

R.G.N.PRICE & CO
CHARTERED ACCOUNTANTS

Phone : 2312960, 2316538
Email : priceco@rgnprice.com
Offices at : Chennai, Mumbai, Bengaluru, Quilon, Calicut
UDIN : 23023933BGVFZY8250

G 234, Panampally Nagar,
Cochin - 682 036.

Date : 28.09.2023

Certificate on Key Performance Indicators (Basis for Offer Price)

To

The Board of Directors
Popular Vehicles and Services Limited
Kuttukaran Centre
Mamangalam,
Cochin
Ernakulam 682 025
Kerala, India (the "Company")

ICICI Securities Limited
ICICI Venture House,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400025
Maharashtra, India

Nuvama Wealth Management Limited
801 - 804, Wing A,
Building No 3, Inspire BKC,
G Block Bandra Kurla Complex,
Bandra East Mumbai 400 051,
Maharashtra, India

Centrum Capital Limited
Level 9, Centrum House,
C.S.T. Road, Vidyanagari Marg,
Kalina, Santacruz (East),
Mumbai – 400 098
Maharashtra, India

(The aforementioned book running lead managers and any other book running lead managers appointed by the Company are collectively referred to as the "Book Running Lead Managers" or the "BRLMs")

Sub: Proposed initial public offering of equity shares of face value of ₹ 2 each (the "Equity Shares") of Popular Vehicles and Services Limited (the "Company" and such offer, the "Offer")

Dear Ma'am/ Sir,

In relation to the Company, subsidiaries and its affiliates, we, R.G.N.Price & Co, Chartered Accountants, are an independent firm of chartered accountants, appointed by the Company in terms of our engagement letter dated 28th July 2023 in relation to the Offer. We have received a request from the Company to provide certain confirmations in relation to the key performance indicators of the Company.

We have been informed that the Company proposes to file the Draft Red Herring Prospectus (the "DRHP") respect to the Offer with the Securities and Exchange Board of India ("SEBI"), and BSE Limited, National



Exchange of India Limited (collectively, the "Stock Exchanges"), and the Red Herring Prospectus (the "RHP") and the Prospectus with SEBI, the Registrar of Companies, Kerala at Ernakulam ("Registrar of Companies") and the Stock Exchanges, in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") and any other documents or materials to be issued in relation to the Offer.

We have received a request from the Company to perform certain procedures and certify details of key financial and operation performance indicators ("KPI") of the Company and its subsidiaries (collectively the "Company Entities") and price per share of the Company based on the primary/ new issuances and secondary transactions and related details. We confirm that we are an "Expert" in terms of Sections 2(38), 26 and other applicable provisions of the Companies Act, 2013, and consent to use our name and details being included as "Expert" in terms of Sections 2(38), 26 and other applicable provisions of the Companies Act, 2013, as amended, in the Offer Documents or any other material in connection with the Offer.

In this regard, we have reviewed the restated consolidated financial statements of the Company for the financial years 2023, 2022 and 2021, which are based on the audited financials for the respective period, in accordance with the Companies Act, 2013, as amended and the rules framed thereunder, the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and restated in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and (b) relevant records, correspondence with regulatory/statutory authority and registers of the Company, including but not limited to, statutory records, minutes of the meetings of the board of directors of the Company, minutes of annual general meeting and extra-ordinary general meetings of the Company, relevant statutory registers, documents, records maintained by the Company, information and explanations presented to us. We have also performed the procedures enumerated in **Schedule I** and **Schedule II**.

In this regard, we confirm the following:

I. For the purpose of the Offer price, floor price or price band, please note the following:

A. The price per share of the Company based on the primary/ new issue of shares (equity/ convertible securities)

The Company has not issued any Equity Shares during the 18 months preceding the date of this certificate, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

The procedures carried out for such verification are included under **Schedule I**.

B. The price per share of the Company based on secondary sale/ acquisitions of shares (equity/ convertible securities)

There have been no secondary sale/ acquisitions of Equity Shares, where the Promoters, members of the Promoter Group, Selling Shareholder having the right to nominate Director(s) on the Board, are a party to the transaction, during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

The procedures carried out for such verification are included under **Schedule I**.

C. In case there are no such transactions to report under (A) and (B):

We certify the following information pertaining to price per share of the Company based on last 5 primary or secondary transactions (secondary transactions where Promoters, promoter group entities or shareholders selling shares through offer for sale in Offer or shareholder(s) having the right to nominate director(s) in the Board of the Company, are a party to the transaction), not older than 3 years prior to the date of this certificate, irrespective of the size of transactions.



NIL

The procedures carried out for such verification are included under **Schedule 1**.

II. With reference to [I(A) and I(B)] or [I(C)] above, WACA, Floor Price and Cap Price:

Please see below details of the weighted average cost of acquisition, based on the details set out under (I) – (A), (B) [and (C) above], as compared to the floor price and cap price:

| Type of transactions | WACA (in ₹) | Floor Price (₹)* | Cap Price (₹)* |
|---|-------------|------------------|----------------|
| Weighted average cost of acquisition for last 18 months for primary/new issue of shares (equity/convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days | NA | [•] | [•] |
| Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where promoter / promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days | NA | [•] | [•] |

* To be updated at Prospectus stage.

III. Key financial and operational performance indicators:

The details of the key financial and operational performance indicators are set out under **Annexure A**.

The procedures carried out for such verification are included under **Schedule 2**.

The procedures were performed to assist in evaluating the accuracy, validity and completeness of the KPIs of the Company. On the basis of the procedures set forth in the Annexures, forming part of this certificate, we confirm that KPIs are accurate, valid and complete.

We confirm that the information in this certificate is true, fair, correct, complete, accurate and is in accordance with the requirements of the Companies Act, SEBI ICDR Regulations and other applicable law, and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context and will enable investors to make a well-informed decision.

We confirm that we are an independent accounting firm and are in no way connected with the Company. We further confirm that we are not related in any manner to the promoters or directors of the Company, or otherwise interested in the formation of management of the Company.



We have conducted our examination for this certificate in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the draft red herring prospectus, red herring prospectus, prospectus and any other material used in connection with the Offer (together, the "Offer Documents") which may be filed by the Company with Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"), Registrar of Companies, Kerala at Ernakulam ("Registrar of Companies") and / or any other regulatory or statutory authority.

We also consent to the inclusion of this letter as a part of "Material Contracts and Documents for Inspection" in connection with Offer, which will be available for public for inspection from date of the filing of the RHP until the Bid/Offer Closing Date.

We hereby consent to our name and the aforementioned details being included in the Offer Documents and/or consent to the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLMs in connection with the Offer and in accordance with applicable law.

This certificate may be relied on by the BRLMs, their affiliates and legal counsels in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Offer. We hereby consent to this certificate being disclosed by the BRLMs, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We undertake to immediately communicate, in writing, any changes to the above information/confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the BRLMs and the Company until the equity shares allotted in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from us, the Company, the BRLMs and the legal advisors appointed with respect to Offer can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

Yours Sincerely,

For R.G.N.Price & Co, Chartered Accountants
ICAI Firm Registration No: 002785 S



P.M. Veeramani
Partner
Membership No. 023933
Peer Review Certificate No. 013990
UDIN: 23023933BGVFZY8250

Encl: Annexures A,

CC:

Legal Counsel to the Company as to Indian Law



Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Tower,
19, Brunton Road, Off. M.G.Road,
Bengaluru – 560 025,
India

Legal Counsel to the Book Running Lead Managers as to Indian Law

J. Sagar Associates
B-303, 3rd Floor, Ansal Plaza,
Hudco Place
August Kranti Marg
New Delhi – 110 049, India

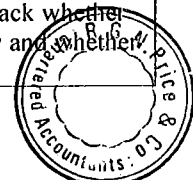


Annexure A

The KPIs disclosed herein below have been approved by a resolution of Audit Committee dated September 28, 2023 and the members of the Audit Committee have confirmed that the verified details of all KPIs pertaining to the Company [that have been disclosed to investors at any point of time during the three years period prior to the date of filing of the Draft Red Herring Prospectus have been disclosed in the “Basis for Offer Price” section of the Draft Red Herring Prospectus.]

1. Disclosure of all the KPIs pertaining to the Company that have been disclosed to its investors at any point of time during the three years preceding the date of this certificate

| KPI | Explanation |
|--|---|
| New Vehicle Volume | Its shows the quantity of new vehicles sold for the period |
| Preowned vehicle Volume | Its shows the quantity of pre-owned vehicles sold for the period |
| Service Volume | Its shows the quantity of vehicles serviced for the period |
| Revenue from Operations | Revenue from operations represents the income generated by our Company from its core operating operations. This gives information regarding the scale of operations. |
| Total Income | Total income represents the overall revenue generated by our company including core operating income and other income. This gives information regarding the overall scale of the company. |
| Gross Profit | Gross profit provides the overall margin efficiency from the operations |
| Gross margin | Gross Profit Margin is an indicator of the profitability that allows the management to understand the percentage of revenues that exceeds cost of goods sold. |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin | EBITDA Margin is an indicator of the operational profitability and financial performance of the business. |
| Profit for the year | Profit for the year is used by the management to track the overall profitability of the business. |
| PAT Margin | PAT Margin is an indicator of the overall profitability and financial performance of the business. |
| Earnings Per Share | Earnings per share shows the net earnings per share which the investors gets on the financial period |
| Inventory turnover days | Inventory turnover days is an indicator shows how the management efficiently controls over the inventory level |
| Working capital days | Working capital days is an indicator which shows how the management is efficiently controlling the working capital |
| Net cash generated from operating activities | Net cash generated from operating activities shows how efficiently the company manages its cashflow from the operations |
| RoE | RoE is used by the management to track how efficiently our Company generates profits from funds and how well it is converting its shareholders funds to generate profits. |
| RoCE | ROCE is used by the management to track how efficiently our Company generates earnings from the capital employed in the business and how well it is converting its total capital to generate profits. |
| Net Debt / EBITDA | The Net debt (borrowings) ratio is used by the management to track whether our Company can repay its obligations if they were all due today and whether our Company is able to take on more debt |



| | |
|----------------|---|
| Debt to Equity | Debt to Equity is a measure of the company's leverage over equity invested and earnings retained over time |
| Net Worth | Net worth is a performance indicator that shows the value of business's property after liabilities are paid |

2. Key financial and operational performance indicators (KPIs)

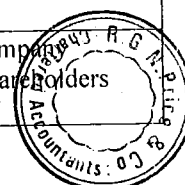
The table below sets forth the details of KPIs that the Company considers have a bearing for arriving at the basis for Offer Price. The Audit Committee through its resolution dated September 28, 2023 approved the list of KPIs for disclosure in this Draft Red Herring Prospectus. Further, the Audit Committee has confirmed that the KPIs pertaining to the Company that have been disclosed to investors for raising funds at any point of time during the three years' period prior to the date of filing of this Draft Red Herring Prospectus and which are required to be disclosed in the "Basis for Offer Price" section, have been verified and audited by us in accordance with SEBI ICDR Regulations and have been disclosed in this section. Further, the KPIs herein have been certified by us pursuant to certificate dated September 28, 2023.

