banks	**219.85**	162.81
Cash on hand	**14.30**	14.36
Cheques on hand	**4.10**	6.79
Cash and cash equivalents in balance sheet	**238.25**	**183.96**

12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31 March, 2023	As at 31 March, 2022
Balance with banks held as margin money	**43.35**	19.56
	43.35	**19.56**

13 EQUITY SHARE CAPITAL

	As at March 31,2023		As at March 31,2022	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of INR 10 each	**15.00**	**150.00**	15.00	150.00
	15.00	**150.00**	**15.00**	**150.00**
Issued, subscribed and paid-up				
Equity shares of INR 10 each, fully paid-up	**12.54**	**125.44**	12.54	125.44
	12.54	**125.44**	**12.54**	**125.44**
Reconciliation of shares outstanding at the beginning and at the end of the year				
Equity shares of INR 10 each fully paid-up				
At the beginning of the year	**12.54**	**125.44**	12.54	125.44
Issued during the year	**-**	**-**	-	-
At the end of the year	**12.54**	**125.44**	**12.54**	**125.44**

(a) Terms and rights attached to equity shares

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

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

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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

Equity shares of INR 10 each fully paid up held by	As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	% holding in the class	No. 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	
	No. of shares	% holding in the class	No. of shares	% holding in the class
a) Francis K Paul - Promoter	**2.75**	**21.93%**	2.75	21.93%
b) John K Paul - Promoter	**2.75**	**21.93%**	2.75	21.93%
c) Naveen Philip - Promoter	**2.75**	**21.93%**	2.75	21.93%

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

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

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

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

14 BORROWINGS

	As at 31 March, 2023	As at 31 March, 2022
Non-current		
Secured		
Term loans from banks	**822.16**	839.99
Term loans from financial institutions	**37.60**	13.90
Vehicle loans from financial institutions	**10.71**	6.38
Unsecured		
Loans from directors (refer note 36)	**40.85**	20.28
	911.32	**880.55**

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

	As at 31 March, 2023	As at 31 March, 2022
Current		
Secured		
Cash credit and overdraft facilities from banks	**751.07**	171.88
Short term loans from banks	**2,511.10**	2,062.77
Short term loans from financial institutions	**299.51**	192.73
Current maturities of long-term borrowing	**367.72**	304.34
Unsecured		
Short term loans from banks	**63.83**	-
Short term loans from financial institutions	**87.51**	53.83
Loans from directors (refer note 36)	**58.00**	53.00
	4,138.74	**2,838.55**
Total borrowings	**5,050.06**	**3,719.10**

(i) Information about the Group's exposure to interest rate and liquidity risks are included in note 32.

(ii) For details with respect to terms and conditions of borrowings, refer note 14A.

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

A Statement of details of terms and conditions of the current and non-current borrowings.

Nature of borrowing	Borrowed by parent / subsidiaries	As at 31 March, 2023	As at 31 March, 2022	Security terms
Non-current, secured				
Term loans from banks	Parent	**800.22**	763.56	Secured by: a) collateral security by way of equitable mortgage over immovable properties of the company and b) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the Company.
Term loans from banks	Subsidiaries	**389.66**	323.20	Secured by: a) collateral security by way of equitable mortgage over immovable properties of the group and b) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group.
Term loans from financial institutions	Subsidiaries	**37.60**	42.80	Secured by: a) equitable mortgage of common collateral securities of immovable properties of the group b) personal guarantees by Naveen Philip, director of the company.
Vehicle loans from financial institutions	Parent	**4.65**	11.94	Secured by: a) hypothecation of the respective motor vehicles and b) personal guarantees by John K Paul and Francis K Paul, directors of the Company.
Vehicle loans from financial institutions	Subsidiaries	**6.06**	23.12	Secured by: a) hypothecation of the respective motor vehicles and b) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group.
Loans from directors	Subsidiaries	**40.85**	20.28	As per the agreed terms the loans were repayable within a period of one year from the balance sheet date.

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

Nature of borrowing	Borrowed by parent / subsidiaries	As at 31 March, 2023	As at 31 March, 2022	Security terms
Current, secured				
Cash credit and overdraft facilities from banks	Subsidiaries	**751.07**	171.88	Secured by: a) first charge on the current assets of the Group excluding specific charges given for inventory funding; b) collateral security by way of equitable mortgage of the immovable properties of the Group and c) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group.
Short term loan from banks	Parent	**1,496.87**	1,323.39	Secured by: a) exclusive charge on the stock and receivables funded by bank and marked with lien; b) equitable mortgage on residential property of the director & property belonging to the Group as collateral secutities and c) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the Company.
Short term loan from banks	Subsidiaries	**1,014.23**	739.38	Secured by: a) exclusive charge on the stock and receivables funded by bank and marked with lien; b) equitable mortgage on residential property of the director & property belonging to the Group as collateral secutities and c) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group.
Short term loan from financial institutions	Subsidiaries	**299.51**	192.73	Secured by: a) equitable mortgage of common collateral securities of immovable properties belonging to Kuttukaran Trading Ventures and Kuttukaran Homes LLP ; b) equitable mortgage of immovable properties belonging to directors of the Company c) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group and d) corporate guarantee of Kuttukaran Trading Ventures.
Short term loans from banks	Parent	**63.09**	-	Personal guarantees by John K Paul and Francis K Paul, directors of the Company.
Short term loans from banks	Subsidiaries	**0.74**		Personal guarantees by John K Paul and Francis K Paul, directors of the Company.
Short term loans from financial institutions	Parent	**58.11**	53.83	Personal guarantees by John K Paul and Francis K Paul, directors of the Company.
Short term loans from financial institutions	Subsidiaries	**29.40**	-	Personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group
Loans from directors	Subsidiaries	**58.00**	52.99	As per the agreed terms the loans were repayable within a period of one year from the balance sheet date.
		5,050.06	**3,719.10**	

Note:

*Borrowings from banks / financial institutions carry interest rates from 7.5 % to 16% per annum

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

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

B The Group has availed working capital facilities from banks on the basis of security of current assets and have submitted quarterly returns of current assets and current liabilities to the bankers. The quarterly returns are matching with the books of accounts.

15 OTHER FINANCIAL LIABILITIES

	As at 31 March, 2023	As at 31 March, 2022
Current		
Interest accrued but not due on borrowings	**10.89**	1.41
Accrued salaries and benefits	**195.48**	142.56
Dues to creditors for capital goods	**21.63**	20.19
	228.00	**164.16**

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 32.

16 PROVISIONS

	As at 31 March, 2023	As at 31 March, 2022
Non-current		
Provision for employee benefits *		
Net defined benefit liability - Gratuity	**9.24**	17.21
Compensated absences	**50.19**	45.58
	59.43	**62.79**
Current		
Provision for employee benefits *		
Net defined benefit liability - Gratuity	**-**	1.50
Compensated absences	**32.70**	25.63
	32.70	**27.13**
	92.13	**89.92**

* Also refer note 31

17 OTHER LIABILITIES

	As at 31 March, 2023	As at 31 March, 2022
Non-current		
Advance from vendors for rebates	**-**	97.14
	-	**97.14**
Other liabilities		
Current		
Contract liabilities (refer note 19)	**728.94**	788.41
Advance from vendors for rebates	**34.73**	89.00
Statutory dues payables	**217.60**	176.93
	981.27	**1,054.34**
	981.27	**1,151.48**

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

	As at 31 March, 2023	As at 31 March, 2022
Movement in contract liabilities		
Opening balance at the beginning of the year	**788.41**	824.53
Less : Revenue recognised during the year	**(788.41)**	(824.53)
Add: Additions to advances from customers during the year	**728.94**	788.41
Closing balance at the end of the year	**728.94**	**788.41**

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.

18 TRADE PAYABLES

	As at 31 March, 2023	As at 31 March, 2022
Total outstanding dues of micro and small enterprises	**45.80**	27.67
Total outstanding dues of creditors other than micro and small enterprises	**861.94**	840.63
	907.74	**868.30**

Trade payable ageing schedule

As at 31 March, 2023

Description	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	**45.80**	**-**	**-**	**-**	**45.80**
ii) Others	**756.18**	**9.15**	**3.95**	**1.15**	**770.43**
iii) Disputed Dues-MSME	**-**	**-**	**-**	**-**	**-**
iv) Disputed Dues-Others	**-**	**-**	**-**	**-**	**-**
v) Unbilled dues	**91.51**	**-**	**-**	**-**	**91.51**
	893.49	**9.15**	**3.95**	**1.15**	**907.74**

As at 31 March, 2022

Description	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	27.67	-	-	-	27.67
ii) Others	700.06	66.89	1.44	0.16	768.55
iii) Disputed Dues-MSME	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-
v) Unbilled dues	72.08	-	-	-	72.08
	799.81	66.89	1.44	0.16	868.30

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

All trade payables are 'current'.

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 32.

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

	As at 31 March, 2023	As at 31 March, 2022
The principal amount remaining unpaid to any supplier as at the end of the year	**45.80**	27.67
The interest due on the principal remaining outstanding as at the end of the year	*****	*
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	**-**	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	**-**	-
The amount of interest accrued and remaining unpaid at the end of the year.	**-**	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	**-**	-

* Amount is below the round off norms adopted by the Group

19 REVENUE FROM OPERATIONS

	Year ended 31 March, 2023	Year ended 31 March, 2022
Sale of products		
Sales of new vehicles	**33,305.06**	23,222.61
Sale of spare parts and accessories	**6,820.19**	4,687.13
Sale of pre-owned vehicles	**3,705.97**	2,872.81
	43,831.22	**30,782.55**
Sale of services	**2,872.91**	**2,183.97**
	46,704.13	**32,966.52**
Other operating revenues		
Income from schemes and incentives	**1,358.23**	1,177.95
Finance and insurance commission	**613.84**	466.88
Income from driving school	**30.50**	18.04
Other operating income	**43.32**	29.40
	48,750.02	**34,658.79**
Reconciliation of revenue from sale of products and services		
Gross revenue	**48,639.47**	33,770.33
Less: Discount allowed	**1,935.34**	803.81
	46,704.13	**32,966.52**

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

(A) Disseggregate of revenue information

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

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue by category		
Passenger cars	**28,320.13**	21,790.46
Luxury vehicles	**1,823.38**	1,612.54
Commercial vehicles	**15,702.54**	9,591.31
Others	**2,903.97**	1,664.48
	48,750.02	**34,658.79**
Revenue by contract type		
Fixed price	**48,750.02**	34,658.79
	48,750.02	**34,658.79**

(B) Contract balances

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

	Year ended 31 March, 2023	Year ended 31 March, 2022
Trade receivables	**2,237.84**	1,766.01
Contract liabilities	**728.94**	788.41

(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.

	Year ended 31 March, 2023	Year ended 31 March, 2022
Within 1 year	**728.94**	788.41
More than 3 years	**-**	-
Closing balance	**728.94**	**788.41**

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

20 OTHER INCOME

	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest income based on effective interest rate		
Rent deposits	**14.14**	18.65
Fixed deposits with banks	**2.96**	11.62
Interest on income-tax refund	**1.93**	1.71
Gain on sale of property, plant and equipment (net)	**-**	8.20
Liabilities / provisions no longer required written back	**66.40**	60.01
Net gain on financial assets measured at fair value through profit and loss	**0.64**	6.89
Gain on derecognition of right-of-use assets	**36.21**	0.78
Rent concession received (refer note 33)	**-**	34.82
Other non-operating income	**53.98**	40.52
	176.26	**183.20**

21 PURCHASES OF STOCK-IN-TRADE

	Year ended 31 March, 2023	Year ended 31 March, 2022
New vehicles	**32,720.02**	22,831.11
Pre-owned vehicles	**3,451.37**	2,740.27
Spares, lubricants and accessories	**5,580.12**	4,099.86
	41,751.51	**29,671.24**

22 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

	Year ended 31 March, 2023	Year ended 31 March, 2022
Opening inventory	**3,620.38**	3,116.83
Add: Opening inventory on accquisiton	**403.57**	-
Closing inventory	**4,349.47**	3,620.38
	(325.52)	**(503.55)**

23 EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March, 2023	Year ended 31 March, 2022
Salaries and allowances	**2,696.60**	2,157.02
Contribution to provident and other fund (refer note 31)	**208.92**	160.27
Staff welfare expense	**176.54**	102.83
	3,082.06	**2,420.12**

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.