A list of the KPIs for the Financial Years 2023, 2022 and 2021 is set out below:

Explanation for the KPI metrics

The list of the KPIs along with brief explanation of the relevance of the KPI for the business operations of the Company are set forth below:

| KPI | Explanation |
|--|---|
| New Vehicle Volume | Its shows the quantity of new vehicles sold for the period |
| Preowned vehicle Volume | Its shows the quantity of pre-owned vehicles sold for the period |
| Service Volume | Its shows the quantity of vehicles serviced for the period |
| Revenue from Operations | Revenue from operations represents the income generated by our Company from its core operating operations. This gives information regarding the scale of operations. |
| Total Income | Total income represents the overall revenue generated by our company including core operating income and other income. This gives information regarding the overall scale of the company. |
| Gross Profit | Gross profit provides the overall margin efficiency from the operations |
| Gross margin | Gross Profit Margin is an indicator of the profitability that allows the management to understand the percentage of revenues that exceeds cost of goods sold. |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin | EBITDA Margin is an indicator of the operational profitability and financial performance of the business. |
| Profit for the year | Profit for the year is used by the management to track the overall profitability of the business. |
| PAT Margin | PAT Margin is an indicator of the overall profitability and financial performance of the business. |
| Earnings Per Share | Earnings per share shows the net earnings per share which the investors gets on the financial period |
| Inventory turnover days | Inventory turnover days is an indicator shows how the management efficiently controls over the inventory level |
| Working capital days | Working capital days is an indicator which shows how the management is efficiently controlling the working capital |
| Net cash generated from operating activities | Net cash generated from operating activities shows how efficiently the company manages its cashflow from the operations |
| RoE | RoE is used by the management to track how efficiently our Company generates profits from funds and how well it is converting its shareholders funds to generate profits. |



| | |
|-------------------|---|
| RoCE | ROCE is used by the management to track how efficiently our Company generates earnings from the capital employed in the business and how well it is converting its total capital to generate profits. |
| Net Debt / EBITDA | The Net debt (borrowings) ratio is used by the management to track whether our Company can repay its obligations if they were all due today and whether our Company is able to take on more debt |
| Debt to Equity | Debt to Equity is a measure of the company's leverage over equity invested and earnings retained over time |
| Net Worth | Net worth is a performance indicator that shows the value of business's property after liabilities are paid |

Description in the DRHP

The KPIs disclosed below have been used historically by the Company to understand and analyze the business performance, which in result, help it in analyzing its growth in comparison to its listed peers, and other relevant and material KPIs of the business of the Company that have a bearing for arriving at the Basis for Offer Price have been disclosed below. The KPIs set forth above, have been approved by the Audit Committee pursuant to its resolution dated September 28, 2023.

Details of KPIs as at and for the financial years ended March 31, 2023, March 31 2022 and March 31, 2021:

(₹ in million, unless mentioned otherwise)

| Sr. No. | Metric | Unit | Financial Year ended 2023 | Financial Year ended 2022 | Financial Year ended 2021 |
|---------|--|-----------|---------------------------|---------------------------|---------------------------|
| 1. | Sales Volumes | | | | |
| | -Number of new vehicles sold | # | 47,820 | 37,871 | 35,105 |
| | -Number of pre-owned vehicles sold | # | 11,806 | 10,594 | 10,098 |
| | -Number of vehicles serviced | # | 957,148 | 721,400 | 646,280 |
| 2. | Revenue from Operations | ₹ million | 48,750.02 | 34,658.79 | 28,935.25 |
| | -Sales of new vehicles | ₹ million | 33,305.06 | 23,222.61 | 19,395.41 |
| | -Sale of spare parts and accessories | ₹ million | 6,820.19 | 4,687.13 | 3,783.64 |
| | -Sale of pre-owned vehicles | ₹ million | 3,705.97 | 2,872.81 | 2,473.08 |
| | -Sale of services | ₹ million | 2,872.91 | 2,183.97 | 1,803.63 |
| | -Other Operating income | ₹ million | 2,045.89 | 1,692.27 | 1,479.49 |
| 3. | Total Income | ₹ million | 48,926.28 | 34,841.99 | 29,192.52 |
| 4. | Profit for the year | ₹ million | 640.74 | 336.69 | 324.55 |
| 5. | Earnings Per Share | | | | |
| | - Basic | ₹ | 10.22 | 5.37 | 5.17 |
| | - Diluted | ₹ | 10.22 | 5.37 | 5.17 |
| 6. | Inventory turnover days | days | 38 | 45 | 47 |
| 7. | Working capital days | days | 34 | 37 | 35 |
| 8. | Net cash generated from operating activities | ₹ million | 1,088.93 | 696.92 | 951.74 |
| 9. | Gross Profit | ₹ million | 7,324.03 | 5,491.10 | 4,604.97 |
| 10. | Gross Margin | % | 15.02% | 15.84% | 15.91% |
| 11. | EBITDA | ₹ million | 2,348.46 | 1,786.63 | 1,748.53 |
| 12. | EBITDA Margin | % | 4.80% | 5.13% | 5.99% |
| 13. | PAT Margin | % | 1.31% | 0.97% | 1.11% |
| 14. | RoE | % | 18.68% | 12.03% | 13.19% |
| 15. | RoCE | % | 18.32% | 16.79% | 17.09% |
| 16. | Net Debt / EBITDA | times | 2.03 | 1.97 | 1.68 |
| 17. | Debt to Equity | times | 1.47 | 1.33 | 1.44 |
| 18. | Net worth | ₹ million | 3,430.44 | 2,798.86 | 2,460.02 |

1 New vehicle volume includes passenger, commercial & EV segment.

2 Revenue from operations includes sale from new and pre-owned vehicles along with sale of services, spares and accessories. Other operating income includes income from incentives & schemes, financing & Insurance, driving schools etc.

3 Total income is calculated as Revenue from operations plus other income.



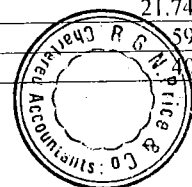
- 4 Profit for the year is calculated as profit before tax minus Total tax expense.
- 5 EPS is calculated as profit for the year divided by weighted average of Equity shares outstanding adjusted for split.
- 6 Inventory Turnover Days is calculated as Closing Inventory divided by COGS multiplied by 365 where COGS is purchase of stock in trade plus changes in inventories of stock-in-trade.
- 7 Working capital days is calculated as (Current asset excluding Cash and cash equivalents and Bank balances other than cash and cash equivalents minus current liabilities excluding short term borrowings)/ Revenue from Operations multiplied by 365.
- 8 Net cash generated from operating activities as per the cash flow statement.
- 9 Gross Profit is calculated as revenue from operations minus (purchase of stock in trade plus changes in inventories of stock-in-trade).
- 10 Gross Margin is calculated as Gross Profit divided by Revenue from Operations.
- 11 EBITDA is calculated as profit before tax plus finance costs plus depreciation and amortisation.
- 12 EBITDA Margin is calculated as EBITDA divided by Total Income.
- 13 PAT Margin is calculated as profit for the year divided by Total Income.
- 14 ROE is calculated as profit for the year divided by Total Equity, where Total Equity is Equity Share capital plus Other Equity.
- 15 RoCE is calculated as EBIT divided by sum of Total Equity and Total Borrowings, where EBIT is Profit before tax plus finance costs and Total Equity includes Equity Share capital and Other Equity and Total Borrowings includes both non-current and current borrowings
- 16 Net debt/EBITDA is calculated as Net Debt divided by EBITDA, where Net Debt is Total Borrowings minus (cash and cash equivalents plus bank balances other than cash and cash equivalents) and EBITDA is profit before tax plus finance costs plus depreciation and amortisation.
- 17 Debt to Equity is calculated as Total Borrowings divided by Total Equity, where Total Borrowings include both non-current and current borrowings
- 18 Net worth is calculated as Equity Share Capital plus Other Equity, Net worth of the Company, as restated and consolidated, has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Notes

3. Comparison of its KPIs with Listed Industry Peers

(₹ in million, unless mentioned otherwise)

| Fiscal 2023 | | | | |
|-------------|---------------------------------------|-------|------------------|------------------------|
| Sr. No. | Metrics | Units | Popular Vehicles | Landmark Cars |
| 1 | Sales Volumes | | | |
| | - Number of new vehicles sold | # | 47,820 | 21,310 |
| | - Number of pre-owned vehicles sold | # | 11,806 | NA |
| | - Number of vehicles serviced | # | 9,57,148 | 3,17,954 |
| 2 | Revenue from Operations | ₹ mn | 48,750.02 | 33,823.51 |
| | - Sales of new vehicles | ₹ mn | 33,305.06 | 24,398.18 [#] |
| | - Sale of spare parts and accessories | ₹ mn | 6,820.19 | 4,937.63 |
| | - Sale of pre-owned vehicles | ₹ mn | 3,705.97 | 401.00 |
| | - Sale of services | ₹ mn | 2,872.91 | 2,301.10 |
| | - Other Operating income | ₹ mn | 2,045.89 | 1,785.60 |
| 3 | Total Income | ₹ mn | 48,926.28 | 33,944.30 |
| 4 | Profit for the year | ₹ mn | 640.74 | 851.01 |
| 5 | Earnings Per Share | | | |
| | - Basic | ₹ | 10.22 | 22.56 |
| | - Diluted | ₹ | 10.22 | 21.74 |
| 6 | Inventory turnover days | days | 38 | 59 |
| 7 | Working capital days | days | 34 | |



| Sr. No. | Metrics | Units | Popular Vehicles | Landmark Cars |
|---------|--|-------|------------------|---------------|
| 8 | Net cash generated from operating activities | ₹ mn | 1,088.93 | 709.90 |
| 9 | Gross Profit | ₹ mn | 7,324.03 | 6,006.91 |
| 10 | Gross Margin | % | 15.02% | 17.76% |
| 11 | EBITDA | ₹ mn | 2,348.46 | 2,499.81 |
| 12 | EBITDA Margin | % | 4.80% | 7.36% |
| 13 | PAT Margin | % | 1.31% | 2.51% |
| 14 | RoE | % | 18.68% | 18.04% |
| 15 | RoCE | % | 18.32% | 21.36% |
| 16 | Net Debt / EBITDA | times | 2.03 | 1.00 |
| 17 | Debt to Equity | times | 1.47 | 0.62 |
| 18 | Net worth | ₹ mn | 3,430.44 | 4,716.45 |

* Sale of cars excluded the sales from pre-owned cars as disclosed in the annual report.

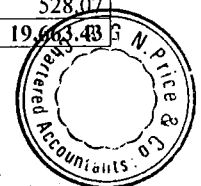
Fiscal 2022

| Sr. No. | Metrics | Units | Popular Vehicles | Landmark Cars |
|---------|--|-------|------------------|---------------|
| 1 | Sales Volumes | | | |
| | - Number of new vehicles sold | # | 37,871 | 19,264 |
| | - Number of pre-owned vehicles sold | # | 10,594 | NA |
| | - Number of vehicles serviced | # | 7,21,400 | 2,79,078 |
| 2 | Revenue from Operations | ₹ mn | 34,658.79 | 29,765.23 |
| | - Sales of new vehicles | ₹ mn | 23,222.61 | 22,749.30# |
| | - Sale of spare parts and accessories | ₹ mn | 4,687.13 | 3,980.26 |
| | - Sale of pre-owned vehicles | ₹ mn | 2,872.81 | 214.43 |
| | - Sale of services | ₹ mn | 2,183.97 | 1,888.75 |
| | - Other Operating income | ₹ mn | 1,692.27 | 932.49 |
| 3 | Total Income | ₹ mn | 34,841.99 | 29,891.16 |
| 4 | Profit for the year | ₹ mn | 336.69 | 661.82 |
| 5 | Earnings Per Share | | | |
| | - Basic | ₹ | 5.37 | 17.88 |
| | - Diluted | ₹ | 5.37 | 17.45 |
| 6 | Inventory turnover days | days | 45 | 48 |
| 7 | Working capital days | days | 37 | 22 |
| 8 | Net cash generated from operating activities | ₹ mn | 696.92 | 764.39 |
| 9 | Gross Profit | ₹ mn | 5,491.10 | 4,647.84 |
| 10 | Gross Margin | % | 15.84% | 15.61% |
| 11 | EBITDA | ₹ mn | 1,786.63 | 1,872.81 |
| 12 | EBITDA Margin | % | 5.13% | 6.27% |
| 13 | PAT Margin | % | 0.97% | 2.21% |
| 14 | RoE | % | 12.03% | 26.66% |
| 15 | RoCE | % | 16.79% | 21.10% |
| 16 | Net Debt / EBITDA | times | 1.97 | 1.49 |
| 17 | Debt to Equity | times | 1.33 | 1.24 |
| 18 | Net worth | ₹ mn | 2,798.86 | 2,482.47 |

* Sale of cars excluded the sales from pre-owned cars as disclosed in the annual report.