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

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.

24 FINANCE COSTS

	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest on bank borrowings	**319.35**	267.19
Interest on lease liabilities (refer note 33)	**363.40**	322.57
Other borrowing costs	**22.59**	18.84
	705.34	**608.60**

25 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March, 2023	Year ended 31 March, 2022
Depreciation on property, plant and equipment	**313.98**	276.17
Depreciation on right- of-use asset (refer note 33)	**460.38**	403.11
Amortisation on intangible assets	**20.09**	13.29
	794.45	**692.57**

26 OTHER EXPENSES

	Year ended 31 March, 2023	Year ended 31 March, 2022
Rent	**133.94**	101.74
Advertising and sales promotion	**208.12**	142.18
Consumables	**338.30**	248.30
Repairs and maintenance:		
Buildings	**51.36**	31.65
Plant and machinery	**16.00**	100.35
Others	**138.94**	17.67
Power, water and fuel	**151.85**	109.12
Travelling and conveyance	**145.57**	86.82
Housekeeping and security and other contract charges	**288.75**	197.79
Office expenses	**106.09**	57.79
Communication	**66.70**	54.62
Refurbishment charges on pre-owned vehicles	**36.52**	40.90
Loss on sale of property, plant and equipment (net)	**11.24**	-
Pre delivery inspection charges	**87.16**	61.20
Rates and taxes	**31.17**	22.48
Transportation charges	**72.14**	45.75
Bank charges	**33.60**	29.25
Insurance	**42.51**	47.54

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

	Year ended 31 March, 2023	Year ended 31 March, 2022
Management fee on pre-owned vehicles	**14.04**	12.86
Legal and professional - Refer Note below	**37.14**	26.41
Donation and charity	**0.44**	0.14
Expenditure on corporate social responsibility	**5.50**	5.09
Miscellaneous expenses	**22.16**	18.48
	2,039.24	**1,458.13**

Note

Includes payment to statutory auditors(net of goods and service tax) as follows:

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

27 TAXES

A. Income taxes

	Year ended 31 March, 2023	Year ended 31 March, 2022
Income tax assets, net	**97.60**	85.46
Income tax liabilities (current)	**(12.29)**	-
Income tax liabilities (non-current)	**(2.46)**	(1.05)
Net income tax assets/(liabilities) at the end of the year	**82.85**	**84.41**

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

	Year ended 31 March, 2023	Year ended 31 March, 2022
Current tax (including MAT)		
Current year	**240.57**	129.42
Earlier years	**(0.47)**	-
Deferred tax charge (including MAT credit entitlement)	**(32.17)**	19.35
Total tax expenses	**207.93**	**148.77**

(ii) Amount recognised in other comprehensive income

	Year ended 31 March, 2023	Year ended 31 March, 2022
Remeasurement of the net defined benefit plans		
Gain before tax	**(12.47)**	2.94
Tax expense on above	**3.31**	(0.79)
Remeasurement of net defined benefit plans	**(9.16)**	**2.15**

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

(iii) Reconciliation of effective tax rate

	Year ended 31 March, 2023	Year ended 31 March, 2022
Profit before income tax	**848.67**	**485.46**
Enacted tax rates in India *	**25.17%**	25.17%
Tax expenses	**213.61**	122.19
Other permanent differences	**1.36**	50.95
On account of differential tax rate in subsidiaries	**(7.04)**	(25.26)
Income at differential rate - long term capital gain	**-**	0.89
Tax expense	**207.93**	**148.77**
Effective tax rate	**24.50%**	30.65%

* For financial year 2021-22, the Group elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised Provision for Income Tax for the year and re-measured its deferred tax asset basis the rate prescribed in the said section. Accordingly, deferred tax asset have reduced by Rs. 25.26 million. The tax charge for the year have increased by Rs.25.26 million.

B Deferred tax asset/ (liabilities)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred tax assets	**161.22**	157.69
Net deferred tax asset/ (liability) at the end of the year	**161.22**	**157.69**

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

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred tax asset		
Allowance for expected credit loss	**18.80**	12.50
Provision for employee benefits	**20.14**	6.85
Lease liabilities, impact on account of Ind AS 116	**218.13**	181.27
Other timing differences	**9.25**	5.47
On unabsorbed business losses	**6.47**	22.89
Total deferred tax assets (A)	**272.79**	**228.98**
Deferred tax liabilities		
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	**(80.62)**	(71.29)
On acquisition through business combination	**(30.95)**	-
Total deferred tax liability (B)	**(111.57)**	**(71.29)**
Net deferred tax asset/ (liability) at the end of the year (A+B)	**161.22**	**157.69**

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

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

(ii) Movement in temporary differences

Movement during the year ended 31 March, 2023	As at 1 April, 2022	Acquisition through business combination	Charge/ (credit) in the statement of profit and loss	Charge/ (credit) in other comprehensive income	As at 31 March, 2023
Other timing differences	5.47	-	(3.78)	-	**9.25**
Allowance for expected credit loss	12.50	-	(6.30)	-	**18.80**
Provision for employee benefits	6.85	-	(9.98)	(3.31)	**20.14**
On unabsorbed business losses	22.89	-	16.42	-	**6.47**
Lease liabilities, impact on account of Ind AS 116	181.27	-	(36.86)	-	**218.13**
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(71.29)	-	9.33	-	**(80.62)**
Acquired in business combination - Refer Note 40	-	(31.95)	(1.00)	-	**(30.95)**
Net deferred tax asset/ (liability) at the end of the year	**157.69**	**(31.95)**	**(32.17)**	**(3.31)**	**161.22**

Movement during the year ended 31 March, 2022	As at 1 April, 2021	Acquisition through business combination	Charge/ (credit) in the statement of profit and loss	Charge/ (credit) in other comprehensive income	As at 31 March, 2022
Other timing differences	-	-	(5.47)	-	5.47
Allowance for expected credit loss	15.37	-	2.87	-	12.50
Provision for employee benefits	21.42	-	13.77	0.79	6.85
On unabsorbed business losses	31.68	-	8.79	-	22.89
Lease liabilities, impact on account of Ind AS 116	201.76	-	20.49	-	181.27
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(92.39)	-	(21.10)	-	(71.29)
Net deferred tax asset/ (liability) at the end of the year	**177.84**	**-**	**19.35**	**0.79**	**157.69**

(iv) Tax losses carried forward

Particulars	As at 31 March, 2023	Expiry date	As at 31 March, 2022	Expiry date
Brought forward losses - allowed to carry forward for specific period	**20.51**	AY 2031-32	7.10	AY 2030-31
Unabsorbed depreciation- allowed to carry forward for infinite period	**8.08**	-	22.11	-
Long term capital loss - allowed to carry forward for specific period	**0.89**	AY 2031-32	1.26	AY 2029-30

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28 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contingent liabilities		
Claims against the Group not acknowledged as debts:		
Service tax related matters	**18.93**	15.97
Excise related matters	**3.03**	3.03
KVAT related matters	**112.54**	114.47
Income tax matters	**38.04**	33.42
Employees' state insurance/provident fund demand	**7.95**	7.95
Customer claims	**106.82**	86.67
GST related matters	**7.43**	-
Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	**346.53**	98.67

Details of claims against the Group

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

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

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

29 EARNINGS PER SHARE

A. Basic earnings per share

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

i) Net profit attributable to equity share holders

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Net profit for the year, attributable to the owners of the Company	**640.74**	336.69

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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	**12.54**	12.54
Earnings per share, basic and diluted	**51.10**	**26.85**

B. Diluted earnings per share

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

30 SEGMENT REPORTING

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). Members of Board of the Group have been identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108 "Operating Segments". All operating segments' operating results are reviewed regularly by the Group's CODM to make decisions about resources to be allocated to the segments and assess their performance.

Geographical segments

Geographical information analyses the company's revenue and non current assets by the Company's country of domicile (i.e. India) and other countries. The Company's sole geographical segment is India. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

Operational segments

The Group has structured its business broadly into four verticals – Passenger cars, Luxury vehicles, Commercial vehicles and others. Others primarily comprises of direct sale of spares, other than through the business segments. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Income, direct expenses, assets and liabilities in relation to segments are categorised based on items that are individually identifiable to that segment.

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Segment revenue		
Passenger cars	**28,320.13**	21,790.46
Luxury vehicles	**1,823.38**	1,612.54
Commercial vehicles	**15,702.54**	9,591.31
Others	**2,903.97**	1,664.48
Total	**48,750.02**	**34,658.79**

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Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Segment profits before income tax		
Passenger cars	**1,030.45**	695.19
Luxury vehicles	**95.15**	64.50
Commercial vehicles	**323.84**	249.99
Others	**122.16**	93.91
Total	**1,571.60**	**1,103.59**
Less:		
Finance charges	**705.34**	608.60
Unallocated expenses (net of unallocated income)	**17.59**	9.53
Profit before tax	**848.67**	**485.46**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Segment assets		
Passenger cars	**8,763.16**	8,258.17
Luxury vehicles	**1,115.37**	952.36
Commercial vehicles	**4,091.57**	2,936.60
Others	**1,067.70**	485.75
Total	**15,037.80**	**12,632.88**
Segment liabilities		
Passenger cars	**6,713.88**	6,600.32
Luxury vehicles	**897.64**	750.27
Commercial vehicles	**3,263.27**	2,006.75
Others	**732.57**	476.68
Total	**11,607.36**	**9,834.02**

31 EMPLOYEE BENEFITS

A Defined contribution plan

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

B Defined benefit plan

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

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

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

Reconciliation of the projected defined benefit obligation

Particulars	**As at 31 March, 2023**	**As at 31 March, 2022**
Defined benefit liability	**309.40**	269.63
Plan assets	**302.20**	250.92
Net defined benefit liability/ (asset)	**7.20**	**18.71**
Non-current defined benefit liability	**9.24**	17.21
Current defined benefit liability	**-**	1.50
Current defined benefit (asset)	**(2.04)**	-
Liability for compensated absences	**82.89**	**71.21**
Non-current defined benefit liability	**50.19**	45.58
Current defined benefit liability	**32.70**	25.63

C Reconciliation of net defined benefit (asset)/ liability

i) Reconciliation of present values of defined benefit obligation

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

Particulars	**As at 31 March, 2023**	**As at 31 March, 2022**
Defined benefit obligation as at the beginning of the year	**269.63**	245.12
Current service cost	**39.40**	34.99
Past service cost	**-**	
Interest cost	**16.95**	14.40
Benefits paid	**(30.51)**	(22.08)
Liabilities assumed /(settled)		-
Re-measurements		
Actuarial gain/(loss) recognised in other comprehensive income		
- changes in financial assumptions	**12.88**	(8.32)
- changes in demographic assumptions	**-**	-
- changes in experience over the past period	**1.05**	5.52
Defined benefit obligation as at the end of the year	**309.40**	**269.63**

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ii) Reconciliation of present value of plan assets