Fiscal 2021

| Sr. No. | Metrics | Units | Popular Vehicles | Landmark Cars |
|---------|---------------------------------------|-------|------------------|---------------|
| 1 | Sales Volumes | | | |
| | - Number of new vehicles sold | # | 35,105 | 13,282 |
| | - Number of pre-owned vehicles sold | # | 10,098 | NA |
| | - Number of vehicles serviced | # | 6,46,280 | 2,21,468 |
| 2 | Revenue from Operations | ₹ mn | 28,935.25 | 19,561.04 |
| | - Sales of new vehicles | ₹ mn | 19,395.41 | 14,449.76# |
| | - Sale of spare parts and accessories | ₹ mn | 3,783.64 | 2,906.72 |
| | - Sale of pre-owned vehicles | ₹ mn | 2,473.08 | 353.65 |
| | - Sale of services | ₹ mn | 1,803.63 | 1,322.84 |
| | - Other Operating income | ₹ mn | 1,479.49 | 528.07 |
| 3 | Total Income | ₹ mn | 29,192.52 | 19,663.43 |



| Sr. No. | Metrics | Units | Popular Vehicles | Landmark Cars |
|---------|--|-------|------------------|---------------|
| 4 | Profit for the year | ₹ mn | 324.55 | 111.48 |
| 5 | Earnings Per Share | | | |
| | - Basic | ₹ | 5.17 | 3.09 |
| | - Diluted | ₹ | 5.17 | 3.05 |
| 6 | Inventory turnover days | days | 47 | 64 |
| 7 | Working capital days | days | 35 | 44 |
| 8 | Net cash generated from operating activities | ₹ mn | 951.74 | 427.64 |
| 9 | Gross Profit | ₹ mn | 4,604.97 | 3,087.34 |
| 10 | Gross Margin | % | 15.91% | 15.78% |
| 11 | EBITDA | ₹ mn | 1,748.53 | 1,200.63 |
| 12 | EBITDA Margin | % | 5.99% | 6.11% |
| 13 | PAT Margin | % | 1.11% | 0.57% |
| 14 | RoE | % | 13.19% | 6.11% |
| 15 | RoCE | % | 17.09% | 11.30% |
| 16 | Net Debt / EBITDA | times | 1.68 | 2.54 |
| 17 | Debt to Equity | times | 1.44 | 1.80 |
| 18 | Net worth | ₹ mn | 2,460.02 | 1,823.76 |

* Sale of cars excluded the sales from pre-owned cars as disclosed in the annual report.

Notes:

1. New vehicle volume includes passenger, commercial & EV segment.
2. Revenue from operations includes sale from new and pre-owned vehicles along with sale of services, spares and accessories. Other operating income includes income from incentives & schemes, financing & Insurance, driving schools etc.
3. Total income is calculated as Revenue from operations plus other income.
4. Profit for the year is calculated as profit before tax minus Total tax expense.
5. PAT Margin is calculated as Profit for the year divided by Total Income.
6. EPS is calculated as profit for the year divided by weighted average of Equity shares outstanding adjusted for split.
7. Inventory Turnover Days is calculated as Closing Inventory divided by COGS multiplied by 365 where COGS is purchase of stock in trade plus changes in inventories of stock-in-trade.
8. Working capital days is calculated as (Current asset excluding Cash and cash equivalents and Bank balances other than cash and cash equivalents minus current liabilities excluding short term borrowings)/ Revenue from Operations multiplied by 365.
9. Net cash generated from operating activities as per the cash flow statement.
10. Gross Profit is calculated as revenue from operations minus (purchase of stock in trade plus changes in inventories of stock-in-trade).
11. Gross Margin is calculated as Gross Profit divided by Revenue from Operations.
12. EBITDA is calculated as profit before tax plus finance costs plus depreciation and amortisation.
13. EBITDA Margin is calculated as EBITDA divided by Total Income.
14. ROE is calculated as profit for the year divided by Total Equity, where Total Equity is Equity Share capital plus Other Equity.
15. RoCE is calculated as EBIT divided by sum of Total Equity and Total Borrowings, where EBIT is Profit before tax plus finance costs and Total Equity includes Equity Share capital and Other Equity and Total Borrowings includes both non-current and current borrowings
16. Net debt/EBITDA is calculated as Net Debt divided by EBITDA, where Net Debt is Total Borrowings minus cash and cash equivalents plus bank balances other than cash and cash equivalents) and EBITDA is profit before tax plus finance costs plus depreciation and amortisation.



17. Debt to Equity is calculated as Total Borrowings divided by Total Equity, where Total borrowings include both non-current and current borrowings.
18. Net worth is calculated as Equity Share Capital plus Other Equity.
19. NA is data which is not publicly available.

We confirm that the Company has undertaken following material acquisition or disposition of assets / business for the periods that are covered by the KPIs and accordingly, we certify the following comparison of KPIs over time based on additions or dispositions to the business

In FY 2023, the Company acquired 100% equity shares of Keracon Equipment Private Limited (KEPL). KEPL has a 100% subsidiary, Prabal Motors Private Limited (PMPL) which is in the business of trading and servicing of commercial vehicles (BharatBenz). Consequent to this acquisition, KEPL and PMPL have become wholly-owned and step-down subsidiaries of the Company respectively, with effect from February 1, 2023.

| Year of acquisition | Units | Revenue from operations | Gross Profit | EBITDA | PAT |
|------------------------|-------|-------------------------|--------------|--------|-------|
| Financial Year 2022-23 | ₹ mn | 1,297.07 | 94.48 | 52.60 | 25.92 |

(The above table represents the figures of Prabal Motors Private Limited only)



Schedule I

For calculation of WACA and identification of underlying transactions as described in (I) – [(A) and (B)], and (II), we have performed the following procedures:

- (i) obtained the list of Promoters, members of the Promoter Group, Selling Shareholders and Shareholder(s) having the right to nominate director(s) as defined under SEBI ICDR Regulations from the management of the Company for the purpose of calculation of price per share;
- (ii) compared the date of acquisition / sale / transfer; number of equity shares; and acquisition / issue cost per equity share in respect of each of these persons/entities, with the Register of members, minutes of the meetings of the board of directors of the Company, minutes of annual general meeting and extra-ordinary general meetings, relevant statutory registers including share allotment and share transfer registers, Form 2 (Return of Allotment) pursuant to Section 75(1) of the Companies Act, 1956, as amended (for allotments since inception to March 31, 2014) and Form PAS-3 pursuant to Section 39(4) of the Companies Act, 2013, as amended, and Rule 12 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (for allotments since April 1, 2014) along with extracts of relevant board and shareholder resolutions, Form SH-7 pursuant to Section 64(1) of the Companies Act, 2013, as amended and Rule 15 of the Companies (Share Capital and Debenture Rules), 2014, confirmation from the Company for monies received from the selling shareholders, bank account statements, relevant filings with the Reserve Bank of India, demat transfer statements, share transfer forms, delivery instruction slips, any other forms filed with any regulatory authority in this regard and other documents presented to us;
- (iii) verified the details of primary issuance made by the Company relevant allotment forms, statutory registers of the Company filed with the Registrar of Companies;
- (iv) computed weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.
- (v) verified the details of secondary acquisition / sale / transfer in respect of Promoters, members of the Promoter Group, Selling Shareholder and Shareholder(s) having the right to nominate director(s) from share transfer forms, demat transfer statements, depository instruction slips and other documents and accounts as may be deemed relevant;
- (vi) computed weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where promoters / promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in company Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this certificate, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.
- (vii) relied on the confirmation provided by Promoters, members of the Promoter Group, Selling Shareholder and Shareholder(s) having the right to nominate director(s); and
- (viii) relied on the details confirmation provided by the Company viz. details of vested ESOPs as on particular dates, if any.



Schedule 2

- A. Compared the amounts with, or recalculated the percentages based on, amounts included in or derived from the Restated Consolidated Financial Information and found them to be in agreement.
- B. Compared the amounts/ metrics with, or recalculated the percentages based on, corresponding amounts/ metrics appearing in a schedule prepared by officials of the Company based on the accounting records of the Company and found them to be in agreement. We proved the mathematical accuracy of such schedule prepared by the officials of the Company. We also compared the amount identified in such schedule with the corresponding amount appearing in the relevant accounting records of the Company and found them to be in agreement.
- C. Compared the amounts/ metrics with, or recalculated the percentages based on, corresponding amounts/ metrics appearing in a schedule prepared by officials of the Company based on management accounts, relevant management information system reports, the enterprise resource planning ("ERP") systems or other financial information, corporate, secretarial, regulatory filings or other records of the Company and found them to be in agreement. We proved the mathematical accuracy of such schedule prepared by the officials of the Company. We also compared the amounts/ metrics identified in such schedule with the corresponding amounts/ metrics appearing in the relevant corporate, secretarial and other records of the Company and found them to be in agreement.
- D. Proved the arithmetic accuracy or computation of the percentages or amounts.



R.G.N.PRICE & CO
CHARTERED ACCOUNTANTS

Phone : 2312960, 2316538
Email : priceco@rgnprice.com
Offices at : Chennai, Mumbai, Bengaluru, Quilon, Calicut
UDIN : 23023933BGVFZY8250

G 234, Panampally Nagar,
Cochin - 682 036.

Date : 28.09.2023

Certificate on Key Performance Indicators and statistical information

To

The Board of Directors
Popular Vehicles and Services Limited
Kuttukaran Centre
Mamangalam,
Cochin
Ernakulam 682 025
Kerala, India (the "Company")

ICICI Securities Limited
ICICI Venture House,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400025
Maharashtra, India

Nuvama Wealth Management Limited
801 - 804, Wing A,
Building No 3, Inspire BKC,
G Block Bandra Kurla Complex,
Bandra East Mumbai 400 051,
Maharashtra, India

Centrum Capital Limited
Level 9, Centrum House,
C.S.T. Road, Vidyanagari Marg,
Kalina, Santacruz (East),
Mumbai – 400 098
Maharashtra, India

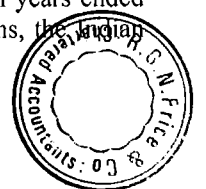
(The aforementioned book running lead managers and any other book running lead managers appointed by the Company are collectively referred to as the "Book Running Lead Managers" or the "BRLMs")

Sub: Proposed initial public offering of equity shares of face value of ₹ 2 each (the "Equity Shares") of Popular Vehicles and Services Limited (the "Company" and such offer, the "Offer")

Dear Ma'am/Sir,

In relation to the Company, subsidiaries and its affiliates, we, R.G.N.Price & Co are an independent firm of chartered accountants, appointed by the Company in terms of our engagement letter dated 28th July 2023 in relation to the Offer. We have received a request from the Company to perform certain procedures with respect to certain identified key performance indicators of the Company, on a consolidated basis ("KPI").

We have examined the; (a) restated consolidated financial statements of the Company for the financial years ended March 31, 2023, March 31, 2022, March 31, 2021, prepared in accordance with the ICDR Regulations, the Indian



Accounting Standards, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") and Companies Act, 2013, as amended and read with the rules, circulars and notifications issued in relation thereto ("Companies Act" and such restated financial information, the "Restated Financial Information"); and (b) records maintained by the Company, information and explanations presented to us.

We have also performed the procedures enumerated below with respect to the operational, financial numbers and key performance indicators of the Company ("KPIs") for the financial years ended March 31, 2023, March 31, 2022 March 31, 2021, (the "Periods"), as set forth in the accompanying annexures.