Particulars	As at 31 March, 2023	As at 31 March, 2022
Plan assets at the beginning of the year	**250.92**	251.39
Contributions paid into the plan	**67.82**	5.58
Benefits paid	**(34.67)**	(22.09)
Interest income	**16.76**	15.89
Re-measurements		
- changes in demographic assumptions	**0.88**	0.14
- return on plan assets excluding amount included in net interest on the net defined liability/(asset)	**0.49**	**0.01**
Balance at the end of the year	**302.20**	**250.92**
Net defined benefit liability	**7.20**	**18.71**

D Expenses recognised in the consolidated statement of profit and loss

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

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current service cost	**39.40**	34.99
Past service cost	**-**	-
Net interest on net defined liability	**0.17**	(1.49)
Net gratuity cost	**39.57**	**33.50**

(ii) Remeasurements recognised in other comprehensive income

Particulars	As at 31 March, 2023	As at 31 March, 2022
Actuarial (gain)/ loss on defined benefit obligation	**12.32**	(2.80)
(Return) / loss on plan asset excluding interest income	**(1.92)**	(0.01)
Net gratuity cost (before tax)	**10.40**	**(2.81)**

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	**302.20**	250.92

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

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F Defined Benefit Obligation

(i) Actuarial Assumptions for defined benefit liability

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

Particulars	As at 31 March, 2023	As at 31 March, 2022
Discount rate	**7.15%-7.30%**	5.40%- 6.9% p.a
Salary growth rate	**7% p.a**	6% p.a
Attrition rate	**14% - 29% p.a**	14%-29% p.a
Weighted average duration of defined benefit obligaiton	**3.43 Yrs - 9 Yrs**	3.15 Yrs- 9 Yrs

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

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

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

(ii) Sensitivity analysis

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

Particulars	As at 31 March, 2023	
	Increase	Decrease
Discount rate (1% movement)	**(62.40)**	**67.14**
Future salary growth (1% movement)	**66.32**	**(62.18)**
Attrition rate (1% movement)	**(0.10)**	**0.08**

Particulars	As at 31 March, 2022	
	Increase	Decrease
Discount rate (1% movement)	(55.18)	59.17
Future salary growth (1% movement)	58.70	(55.05)
Attrition rate (1% movement)	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.

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(iii) Actuarial Assumptions for compensated absences

Particulars	As at 31 March, 2023	As at 31 March, 2022
Discount rate	**7.15%-7.30%**	5.40%- 6.9% p.a
Salary growth rate	**7% p.a**	6% p.a
Attrition rate	**14% - 29% p.a**	14%-29% p.a
Mortality rate	**IALM 2012-14 Ult.**	IALM 2012-14 Ult.

32 FINANCIAL INSTRUMENTS- FAIR VALUES AND RISK MANAGEMENT

A Accounting classifications and fair values

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

As at 31 March, 2023

Particulars	Note	Carrying amount				Fair value			
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value									
Cash and cash equivalents	11	**238.25**	**-**	**-**	**238.25**	**-**	**-**	**-**	**-**
Bank balances other than cash and cash equivalents	12	**43.35**	**-**	**-**	**43.35**	**-**	**-**	**-**	**-**
Trade receivables	10	**2,237.84**	**-**	**-**	**2,237.84**	**-**	**-**	**-**	**-**
Other financial assets	7	**423.90**	**-**	**-**	**423.90**	**-**	**-**	**-**	**-**
Financial assets measured at fair value									
Investments	6	**-**	**59.93**	**-**	**59.93**	**17.99**	**41.94**	**-**	**59.93**
Total		**2,943.34**	**59.93**	**-**	**3,003.27**	**17.99**	**41.94**	**-**	**59.93**
Liabilities									
Financial liabilities measured at amortised cost									
Trade payables	18	**-**	**-**	**907.74**	**907.74**	**-**	**-**	**-**	**-**
Borrowings	14	**-**	**-**	**5,050.06**	**5,050.06**	**-**	**-**	**-**	**-**
Lease liabilities	33	**-**	**-**	**4,333.41**	**4,333.41**	**-**	**-**	**-**	**-**
Other financial liabilities	15	**-**	**-**	**228.00**	**228.00**	**-**	**-**	**-**	**-**
Total		**-**	**-**	**10,519.21**	**10,519.21**	**-**	**-**	**-**	**-**

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As at 31 March, 2022

Particulars	Note	Carrying amount				Fair value			
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value									
Cash and cash equivalents	11	183.96	-	-	183.96	-	-	-	-
Bank balances other than cash and cash equivalents	12	19.56	-	-	19.56	-	-	-	-
Trade receivables	10	1,766.01	-	-	1,766.01	-	-	-	-
Other financial assets	7	388.30	-	-	388.30	-	-	-	-
Financial assets measured at fair value									
Investments	6	-	60.20	-	60.20	20.94	39.06	0.20	60.20
Total		**2,357.83**	**60.20**	**-**	**2,418.03**	**20.94**	**39.06**	**0.20**	**60.20**
Liabilities									
Financial liabilities measured at amortised cost									
Trade payables	18	-	-	868.30	868.30	-	-	-	-
Borrowings	14	-	-	3,719.10	3,719.10	-	-	-	-
Lease liabilities	33	-	-	3,840.01	3,840.01	-	-	-	-
Other financial liabilities	15	-	-	164.16	164.16	-	-	-	-
Total		**-**	**-**	**8,591.57**	**8,591.57**	**-**	**-**	**-**	**-**

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

Measurement of fair values

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

Level 1 fair values

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

Level 2 fair values

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

Level 3 fair values

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

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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 Group.