- (i) tracing financial data from BPAS (Business Process Automated System) records;
- (ii) reviewed the online and offline inventory and store management maintained by the Company, as applicable;
- (iii) reviewed the process chain from order to final delivery of the products and services;
- (iv) tracing numbers from the Company's billing systems;
- (v) MIS prepared by the finance department of the Company;
- (vi) Compared the amount in **Annexure A** for each operational and financial numbers and key performance indicators, with the corresponding amounts appearing in the restated financial statements, audited financial statements, accounting records, other financial and / or operational records and registers, including invoices, management reports, internal financial and operational reports, reports used for periodic MIS reporting, management representations, reports from digital/ computerized systems, and other applicable committees and any other relevant records and documents of the Company necessary or required for verification of the relevant information, and found all such amounts to be in agreement; and
- (vii) Checked the computation, formula, arithmetic accuracy or computation of the percentages or amounts, and found all such amounts to be in agreement.

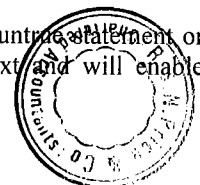
We have read and verified the items/statements identified by the Company on the attached copy of the selected pages of the DRHP included in **Annexure A** and have performed the following procedures, which were applied as indicated by the corresponding letters explained below

- A. Compared the amounts with, or recalculated the percentages based on, amounts included in or derived from the Financial Statements, and found them to be in agreement.
- B. Compared the amounts/ metrics with, or recalculated the percentages based on, corresponding amounts/ metrics appearing in a schedule prepared by officials of the Company based on the accounting records of the Company and found them to be in agreement. We proved the mathematical accuracy of such schedule prepared by the officials of the Company. We also compared the amount identified in such schedule with the corresponding amount appearing in the relevant accounting records of the Company and found them to be in agreement.
- C. Compared the amounts/ metrics with, or recalculated the percentages based on, corresponding amounts/ metrics appearing in a schedule prepared by officials of the Company based on management accounts, relevant management information system reports, the enterprise resource planning (ERP) systems or other financial information, corporate, secretarial, regulatory filings or other records of the Company and found them to be in agreement. We proved the mathematical accuracy of such schedule prepared by the officials of the Company. We also compared the amounts/ metrics identified in such schedule with the corresponding amounts/ metrics appearing in the relevant corporate, secretarial and other records of the Company and found them to be in agreement.
- D. Proved the arithmetic accuracy or computation of the percentages or amounts.

On the basis of such examination of the documents / records / information, we confirm that the information set forth in **Annexure A**, duly initialed by us, which is also reproduced in the DRHP, is correct and accurate and nothing came to our attention that caused us to believe that the information contained in **Annexure A** was not accurate, valid and complete.

We confirm that we are an independent accounting firm and are in no way connected with the Company. We further confirm that we are not related in any manner to the promoters or directors of the Company, or otherwise interested in the formation of management of the Company.

We confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context and will enable



investors to make a well-informed decision.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the draft red herring prospectus, red herring prospectus, prospectus and any other material used in connection with the Offer (together, the "Offer Documents").

We hereby consent to our name and the aforementioned details being included in the Offer Documents and/or consent to the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLMs in connection with the Offer and in accordance with applicable law.

This certificate may be relied on by the BRLMs, their affiliates and legal counsel in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Offer. We hereby consent to this certificate letter being disclosed by the BRLMs, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority or stock exchanges, or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation and/or for the records to be maintained by the BRLMs in relation to the Offer.

We undertake to promptly update you of any changes in the abovementioned position until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

Yours Sincerely,

For R.G.N.Price & Co, Chartered Accountants
ICAI Firm Registration No: 002785 S



P.M. Veeramani
Partner
Membership No. 023933
Peer Review Certificate No. 013990
UDIN: 23023933BGVFZY8250

Encl: **Annexure A**

CC:

Legal Counsel to the Company as to Indian Law

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Tower,
19, Brunton Road, Off. M.G.Road,
Bengaluru – 560 025,
India

Legal Counsel to the Book Running Lead Managers as to Indian Law

J. Sagar Associates
B-303, 3rd Floor, Ansal Plaza,



Hudco Place
August Kranti Marg
New Delhi – 110 049, India

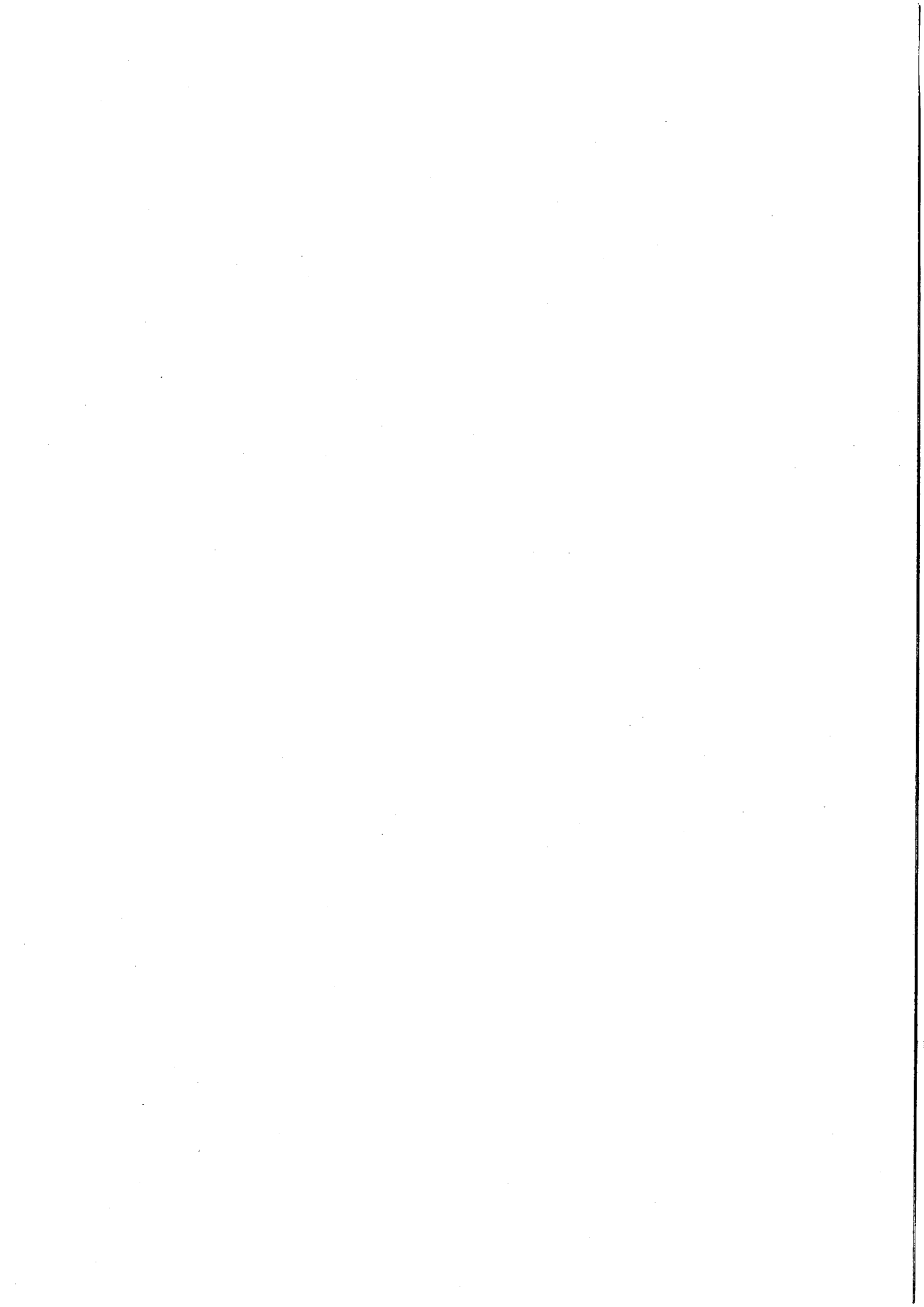


Annexure A

Annexure A enclosed.

Extract of ICA Circle Up





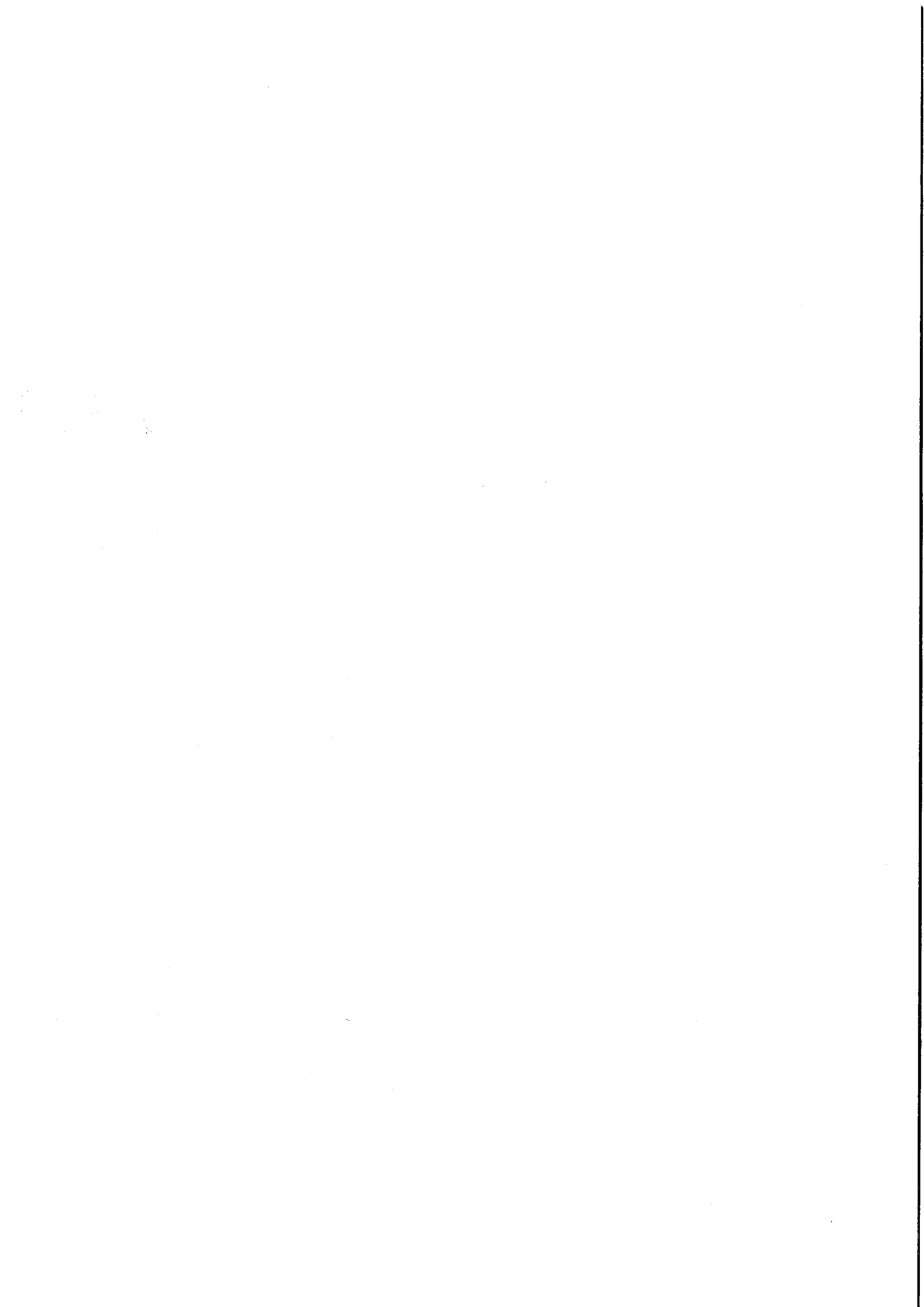
Annexure A of Certificate on Key Performance Indicators and Statistical information.

A list of our KPIs for the Financial Years ended 2023, 2022 and 2021 is set out below:

| Sr. No. | Metric | Unit | Financial Year ended 2023 | Financial Year ended 2022 | Financial Year ended 2021 |
|---------|---|-----------|---------------------------|---------------------------|---------------------------|
| 1. | Sales Volumes | | | | |
| | -Number of new vehicles sold | # | 47,820 | 37,871 | 35,105 |
| | -Number of pre-owned vehicles sold | # | 11,806 | 10,594 | 10,098 |
| | -Number of vehicles serviced | # | 957,148 | 721,400 | 646,280 |
| 2. | Revenue from Operations | ₹ million | 48,750.02 | 34,658.79 | 28,935.25 |
| | -Sales of new vehicles | ₹ million | 33,305.06 | 23,222.61 | 19,395.41 |
| | -Sale of spare parts and accessories | ₹ million | 6,820.19 | 4,687.13 | 3,783.64 |
| | -Sale of pre-owned vehicles | ₹ million | 3,705.97 | 2,872.81 | 2,473.08 |
| | -Sale of services | ₹ million | 2,872.91 | 2,183.97 | 1,803.63 |
| | -Other Operating income | ₹ million | 2,045.89 | 1,692.27 | 1,479.49 |
| 3. | Total Income | ₹ million | 48,926.28 | 34,841.99 | 29,192.52 |
| 4. | Profit for the year | ₹ million | 640.74 | 336.69 | 324.55 |
| 5. | Earnings Per Share | | | | |
| | - Basic | ₹ | 10.22 | 5.37 | 5.17 |
| | - Diluted | ₹ | 10.22 | 5.37 | 5.17 |
| 6. | Inventory turnover days | days | 38 | 45 | 47 |
| 7. | Working capital days | days | 34 | 37 | 35 |
| 8. | Net cash generated from operating activities | ₹ million | 1,088.93 | 696.92 | 951.74 |
| 9. | Gross Profit | ₹ million | 7,324.03 | 5,491.10 | 4,604.97 |
| 10. | Gross Margin | % | 15.02% | 15.84% | 15.91% |
| 11. | EBITDA | ₹ million | 2,348.46 | 1,786.63 | 1,748.53 |
| 12. | EBITDA Margin | % | 4.80% | 5.13% | 5.99% |
| 13. | PAT Margin | % | 1.31% | 0.97% | 1.11% |
| 14. | RoE | % | 18.68% | 12.03% | 13.19% |
| 15. | RoCE | % | 18.32% | 16.79% | 17.09% |
| 16. | Net Debt / EBITDA | times | 2.03 | 1.97 | 1.68 |
| 17. | Debt to Equity | times | 1.47 | 1.33 | 1.44 |
| 18. | Net worth | ₹ million | 3,430.44 | 2,798.86 | 2,460.02 |

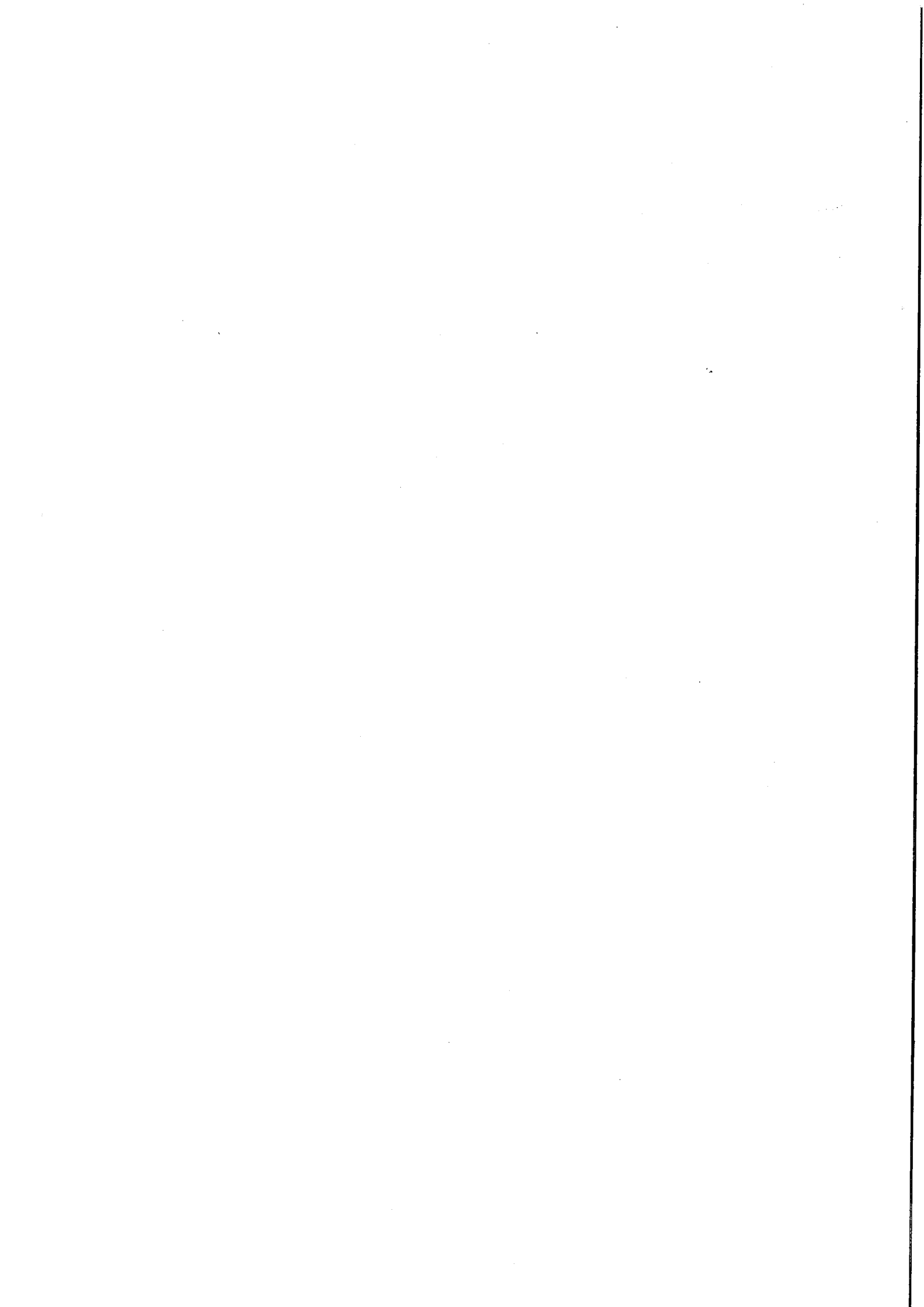
Notes:

- 1 New vehicle volume includes passenger, commercial & EV segment.
- 2 Revenue from operations includes sale from new and pre-owned vehicles along with sale of services, spares and accessories. Other operating income includes income from incentives & schemes, financing & Insurance, driving schools etc.
- 3 Total income is calculated as Revenue from operations plus other income.
- 4 Profit for the year is calculated as profit before tax minus Total tax expense.
- 5 EPS is calculated as profit for the year divided by weighted average of Equity shares outstanding adjusted for split.
- 6 Inventory Turnover Days is calculated as Closing Inventory divided by COGS multiplied by 365 where COGS is purchase of stock in trade plus changes in inventories of stock-in-trade.
- 7 Working capital days is calculated as (Current asset excluding Cash and cash equivalents and Bank balances other than cash and cash equivalents minus current liabilities excluding short term borrowings) / Revenue from Operations multiplied by 365.
- 8 Net cash generated from operating activities as per the cash flow statement.
- 9 Gross Profit is calculated as revenue from operations minus (purchase of stock in trade plus changes in inventories of stock-in-trade).
- 10 Gross Margin is calculated as Gross Profit divided by Revenue from Operations.
- 11 EBITDA is calculated as profit before tax plus finance costs plus depreciation and amortisation.
- 12 EBITDA Margin is calculated as EBITDA divided by Total Income.
- 13 PAT Margin is calculated as profit for the year divided by Total Income.
- 14 ROE is calculated as profit for the year divided by Total Equity, where Total Equity is Equity Share capital plus Other Equity.
- 15 RoCE is calculated as EBIT divided by sum of Total Equity and Total Borrowings, where EBIT is Profit before tax plus finance costs and Total Equity includes Equity Share capital and Other Equity and Total Borrowings includes both non-current and current borrowings.
- 16 Net debt/EBITDA is calculated as Net Debt divided by EBITDA, where Net Debt is Total Borrowings minus (cash and cash equivalents plus bank balances other than cash and cash equivalents) and EBITDA is profit before tax plus finance costs plus depreciation and amortisation.
- 17 Debt to Equity is calculated as Total Borrowings divided by Total Equity, where Total Borrowings include both non-current and current borrowings.
- 18 Net worth is calculated as Equity Share Capital plus Other Equity, Net worth of the Company, as restated and consolidated, has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.



Explanation for the KPI metrics

| KPI | Explanation |
|--|--|
| New Vehicle Volume | It shows the quantity of new vehicles sold for the period |
| Preowned vehicle Volume | It shows the quantity of pre-owned vehicles sold for the period |
| Service Volume | It shows the quantity of vehicles serviced for the period |
| Revenue from Operations | Revenue from operations represents the income generated by our Company from its core operating operations. This gives information regarding the scale of operations |
| Total Income | Total income represents the overall revenue generated by our Company including core operating income and other income. This gives information regarding the overall scale of our Company |
| Profit for the year | Profit for the year is used by the management to track the overall profitability of the business |
| Earnings Per Share | Earnings per share shows the net earnings per share which the investors get on the financial period |
| Inventory turnover days | Inventory turnover days is an indicator shows how the management efficiently control over the inventory level |
| Working capital days | Working capital days is an indicator which shows how the management is efficiently controlling the working capital |
| Net cash generated from operating activities | Net cash generated from operating activities shows how efficiently the company manages its cashflow from the operations |
| Gross Profit | Gross profit provides the overall margin efficiency from the operations |
| Gross Margin | Gross Profit Margin is an indicator of the profitability that allows the management to understand the percentage of revenues that exceeds cost of goods sold |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin | EBITDA Margin is an indicator of the operational profitability and financial performance of the business |
| PAT Margin | PAT Margin is an indicator of the overall profitability and financial performance of the business |
| RoE | RoE is used by the management to track how efficiently our Company generates profits from funds and how well it is converting its shareholders funds to generate profits |
| RoCE | RoCE is used by the management to track how efficiently our Company generates earnings from the capital employed in the business and how well it is converting its total capital to generate profits |
| Net Debt / EBITDA | Net debt (borrowings) ratio is used by the management to track whether our Company can repay its obligations if they were all due today and whether our Company is able to take on more debt |
| Debt to Equity | Debt to Equity is a measure of the company's leverage over equity invested and earnings retained over time |
| Net worth | Net worth is a performance indicator that shows the value of business's property after liabilities are paid |



R.G.N.PRICE & CO
CHARTERED ACCOUNTANTS

Phone : 2312960, 2316538
Email : priceco@rgnprice.com
Offices at : Chennai, Mumbai, Bengaluru, Quilon, Calicut
UDIN : 24023933BKCMYC9552

G 234, Panampally Nagar,
Cochin - 682 036.