B Financial risk management

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

i) Risk management framework

The Group's board of directors ('the Board') has overall responsibility for the establishment and oversight of the risk management framework. They oversee how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The maximum exposure to credit risk for trade receivables was as follows;

	As at 31 March, 2023	As at 31 March, 2022
Trade receivables	**2,298.78**	1,815.51
	2,298.78	**1,815.51**

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

Allowance for credit loss	As at 31 March, 2023	As at 31 March, 2022
Balance at the beginning of the year	**49.50**	50.50
Provision created during the year	**30.53**	9.42
Impairment loss recognised/ (reversed)	**(19.09)**	(10.42)
Balance at the end of the year	**60.94**	**49.50**

No single customer accounted for more than 10% of the revenue. There is no significant concentration of credit risk.

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

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

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Ageing Period	Average Loss Rate	
	As at 31 March, 2023	**As at 31 March, 2022**
Not due	**-**	-
Less than 6 months	**0.43%**	0.76%
6 months - 1 year	**30.88%**	10.35%
1 - 2 years	**81.91%**	71.03%
2 - 3 years	**96.07%**	100.00%
more than 3 years	**95.29%**	100.00%

iii) Liquidity risk

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

The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March, 2023:

Particulars	Payable within 1 year	More than 1 year	Total
Trade payables	**907.74**	**-**	**907.74**
Borrowings	**4,138.74**	**911.32**	**5,050.06**
Lease liabilities	**671.02**	**6,750.63**	**7,421.65**
Other financial liabilities	**228.00**	**-**	**228.00**

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

Particulars	Payable within 1 year	More than 1 year	Total
Trade payables	868.30	-	868.30
Borrowings	2,838.55	880.55	3,719.10
Lease liabilities	604.95	6,364.94	6,969.89
Other financial liabilities	164.16	-	164.16

iv) Market risk

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

Foreign currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currency of the Group. The functional currency of the Group is INR and the Group does not have any material foreign currency transactions during the years ended 31 March, 2023 and 31 March, 2022.

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Cash flow and fair value interest rate risk

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

(a) Interest rate risk exposure

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

Financial liabilities (bank borrowings)	As at 31 March, 2023	As at 31 March, 2022
Variable rate long term borrowings including current maturities	**1,091.02**	940.97

Sensitivity

Particulars	Impact on profit or (loss)		Impact on other components of equity	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
1% increase in variable rate	**(10.91)**	(9.41)	**(8.16)**	(7.04)
1% decrease in variable rate	**10.91**	9.41	**8.16**	7.04

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

33 LEASES

Group as a lessee

The Group has taken showrooms and service centres on lease from various parties from where business operations are performed. The leases typically run for a period of 2 years to 60 years. Lease payments are renegotiated nearing the expiry to reflect market rentals.

(i) Lease liabilities

Following are the changes in the lease liabilities for the year ended;

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance as at beginning of the year	**3,840.01**	2,969.43
On account of acquisition of a subsidiary	**268.76**	-
Additions	**631.74**	1,131.62
Finance cost accrued during the year	**363.40**	322.57
Payment of lease liabilities	**(661.15)**	(554.51)
Rent concession received *	**-**	(34.82)
Remeasurement on account of modification	**-**	20.94
Derecognition of lease liability during the year	**(109.35)**	(15.22)
Balance as at end of the year	**4,333.41**	**3,840.01**
Non-current lease liabilities	**3,998.02**	3,570.07
Current lease liabilities	**335.39**	269.94

* The Group has renegotiated with certain landlords on the rent concession due to COVID 19 pandemic. These rent concessions are short term in nature and meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial

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Reporting Authority dated 24th July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1st April 2020. Thus, in accordance with the said notification, the Company has elected to apply exemption as the concession does not necessitate a lease modification as envisaged in the Standard by recording in the "Other income".

(ii) Maturity analysis – contractual undiscounted cash flows

Particulars	As at 31 March, 2023	As at 31 March, 2022
Less than one year	**671.02**	604.95
One to five years	**2,533.01**	2,269.36
More than five years	**4,217.62**	4,095.58
Total undiscounted lease liabilities	**7,421.65**	**6,969.89**

(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 beginning of year	**3,129.94**	2,329.47
On account of acquisition of a subsidiary	**245.88**	-
Addition to right-of-use assets	**638.03**	1,191.71
Depreciation for the year	**(460.38)**	(403.11)
Remeasurement on account of modification	**-**	20.91
Derecognition of right-of-use assets	**(73.60)**	(9.04)
Balance at end of the year	**3,479.87**	**3,129.94**

(iv) Amounts recognised in statement of profit or loss

Particulars	As at 31 March, 2023	As at 31 March, 2022
Interest on lease liabilities	**363.40**	322.57
Depreciation on right-of-use assets	**460.38**	403.11

(v) Amounts recognised in statement of cash flows

Particulars	As at 31 March, 2023	As at 31 March, 2022
Total cash outflow for leases	**(661.15)**	(554.51)

(vi) Operating leases *

The Group is obligated under cancellable operating leases for its certain office premises which are renewable at the option of both the lessor and lessee. Total rental expenses under such leases amounted to Rs. 133.94 million (31 March, 2022 : Rs 101.74 million). These arrangements do not qualify as a lease as per the requirements of Ind AS 116.

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34 CAPITAL MANAGEMENT

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

Particulars	As at 31 March, 2023	As at 31 March, 2022
Total equity attributable to the equity shareholders of the Company (A)	**3,430.44**	**2,798.86**
Long-term borrowings	**911.32**	880.55
Short-term borrowings	**4,138.74**	2,838.55
Total borrowings	**5,050.06**	**3,719.10**
Less: cash and cash equivalents	**238.25**	183.96
Adjusted net debt (B)	**4,811.81**	**3,535.14**
Adjusted net debt to total equity ratio (B/A)	**1.40**	**1.26**

35 NON-CONTROLLING INTEREST

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013 - 'General instructions for the preparation of consolidated financial statements'.