Date : 04.03.2024

Certificate on Key Performance Indicators (Basis for Offer Price)

To

The Board of Directors
Popular Vehicles and Services Limited
Kuttukaran Centre
Mamangalam,
Cochin
Ernakulam 682 025
Kerala, India (the “**Company**”)

ICICI Securities Limited
ICICI Venture House,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400025
Maharashtra, India

Nuvama Wealth Management Limited
801 - 804, Wing A,
Building No 3, Inspire BKC,
G Block Bandra Kurla Complex,
Bandra East Mumbai 400 051,
Maharashtra, India

Centrum Capital Limited
Level 9, Centrum House,
C.S.T. Road, Vidyanagari Marg,
Kalina, Santacruz (East),
Mumbai – 400 098
Maharashtra, India

*(The aforementioned book running lead managers and any other book running lead managers appointed by the Company are collectively referred to as the “**Book Running Lead Managers**” or the “**BRLMs**”)*

Sub: Proposed initial public offering of equity shares of face value of ₹ 2 each (the “Equity Shares”) of Popular Vehicles and Services Limited (the “Company” and such offer, the “Offer”)

Dear Ma’am/ Sir,

In relation to the Company, subsidiaries and its affiliates, we, R.G.N.Price & Co, Chartered Accountants, are an independent firm of chartered accountants, appointed by the Company in terms of our engagement letter dated 11th January, 2024 in relation to the Offer. We have received a request from the Company to provide certain confirmations in relation to the key performance indicators of the Company.

We have been informed that the Company proposes to file the Red Herring Prospectus (the “**DRHP**”) with respect to the Offer with the Securities and Exchange Board of India (“**SEBI**”), and BSE Limited, National Stock Exchange of India Limited (collectively, the “**Stock Exchanges**”) and the Registrar of Companies, Kerala at Ernakulam (“**Registrar of Companies**”), in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**ICDR Regulations**”) and any other documents or materials to be issued in relation to the Offer.

We have received a request from the Company to perform certain procedures and certify details of key financial and operation performance indicators (“**KPI**”) of the Company and its subsidiaries (collectively the “**Company Entities**”) and price per share of the Company based on the primary/ new issuances and secondary transactions and related details. We confirm that we are an “**Expert**” in terms of Sections 2(38), 26 and other applicable provisions of the Companies Act, 2013, and consent to use our name and details being included as “**Expert**” in terms of Sections 2(38), 26 and other applicable provisions of the Companies Act, 2013, as amended, in the Offer Documents or any other material in connection with the Offer.

In this regard, we have reviewed the restated consolidated financial statements of the Company for the six months ended September 30, 2023 and for the financial years 2023, 2022 and 2021, which are based on the audited financials for the respective period, in accordance with the Companies Act, 2013, as amended and the rules framed thereunder, the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and restated in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and (b) relevant records, correspondence with regulatory/statutory authority and registers of the Company, including but not limited to, statutory records, minutes of the meetings of the board of directors of the Company, minutes of annual general meeting and extra-ordinary general meetings of the Company, relevant statutory registers, documents, records maintained by the Company, information and explanations presented to us. We have also performed the procedures enumerated in **Schedule I** and **Schedule II**.

In this regard, we confirm the following:

I. For the purpose of the Offer price, floor price or price band, please note the following:

A. The price per share of the Company based on the primary/ new issue of shares (equity/ convertible securities)

The Company has not issued any Equity Shares during the 18 months preceding the date of this certificate, where such issuance is equal to or more that 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

The procedures carried out for such verification are included under **Schedule 1**.

B. The price per share of the Company based on secondary sale/ acquisitions of shares (equity/ convertible securities)

There have been no secondary sale/ acquisitions of Equity Shares, where the Promoters, members of the Promoter Group, Selling Shareholder having the right to nominate Director(s) on the Board, are a party to the transaction, during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

The procedures carried out for such verification are included under **Schedule 1**.

C. In case there are no such transactions to report under (A) and (B):

We certify the following information pertaining to price per share of the Company based on last 5 primary or secondary transactions (secondary transactions where Promoters, promoter group entities or shareholders selling shares through offer for sale in Offer or shareholder(s) having the right to nominate director(s) in the Board of the

Company, are a party to the transaction), not older than 3 years prior to the date of this certificate, irrespective of the size of transactions.

| Sr. No. | Name of the Transferor | Name of the Transferee | Nature of transaction | Form of consideration | Date of transfer | Transfer price per Equity Share (in ₹) | Number of Equity Shares | Consideration (in ₹) |
|--------------|-----------------------------------|------------------------|-----------------------|-----------------------|-------------------|--|-------------------------|----------------------|
| 1 | BanyanTree Growth Capital II, LLC | John K. Paul | Secondary sale | Cash | February 21, 2024 | 57 | 763,737 | 43,533,009 |
| 2 | BanyanTree Growth Capital II, LLC | Francis K. Paul | Secondary sale | Cash | February 21, 2024 | 57 | 763,737 | 43,533,009 |
| 3 | BanyanTree Growth Capital II, LLC | Naveen Philip | Secondary sale | Cash | February 21, 2024 | 57 | 763,737 | 43,533,009 |
| Total | | | | | | | 2,291,211 | 130,599,027 |

The procedures carried out for such verification are included under **Schedule 1**.

II. With reference to [I(A) and I(B)] or [I(C)] above, WACA, Floor Price and Cap Price:

Please see below details of the weighted average cost of acquisition, based on the details set out under (I) – (A), (B) and (C) above, as compared to the floor price and cap price:

| Type of transactions | WACA (in ₹) | Floor Price (₹) | Cap Price (₹) |
|---|---|-----------------|---------------|
| Weighted average cost of acquisition for last 18 months for primary/new issue of shares (equity/convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days | NA | [●] | [●] |
| Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where promoter / promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days | NA | [●] | [●] |
| Weighted average cost of acquisition on last 5 primary or secondary transactions (secondary transactions where Promoters, promoter group entities or shareholders selling shares through offer for sale in Offer or shareholder(s) having the right to nominate director(s) in the Board of the Company, are a party to the transaction), not older than 3 years prior to the date | Primary Issuance: Nil Secondary Transactions: 57 | [●] | [●] |

| Type of transactions | WACA (in ₹) | Floor Price (₹) | Cap Price (₹) |
|--|-------------|-----------------|---------------|
| of this certificate, irrespective of the size of transactions. | | | |

* To be updated at Prospectus stage.

III. Key financial and operational performance indicators:

The details of the key financial and operational performance indicators are set out under **Annexure A**.

The procedures carried out for such verification are included under **Schedule 2**.

The procedures were performed to assist in evaluating the accuracy, validity and completeness of the KPIs of the Company. On the basis of the procedures set forth in the Annexures, forming part of this certificate, we confirm that KPIs are accurate, valid and complete.

We confirm that the information in this certificate is true, fair, correct, complete, accurate and is in accordance with the requirements of the Companies Act, SEBI ICDR Regulations and other applicable law, and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context and will enable investors to make a well-informed decision.

We confirm that we are an independent accounting firm and are in no way connected with the Company. We further confirm that we are not related in any manner to the promoters or directors of the Company, or otherwise interested in the formation of management of the Company.

We have conducted our examination for this certificate in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the red herring prospectus, prospectus and any other material used in connection with the Offer (together, the "**Offer Documents**") which may be filed by the Company with Securities and Exchange Board of India ("**SEBI**"), BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**"), Registrar of Companies, Kerala at Ernakulam ("**Registrar of Companies**") and / or any other regulatory or statutory authority.

We also consent to the inclusion of this letter as a part of "**Material Contracts and Documents for Inspection**" in connection with Offer, which will be available for public for inspection from date of the filing of the RHP until the Bid/Offer Closing Date.

We hereby consent to our name and the aforementioned details being included in the Offer Documents and/or consent to the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLMs in connection with the Offer and in accordance with applicable law.

This certificate may be relied on by the BRLMs, their affiliates and legal counsels in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Offer. We hereby consent to this certificate being disclosed by the BRLMs, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We undertake to immediately communicate, in writing, any changes to the above information/confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the BRLMs and the Company until the equity shares allotted in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from us, the Company, the BRLMs and the legal advisors appointed with respect to Offer can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

Yours Sincerely,

For **R.G.N.Price & Co, Chartered Accountants**

ICAI Firm Registration No: 002785 S

PADINJAREDATH MAHADEVAN
VEERAMANI

Digitally signed by
PADINJAREDATH MAHADEVAN
VEERAMANI
Date: 2024.03.04 23:17:51
+05'30'

P.M. Veeramani

Partner

Membership No. 023933

Peer Review Certificate No. 013990

UDIN: 24023933BKCMYC9552

Encl: Annexures A,

CC:

Legal Counsel to the Company as to Indian Law

Cyril Amarchand Mangaldas

3rd Floor, Prestige Falcon Tower,
19, Brunton Road, Off. M.G.Road,
Bengaluru – 560 025,
India

Legal Counsel to the Book Running Lead Managers as to Indian Law

J. Sagar Associates

B-303, 3rd Floor, Ansal Plaza,
Hudco Place
August Kranti Marg
New Delhi – 110 049, India

Annexure A

The KPIs disclosed herein below have been approved by a resolution of Audit Committee dated 4th March, 2024 and the members of the Audit Committee have confirmed that the verified details of all KPIs pertaining to the Company that have been disclosed to investors at any point of time during the three years period prior to the date of filing of the Red Herring Prospectus have been disclosed in the “*Basis for Offer Price*” section of the Red Herring Prospectus.

1. Disclosure of all the KPIs pertaining to the Company that have been disclosed to its investors at any point of time during the three years preceding the date of this certificate

| KPI | Explanation |
|----------------------------|--|
| New Vehicle Volume | It shows the quantity of new vehicles sold for the period |
| Pre-owned vehicle Volume | It shows the quantity of pre-owned vehicles sold for the period |
| Service Volume | It shows the quantity of vehicles serviced for the period |
| Revenue from Operations | Revenue from operations represents the income generated by our Company from its core operating operations. This gives information regarding the scale of operations |
| Total Income | Total income represents the overall revenue generated by our Company including core operating income and other income. This gives information regarding the overall scale of our Company |
| Profit for the period/year | Profit for the period/year is used by the management to track the overall profitability of the business |
| Earnings Per Share | Earnings per share shows the net earnings per share which the investors get on the financial period |
| Inventory turnover days | Inventory turnover days is an indicator shows how the management efficiently control over the inventory level |

| KPI | Explanation |
|--|--|
| Working capital days | Working capital days is an indicator which shows how the management is efficiently controlling the working capital |
| Net cash generated from operating activities | Net cash generated from operating activities shows how efficiently the company manages its cashflow from the operations |
| Gross Profit | Gross profit provides the overall margin efficiency from the operations |
| Gross Margin | Gross Profit Margin is an indicator of the profitability that allows the management to understand the percentage of revenues that exceeds cost of goods sold |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin | EBITDA Margin is an indicator of the operational profitability and financial performance of the business |
| PAT Margin | PAT Margin is an indicator of the overall profitability and financial performance of the business |
| RoE | RoE is used by the management to track how efficiently our Company generates profits from funds and how well it is converting its shareholders funds to generate profits |
| RoCE | RoCE is used by the management to track how efficiently our Company generates earnings from the capital employed in the business and how well it is converting its total capital to generate profits |
| Net Debt / EBITDA | Net debt (borrowings) ratio is used by the management to track whether our Company can repay its obligations if they were all due today and whether our Company is able to take on more debt |
| Debt to Equity | Debt to Equity is a measure of the company's leverage over equity invested and earnings retained over time |
| Net worth | Net worth is a performance indicator that shows the value of business's property after liabilities are paid |

2. Key financial and operational performance indicators (KPIs)

The table below sets forth the details of KPIs that the Company considers have a bearing for arriving at the basis for Offer Price. The Audit Committee through its resolution dated 04th March, 2024 approved the list of KPIs for disclosure in the Red Herring Prospectus. Further, the Audit Committee has confirmed that the KPIs pertaining to the Company that have been disclosed to investors for raising funds at any point of time during the three years ' period prior to the date of filing of the Red Herring Prospectus and which are required to be disclosed in the "Basis for Offer Price" section, have been verified and audited by us in accordance with SEBI ICDR Regulations and have been disclosed in this section. Further, the KPIs herein have been certified by us pursuant to certificate dated 04th March, 2024.

A list of the KPIs for the period ended September 30, 2023 and Financial Years 2023, 2022 and 2021 is set out below:

Explanation for the KPI metrics

The list of the KPIs along with brief explanation of the relevance of the KPI for the business operations of the Company are set forth below:

| KPI | Explanation |
|----------------------------|--|
| New Vehicle Volume | It shows the quantity of new vehicles sold for the period |
| Preowned vehicle Volume | It shows the quantity of pre-owned vehicles sold for the period |
| Service Volume | It shows the quantity of vehicles serviced for the period |
| Revenue from Operations | Revenue from operations represents the income generated by our Company from its core operating operations. This gives information regarding the scale of operations |
| Total Income | Total income represents the overall revenue generated by our Company including core operating income and other income. This gives information regarding the overall scale of our Company |
| Profit for the period/year | Profit for the period/year is used by the management to track the overall profitability of the business |
| Earnings Per Share | Earnings per share shows the net earnings per share which the investors get on the financial period |
| Inventory turnover days | Inventory turnover days is an indicator shows how the management efficiently control over the inventory level |

| KPI | Explanation |
|--|--|
| Working capital days | Working capital days is an indicator which shows how the management is efficiently controlling the working capital |
| Net cash generated from operating activities | Net cash generated from operating activities shows how efficiently the company manages its cashflow from the operations |
| Gross Profit | Gross profit provides the overall margin efficiency from the operations |
| Gross Margin | Gross Profit Margin is an indicator of the profitability that allows the management to understand the percentage of revenues that exceeds cost of goods sold |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin | EBITDA Margin is an indicator of the operational profitability and financial performance of the business |
| PAT Margin | PAT Margin is an indicator of the overall profitability and financial performance of the business |
| RoE | RoE is used by the management to track how efficiently our Company generates profits from funds and how well it is converting its shareholders funds to generate profits |
| RoCE | RoCE is used by the management to track how efficiently our Company generates earnings from the capital employed in the business and how well it is converting its total capital to generate profits |
| Net Debt / EBITDA | Net debt (borrowings) ratio is used by the management to track whether our Company can repay its obligations if they were all due today and whether our Company is able to take on more debt |
| Debt to Equity | Debt to Equity is a measure of the company's leverage over equity invested and earnings retained over time |
| Net worth | Net worth is a performance indicator that shows the value of business's property after liabilities are paid |

Description in the RHP

The KPIs disclosed below have been used historically by the Company to understand and analyze the business performance, which in result, help it in analyzing its growth in comparison to its listed peers, and other relevant and material KPIs of the business of the Company that have a bearing for arriving at the Basis for Offer Price have been disclosed below. The KPIs set forth above, have been approved by the Audit Committee pursuant to its resolution dated 4th March, 2024.

Details of KPIs for the six months ended September 30, 2023 and the Financial Years ended 2023, 2022 and 2021 is set out below:

(₹ in million, unless mentioned otherwise)

| Sr. No. | Metric | Unit | Six-month period ended September 30, 2023 | Financial Year ended 2023 | Financial Year ended 2022 | Financial Year ended 2021 |
|----------------|--------------------------------------|------------------|--|----------------------------------|----------------------------------|----------------------------------|
| 1. | Sales Volumes | | | | | |
| | -Number of new vehicles sold | # | 23,993 | 47,820 | 37,871 | 35,105 |
| | -Number of pre-owned vehicles sold | # | 5,611 | 11,806 | 10,594 | 10,098 |
| | -Number of vehicles serviced | # | 5,27,846 | 957,148 | 721,400 | 646,280 |
| 2. | Revenue from Operations | ₹ million | 28,349.97 | 48,750.02 | 34,658.79 | 28,935.25 |
| | -Sales of new vehicles | ₹ million | 19,411.07 | 33,305.06 | 23,222.61 | 19,395.41 |
| | -Sale of spare parts and accessories | ₹ million | 4,115.54 | 6,820.19 | 4,687.13 | 3,783.64 |
| | -Sale of pre-owned vehicles | ₹ million | 1,938.74 | 3,705.97 | 2,872.81 | 2,473.08 |
| | -Sale of services | ₹ million | 1,605.84 | 2,872.91 | 2,183.97 | 1,803.63 |
| | -Other Operating income | ₹ million | 1,278.78 | 2,045.89 | 1,692.27 | 1,479.49 |
| 3. | Total Income | ₹ million | 28,482.08 | 48,926.28 | 34,841.99 | 29,192.52 |
| 4. | Profit for the period/ year | ₹ million | 400.44 | 640.74 | 336.69 | 324.55 |
| 5. | Earnings Per Share | | | | | |
| | - Basic | ₹ | 6.38** | 10.22 | 5.37 | 5.17 |
| | - Diluted | ₹ | 6.38** | 10.22 | 5.37 | 5.17 |
| 6. | Inventory turnover days | days | 103** | 38 | 45 | 47 |
| 7. | Working capital days | days | 95** | 34 | 37 | 35 |

| Sr. No. | Metric | Unit | Six-month period ended September 30, 2023 | Financial Year ended 2023 | Financial Year ended 2022 | Financial Year ended 2021 |
|---------|--|-----------|---|---------------------------|---------------------------|---------------------------|
| 8. | Net cash generated from operating activities | ₹ million | (1,611.02) | 1,088.93 | 696.92 | 951.74 |
| 9. | Gross Profit | ₹ million | 4,334.04 | 7,324.03 | 5,491.10 | 4,604.97 |
| 10. | Gross Margin | % | 15.29% | 15.02% | 15.84% | 15.91% |
| 11. | EBITDA | ₹ million | 1,459.09 | 2,348.46 | 1,786.63 | 1,748.53 |
| 12. | Adjusted EBITDA | ₹ million | 1,443.04 | 2,348.46 | 1,786.63 | 1,748.53 |
| 13. | EBITDA Margin | % | 5.12% | 4.80% | 5.13% | 5.99% |
| 14. | PAT Margin | % | 1.41% | 1.31% | 0.97% | 1.11% |
| 15. | RoE | % | 10.42% ** | 18.68% | 12.03% | 13.19% |
| 16. | RoCE | % | 8.83% ** | 18.32% | 16.79% | 17.09% |
| 17. | Net Debt / EBITDA | times | 5.00** | 2.03 | 1.97 | 1.68 |
| 18. | Debt to Equity | times | 1.99 | 1.47 | 1.33 | 1.44 |
| 19. | Net worth | ₹ million | 3,842.11 | 3,430.44 | 2,798.86 | 2,460.02 |

** Not Annualised

Notes:

- 1 New vehicle volume includes passenger, commercial & EV segment.
- 2 Revenue from operations includes sale from new and pre-owned vehicles along with sale of services, spares and accessories. Other operating income includes income from incentives & schemes, financing & Insurance, driving schools etc.
- 3 Total income is calculated as Revenue from operations plus other income.
- 4 Profit for the period/year is calculated as profit before tax minus Total tax expense.
- 5 EPS is calculated as profit for the period/ year divided by weighted average of Equity shares outstanding adjusted for split.
- 6 Inventory Turnover Days is calculated as Closing Inventory divided by COGS multiplied by 365 where COGS is purchase of stock in trade plus changes in inventories of stock-in-trade.
- 7 Working capital days is calculated as (Current asset excluding Cash and cash equivalents and Bank balances other than cash and cash equivalents minus current liabilities excluding short term borrowings)/ Revenue from Operations multiplied by 365.
- 8 Net cash generated from operating activities as per the cash flow statement.
- 9 Gross Profit is calculated as revenue from operations minus (purchase of stock in trade plus changes in inventories of stock-in-trade).
- 10 Gross Margin is calculated as Gross Profit divided by Revenue from Operations.
- 11 EBITDA is calculated as restated profit for the period/ year, finance costs plus tax expense/(benefit) and depreciation and amortisation expenses.
- 12 Adjusted EBITDA is calculated as profit before tax plus exceptional item plus finance costs plus depreciation and amortisation expenses.
- 13 EBITDA Margin is calculated as EBITDA divided by Total Income.
- 14 PAT Margin is calculated as profit for the period/ year divided by Total Income.
- 15 ROE is calculated as profit for the period/ year divided by Total Equity, where Total Equity is Equity Share capital plus Other Equity.
- 16 RoCE is calculated as EBIT divided by sum of Total Equity and Total Borrowings, where EBIT is Profit before tax plus finance costs and Total Equity includes Equity Share capital and Other Equity and Total Borrowings includes both non-current and current borrowings.
- 17 Net debt/EBITDA is calculated as Net Debt divided by EBITDA, where Net Debt is Total Borrowings minus (cash and cash equivalents plus bank balances other than cash and cash equivalents) and EBITDA is profit before tax plus finance costs plus depreciation and amortisation.
- 18 Debt to Equity is calculated as Total Borrowings divided by Total Equity, where Total Borrowings include both non-current and current borrowings
- 19 Net worth is calculated as Equity Share Capital plus Other Equity. Net worth of the Company, as restated and consolidated, has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation

3. Please see below the bifurcation of “Other Operating income” for the period six months ended September 30, 2023 and for the Financial Years 2023, 2022 and 2021:

| Particulars | Six-month period ended September 30, 2023 | Financial Year ended 2023 | Financial Year ended 2022 | Financial Year ended 2021 |
|------------------------------------|---|---------------------------|---------------------------|---------------------------|
| Income from schemes and incentives | 873.87 | 1,358.23 | 1,177.95 | 991.02 |
| Finance and insurance commission | 359.62 | 613.84 | 466.88 | 455.99 |
| Income from driving school | 19.27 | 30.50 | 18.04 | 13.14 |
| Other operating income | 26.02 | 43.32 | 29.40 | 19.34 |

| | | | | |
|------------------------|----------|----------|----------|----------|
| Other Operating income | 1,278.78 | 2,045.89 | 1,692.27 | 1,479.49 |
|------------------------|----------|----------|----------|----------|

4. Comparison of its KPIs with Listed Industry Peers

(a) Comparison with listed industry peers - Six-month period ended September 30, 2023

| Sr. No. | Metrics | Units | Popular Vehicles | Landmark Cars |
|----------|--|-------|------------------|------------------|
| 1 | Sales Volumes | | | |
| | - Number of new vehicles sold | # | 23,993 | NA |
| | - Number of pre-owned vehicles sold | # | 5,611 | NA |
| | - Number of vehicles serviced | # | 5,27,846 | 1,58,636 |
| 2 | Revenue from Operations | ₹ mn | 28,349.97 | 14,646.68 |
| | - Sales of new vehicles | ₹ mn | 19,411.07 | NA |
| | - Sale of spare parts and accessories | ₹ mn | 4,115.54 | NA |
| | - Sale of pre-owned vehicles | ₹ mn | 1,938.74 | NA |
| | - Sale of services | ₹ mn | 1,605.84 | NA |
| | - Other Operating income | ₹ mn | 1,278.78 | NA |
| 3 | Total Income | ₹ mn | 28,482.08 | 14,697.49 |
| 4 | Profit for the period | ₹ mn | 400.44 | 277.68 |
| 5 | Earnings Per Share | | | |
| | - Basic | ₹ | 6.38** | 6.80** |
| | - Diluted | ₹ | 6.38** | 6.64** |
| 6 | Inventory turnover days | days | 103** | 181** |
| 7 | Working capital days | days | 95** | 135** |
| 8 | Net cash generated from operating activities | ₹ mn | (1,611.02) | (158.50) |
| 9 | Gross Profit | ₹ mn | 4,334.04 | 2,994.63 |
| 10 | Gross Margin | % | 15.29% | 20.45% |
| 11 | EBITDA | ₹ mn | 1459.09 | 1,015.99 |
| 12 | Adjusted EBITDA | ₹ mn | 1,443.04 | 1,038.97 |
| 13 | EBITDA Margin | % | 5.12% | 6.91% |
| 14 | PAT Margin | % | 1.41% | 1.89% |
| 15 | RoE | % | 10.42%** | 5.56%** |
| 16 | RoCE | % | 8.83%** | 5.63%** |
| 17 | Net Debt / EBITDA | times | 5.00** | 4.10** |
| 18 | Debt to Equity | times | 1.99 | 0.91 |
| 19 | Net worth | ₹ mn | 3,842.11 | 4,997.72 |