Name of the entity	As at / for the year ended 31 March, 2023							
	Net assets		Share in profit / (loss)		Share in other comprehensive (inome)/ loss		Share in total comprehensive income / (loss)	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive (income)/ expense	Amount	As a % of total comprehensive income	Amount
Parent								
Popular Vehicles and Services Limited	67.81%	2,326.31	45.79%	293.37	85.26%	7.81	45.22%	285.56
Subsidiaries								
Popular Auto Dealers Private Limited	9.85%	338.03	11.98%	76.79	6.66%	0.61	12.05%	76.18
Kuttukaran Green Private Limited	(0.02%)	(0.76)	(1.34%)	(8.60)	(1.85%)	(0.17)	(1.33%)	(8.43)
Popular AutoWorks Private Limited	5.20%	178.45	3.59%	22.98	(5.34%)	(0.49)	3.72%	23.47
Vision Motors Private Limited	11.41%	391.51	18.80%	120.45	0.98%	0.09	19.06%	120.36
Kuttukaran Cars Private Limited	(0.23%)	(7.99)	(0.70%)	(4.46)	0.00%	-	(0.71%)	(4.46)
Popular Mega Motors (India) Private Limited	30.50%	1,046.14	18.34%	117.56	8.29%	0.76	18.49%	116.80
Avita Insurance Broking LLP *	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Keracon Equipments Private Limited	(0.05%)	(1.61)	0.51%	3.29	0.00%	-	0.00%	
Prabal Motors Private Limited	0.72%	24.64	3.52%	22.53	6.00%	0.55	4.00%	25.27
		4,294.72		643.91		9.16		634.75
Adjustment arising out of consolidation	(25.19%)	(864.28)	(0.49%)	(3.17)	0.00%	-	(0.50%)	(3.17)
Non controlling interest in subsidiaries	-	-	-	-	-	-	-	-
Consolidated net assets / profit after tax	100.00%	3,430.44	100.00%	640.74	100.00%	9.16	100.00%	631.58

Notes to Consolidated Financial Statements

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(All amounts in Indian Rupees million)

Name of the entity	As at / for the year ended 31 March, 2022							
	Net assets		Share in profit / (loss)		Share in other comprehensive (inome)/ loss		Share in total comprehensive income / (loss)	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive (income)/ expense	Amount	As a % of total comprehensive income	Amount
Parent								
Popular Vehicles and Services Limited	72.90%	2,040.77	20.72%	69.75	176.28%	(3.79)	21.71%	73.54
Subsidiaries								
Popular Auto Dealers Private Limited	9.36%	261.85	16.85%	56.74	12.09%	(0.26)	16.81%	57.00
Kuttukaran Green Private Limited	(0.17%)	(4.79)	(1.37%)	(4.61)	0.00%	-	(1.36%)	(4.61)
Popular AutoWorks Private Limited	5.54%	154.99	0.47%	1.58	(5.12%)	0.11	0.43%	1.47
Vision Motors Private Limited	9.69%	271.16	28.75%	96.79	(17.20%)	0.37	28.46%	96.42
Kuttukaran Cars Private Limited	(0.13%)	(3.66)	(1.00%)	(3.36)	0.00%	-	(0.99%)	(3.36)
Popular Mega Motors (India) Private Limited	33.23%	929.99	35.58%	119.80	(66.05%)	1.42	34.94%	118.38
Avita Insurance Broking LLP *	0.00%	-	0.00%	-	0.00%	-	0.00%	-
		3,650.31		**336.69**		**(2.15)**		**338.84**
Adjustment arising out of consolidation	(30.42%)	(851.45)	0.00%	-	0.00%	-	0.00%	-
Non controlling interest in subsidiaries	-	-	-	-	-	-	-	-
Consolidated net assets / profit after tax	**100.00%**	**2,798.86**	**100.00%**	**336.69**	**100.00%**	**(2.15)**	**100.00%**	**338.84**

* Avita Insurance Broking LLP has been struck off from the Register of LLPs and the same has been dissolved pursuant to notice u/s 37(1) dated 29 October, 2021 from the office of the Registrar of Companies, Ministry of Corporate.

36 RELATED PARTIES

I. Names of related parties and description of relationship:

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

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

- Key management personnel and their relatives (KMP):
  - Mr. Francis K Paul, Whole Time Director
  - Mr. John K Paul, Whole Time Director
  - Mr. Naveen Philip, Managing Director (w.e.f 14 June, 2022)
  - Mr. Jacob Kurian, Director
  - Mrs. Preeti Reddy, Director
  - Mr. George Joseph, Director
  - Mr. Rahul Kurup, Nominee Director (till 27 September, 2022)
  - Mr. Abhishek Giridharilal Poddar, Nominee Director (w.e.f 27 September, 2022)
  - Mr. John Verghese, Chief Financial Officer
  - Mr. Philip Chacko Mundanilkunnathil, Chief Executive Officer (till 7 January, 2022)
  - Mr. Raj Narayan, Chief Executive Officer (w.e.f 10 October, 2022)
  - Mr. Varun Thazhathu Veedu, Company Secretary
  - Mrs. Leela Philip, Relative of KMP
  - Mr. Rushil John, Relative of KMP
- Entities in which KMP has significant influence:
  - Kuttukaran Trading Ventures, India
  - Kuttukaran Institute for Human Resource Development, India
  - Kuttukaran Homes LLP, India
  - Keracon Equipments Private Limited (till 31 January, 2023)
  - Prabal Motors Private Limited (till 31 January, 2023)

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

II. Related party transactions:

(a) The Group has entered into the following transactions with related parties;

Particulars	As at 31 March, 2023	As at 31 March, 2022
Revenue from operations		
Kuttukaran Institute for Human Resource Development	**0.03**	-
Keracon Equipments Private Limted	**-**	62.19
Prabal Motors Private Limited	**3.06**	1.90
Other Income		
Kuttukaran Trading Ventures	**0.17**	-
Expense reimbursed by the Company		
Keracon Equipments Private Limted	**-**	0.06
Kuttukaran Trading Ventures	**0.86**	-
Prabal Motors Private Limited	**0.14**	-
Expense reimbursed on behalf of the Company		
Kuttukaran Institute for Human Resource Development	**0.58**	0.08
Kuttukaran Homes LLP	**0.41**	0.24
Prabal Motors Private Limited	**2.36**	1.46
Kuttukaran Trading Ventures	**0.49**	-
Repairs and maintenances		
Kuttukaran Trading Ventures	**0.79**	0.16
Rent paid		
Francis K Paul	**9.03**	5.78
John K Paul	**0.92**	0.79
Naveen Philip	**3.48**	2.87
Kuttukaran Trading Ventures	**12.31**	-
Kuttukaran Homes LLP	**20.69**	19.98
Rushil John	**0.79**	0.75
Purchase of assets		
Kuttukaran Trading Ventures	**-**	0.01
Sale of asset		
Prabal Motors Private Limited	**-**	0.08
Loan (availed)/ repaid from directors		
Francis K Paul	**(3.12)**	-
John K Paul	**(6.12)**	(1.20)
Naveen Philip	**(22.04)**	(35.90)

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as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Commission and incentive to KMP		
Francis K Paul	**3.00**	1.50
John K Paul	**3.00**	1.50
Naveen Philip	**3.00**	1.00
Others	**3.90**	1.10
Remuneration to KMP*		
Francis K Paul	**10.75**	7.38
John K Paul	**8.78**	7.38
Naveen Philip	**8.78**	7.41
Philip Chacko Mundanilkunnathil	**-**	10.00
Raj Narayan	**5.60**	-
Others	**13.35**	9.53
Sitting fees to independent directors	**4.00**	3.38

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

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade receivables		
Prabal Motors Private Limited	**-**	0.12
Kuttukaran Institute for Human Resource Development	**0.19**	-
Keracon Equipments Private Limited	**-**	9.91
Dues to creditors for expenses and others		
Kuttukaran Homes LLP	**(1.06)**	(1.55)
Kuttukaran Trading Ventures	**(0.39)**	-
Payable to KMP		
Naveen Philip	**(0.04)**	(0.27)
Rushil John	**(0.06)**	(0.06)
John K Paul	**(3.00)**	(1.50)
Francis K Paul	**(3.37)**	(1.83)
Others	**(3.90)**	(1.10)
Loan from director		
John K Paul	**(36.12)**	(18.25)
Francis K Paul	**(35.43)**	(17.55)
Naveen Philip	**(27.30)**	(37.38)

* The amounts does not include provision for gratuity and compensated absences as the same is determined for the Company as a whole based on an actuarial valuation.

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

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

37 ASSETS CLASSIFIED AS HELD FOR SALE

i) The Group has classified following land and buildings as Asset held for sale as at balance sheet dates and the same has stated at carrying value (being lower of fair value less cost to sell or net book value).

Particulars		As at 31 March, 2023	As at 31 March, 2022
Popular Vehicles and Services Limited	Holding Company	**15.42**	15.42

(i) The Group received notice from the NH authorities to acquire a portion of the land on 10 August, 2020 for the acquisition of 25.79 ares of land with an acquisition award of Rs. 31.47 million. The group received an amount of Rs. 31.47 million 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 Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) No funds have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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 The analytical ratios have not been disclosed in the consolidated financial statements as per the clarification in general instructions to the preparation of consolidated financial statements in paragraph 12.1 of the "Guidance Note on Division II - IND AS Schedule III to the Companies Act, 2013".

40 BUSINESS COMBINATION - GOODWILL ON ACQUISITION

Keracon Equipments Private Limited

During the current year, the Group has acquired 100% equity shares of Keracon Equipments Private Limited ('Keracon') at a consolidated price of Rs 301.46 million. Keracon has a 100% subsidiary - Prabal Motors Private Limited ('Prabal') which is in the business of trading and servicing of commercial vehicles (Bharat Benz). Acquisition from Keracon falls within the ambit of Ind AS 103 "Business Combination".

Consequent to this acquisition, Keracon and Prabal have become wholly-owned subsidiaries of the Company, with effect from 1 February, 2023. The acquisition is expected to increase the footprint of the group to other states in South India.

a Purchase Consideration

Particulars	Amount
Consideration paid in cash	301.46

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

b Assets and Liabilities recognised as a result of the acquisition

Particulars	Amount
Non-current assets	497.44
Current assets	611.31
Non-current liabilities	(292.98)
Current liabilities	(713.23)
Other intangibles	127.20
Deferred tax liability	(31.95)
Net Identifiable assets acquired	**197.79**

c Goodwill

Particulars	Amount
Purchase consideration (a)	301.46
Less net identifiable assets acquired (b)	(197.79)
Goodwill (a) - (b)	103.67

Measurement of fair values

Brand - The Fair Value of an acquired Brand is established using a form of the income approach known as the relief from-royalty method. The notional price paid by the operating company to the brand company is expressed as a royalty rate. The Net Present Value (NPV) of all forecast royalties represents the value of the brand to the business.

Supplier Relationship - The Fair Value of an acquired Supplier relationship is established using a form of the income approach known as Multi Period Excess Earnings method (MPEEM). This method discounts company earnings based on two capitalization rates: a rate of return on tangible assets and a rate attributable to company's goodwill. This method is often described as hybrid method because takes into accounts the company's asset values as well as discounts expected cash flows.

41 Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act, 2013

i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

ii) The Group does not have any transactions with companies struck off.

iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

iv) The Group has not revalued its property, plant and equipment, right-of-use assets or intangible assets or both during the current or previous year.

v) The Group 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 Group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

Notes to Consolidated Financial Statements

as at and for the year ended 31 March, 2023

(All amounts in Indian Rupees million)

vii) The Group has complied with the number of layers prescribed under the Companies Act, 2013.

viii) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

42 There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/ W-100024

Baby Paul
Partner
Membership No.: 218255

Kochi
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

Kuttukaran
journeys with you

Popular Vehicles And Services Limited

CIN: U50102KL1983PLC003741

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