NA – Not Available in public domain

** Not Annualised

(b) Comparison with listed industry peers - Fiscal 2023

| Sr. No. | Metrics | Units | Popular Vehicles | Landmark Cars |
|----------|--|-------|------------------|------------------------|
| 1 | Sales Volumes | | | |
| | - Number of new vehicles sold | # | 47,820 | 21,310 |
| | - Number of pre-owned vehicles sold | # | 11,806 | NA |
| | - Number of vehicles serviced | # | 9,57,148 | 3,17,954 |
| 2 | Revenue from Operations | ₹ mn | 48,750.02 | 33,823.51 |
| | - Sales of new vehicles | ₹ mn | 33,305.06 | 24,398.18 [#] |
| | - Sale of spare parts and accessories | ₹ mn | 6,820.19 | 4,937.63 |
| | - Sale of pre-owned vehicles | ₹ mn | 3,705.97 | 401.00 |
| | - Sale of services | ₹ mn | 2,872.91 | 2,301.10 |
| | - Other Operating income | ₹ mn | 2,045.89 | 1,785.60 |
| 3 | Total Income | ₹ mn | 48,926.28 | 33,944.30 |
| 4 | Profit for the year | ₹ mn | 640.74 | 851.01 |
| 5 | Earnings Per Share | | | |
| | - Basic | ₹ | 10.22 | 22.56 |
| | - Diluted | ₹ | 10.22 | 21.74 |
| 6 | Inventory turnover days | days | 38 | 59 |
| 7 | Working capital days | days | 34 | 40 |
| 8 | Net cash generated from operating activities | ₹ mn | 1,088.93 | 709.90 |

| Sr. No. | Metrics | Units | Popular Vehicles | Landmark Cars |
|---------|---------------------|-------|------------------|---------------|
| 9 | Gross Profit | ₹ mn | 7,324.03 | 6,006.91 |
| 10 | <i>Gross Margin</i> | % | 15.02% | 17.76% |
| 11 | EBITDA | ₹ mn | 2,348.46 | 2,425.09 |
| 12 | Adjusted EBITDA | ₹ mn | 2,348.46 | 2,499.81 |
| 13 | EBITDA Margin | % | 4.80% | 7.14% |
| 14 | PAT Margin | % | 1.31% | 2.51% |
| 15 | RoE | % | 18.68% | 18.04% |
| 16 | RoCE | % | 18.32% | 20.38% |
| 17 | Net Debt / EBITDA | times | 2.03 | 1.03 |
| 18 | Debt to Equity | times | 1.47 | 0.62 |
| 19 | Net worth | ₹ mn | 3,430.44 | 4,716.45 |

Sale of new vehicles is excluding the sales from pre-owned cars as disclosed in the annual report.

(c) Comparison with listed industry peers - Fiscal 2022

| Sr. No. | Metrics | Units | Popular Vehicles | Landmark Cars |
|----------|--|-------|------------------|------------------|
| 1 | Sales Volumes | | | |
| | - Number of new vehicles sold | # | 37,871 | 19,264 |
| | - Number of pre-owned vehicles sold | # | 10,594 | NA |
| | - Number of vehicles serviced | # | 7,21,400 | 2,79,078 |
| 2 | Revenue from Operations | ₹ mn | 34,658.79 | 29,765.23 |
| | - Sales of new vehicles | ₹ mn | 23,222.61 | 22,749.30# |
| | - Sale of spare parts and accessories | ₹ mn | 4,687.13 | 3,980.26 |
| | - Sale of pre-owned vehicles | ₹ mn | 2,872.81 | 214.43 |
| | - Sale of services | ₹ mn | 2,183.97 | 1,888.75 |
| | - Other Operating income | ₹ mn | 1,692.27 | 932.49 |
| 3 | Total Income | ₹ mn | 34,841.99 | 29,891.16 |
| 4 | Profit for the year | ₹ mn | 336.69 | 661.82 |
| 5 | Earnings Per Share | | | |
| | - Basic | ₹ | 5.37 | 17.88 |
| | - Diluted | ₹ | 5.37 | 17.45 |
| 6 | Inventory turnover days | days | 45 | 48 |
| 7 | Working capital days | days | 37 | 22 |
| 8 | Net cash generated from operating activities | ₹ mn | 696.92 | 764.39 |
| 9 | Gross Profit | ₹ mn | 5,491.10 | 4,647.84 |
| 10 | <i>Gross Margin</i> | % | 15.84% | 15.61% |
| 11 | EBITDA | ₹ mn | 1,786.63 | 1,872.81 |
| 12 | Adjusted EBITDA | ₹ mn | 1,786.63 | 1,872.81 |
| 13 | EBITDA Margin | % | 5.13% | 6.27% |
| 14 | PAT Margin | % | 0.97% | 2.21% |
| 15 | RoE | % | 12.03% | 26.66% |
| 16 | RoCE | % | 16.79% | 21.10% |
| 17 | Net Debt / EBITDA | times | 1.97 | 1.49 |
| 18 | Debt to Equity | times | 1.33 | 1.24 |
| 19 | Net worth | ₹ mn | 2,798.86 | 2,482.47 |

Sale of new vehicles is excluding the sales from pre-owned cars as disclosed in the annual report.

(d) Comparison with listed industry peers - Fiscal 2021

| Sr. No. | Metrics | Units | Popular Vehicles | Landmark Cars |
|----------|---------------------------------------|-------|------------------|------------------|
| 1 | Sales Volumes | | | |
| | - Number of new vehicles sold | # | 35,105 | 13,282 |
| | - Number of pre-owned vehicles sold | # | 10,098 | NA |
| | - Number of vehicles serviced | # | 6,46,280 | 2,21,468 |
| 2 | Revenue from Operations | ₹ mn | 28,935.25 | 19,561.04 |
| | - Sales of new vehicles | ₹ mn | 19,395.41 | 14,449.76# |
| | - Sale of spare parts and accessories | ₹ mn | 3,783.64 | 2,906.72 |
| | - Sale of pre-owned vehicles | ₹ mn | 2,473.08 | 353.65 |
| | - Sale of services | ₹ mn | 1,803.63 | 1,322.84 |
| | - Other Operating income | ₹ mn | 1,479.49 | 528.07 |

| Sr. No. | Metrics | Units | Popular Vehicles | Landmark Cars |
|---------|--|-------|------------------|------------------|
| 3 | Total Income | ₹ mn | 29,192.52 | 19,663.43 |
| 4 | Profit for the year | ₹ mn | 324.55 | 111.48 |
| 5 | Earnings Per Share | | | |
| | - Basic | ₹ | 5.17 | 3.09 |
| | - Diluted | ₹ | 5.17 | 3.05 |
| 6 | Inventory turnover days | days | 47 | 64 |
| 7 | Working capital days | days | 35 | 44 |
| 8 | Net cash generated from operating activities | ₹ mn | 951.74 | 427.64 |
| 9 | Gross Profit | ₹ mn | 4,604.97 | 3,087.34 |
| 10 | <i>Gross Margin</i> | % | <i>15.91%</i> | <i>15.78%</i> |
| 11 | EBITDA | ₹ mn | 1,748.53 | 1,200.63 |
| 12 | Adjusted EBITDA | ₹ mn | 1,748.53 | 1,200.63 |
| 13 | EBITDA Margin | % | 5.99% | 6.11% |
| 14 | PAT Margin | % | 1.11% | 0.57% |
| 15 | RoE | % | 13.19% | 6.11% |
| 16 | RoCE | % | 17.09% | 11.30% |
| 17 | Net Debt / EBITDA | times | 1.68 | 2.54 |
| 18 | Debt to Equity | times | 1.44 | 1.80 |
| 19 | Net worth | ₹ mn | 2,460.02 | 1,823.76 |

Notes:

1. New vehicle volume includes passenger, commercial & EV segment.
2. Revenue from operations includes sale from new and pre-owned vehicles along with sale of services, spares and accessories. Other operating income includes income from incentives & schemes, financing & Insurance, driving schools etc.
3. Total income is calculated as Revenue from operations plus other income.
4. Profit for the period/year is calculated as profit before tax minus Total tax expense.
5. EPS is calculated as profit for the period/year divided by weighted average of Equity shares outstanding adjusted for split.
6. Inventory Turnover Days is calculated as Closing Inventory divided by COGS multiplied by 365 where COGS is purchase of stock in trade plus changes in inventories of stock-in-trade.
7. Working capital days is calculated as (Current asset excluding Cash and cash equivalents and Bank balances other than cash and cash equivalents minus current liabilities excluding short term borrowings)/ Revenue from Operations multiplied by 365.
8. Net cash generated from operating activities as per the cash flow statement.
9. Gross Profit is calculated as revenue from operations minus (purchase of stock in trade plus changes in inventories of stock-in-trade).
10. Gross Margin is calculated as Gross Profit divided by Revenue from Operations.
11. EBITDA is calculated as restated profit for the period/year, finance costs plus tax expense/(benefit) and depreciation and amortisation expenses.
12. Adjusted EBITDA is calculated as profit before tax plus exceptional item plus finance costs plus depreciation and amortisation expenses.
13. EBITDA Margin is calculated as EBITDA divided by Total Income.
14. PAT Margin is calculated as Profit for the period/year divided by Total Income.
15. ROE is calculated as profit for the period/year divided by Total Equity, where Total Equity is Equity Share capital plus Other Equity.
16. RoCE is calculated as EBIT divided by sum of Total Equity and Total Borrowings, where EBIT is Profit before tax plus finance costs and Total Equity includes Equity Share capital and Other Equity and Total Borrowings includes both non-current and current borrowings.
17. Net debt/EBITDA is calculated as Net Debt divided by EBITDA, where Net Debt is Total Borrowings minus (cash and cash equivalents plus bank balances other than cash and cash equivalents) and EBITDA is profit before tax plus finance costs plus depreciation and amortisation.
18. Debt to Equity is calculated as Total Borrowings divided by Total Equity, where Total borrowings include both non-current and current borrowings.
19. Net worth is calculated as Equity Share Capital plus Other Equity.
20. NA is data which is not publicly available.

We confirm that the Company has undertaken following material acquisition or disposition of assets / business for the periods that are covered by the KPIs and accordingly, we certify the following comparison of KPIs over time based on additions or dispositions to the business

In FY 2023, the Company acquired 100% equity shares of Keracon Equipment Private Limited (KEPL). KEPL has a 100% subsidiary, Prabal Motors Private Limited (PMPL) which is in the business of trading and servicing of commercial vehicles (BharatBenz). Consequent to this acquisition, KEPL and PMPL have become wholly-owned and step-down subsidiaries of the Company respectively, with effect from February 1, 2023.

| Financial Period | Units | Revenue from operations | Gross Profit | EBITDA | PAT |
|---|--------------|--------------------------------|---------------------|---------------|------------|
| *Financial Year 2022-23 (Year of acquisition) | ₹ mn | 1,297.07 | 94.48 | 52.60 | 25.92 |
| Six months period ended September 30, 2023 | ₹ mn | 2,782.13 | 355.85 | 159.78 | 52.66 |

*figures disclosed are of the period post-acquisition during FY 2022-23
(The above table represents the figures of Prabal Motors Private Limited only)

Schedule 1

For calculation of WACA and identification of underlying transactions as described in (I) – [(A) and (B)], and (II), we have performed the following procedures:

- (i) obtained the list of Promoters, members of the Promoter Group, Selling Shareholders and Shareholder(s) having the right to nominate director(s) as defined under SEBI ICDR Regulations from the management of the Company for the purpose of calculation of price per share;
- (ii) compared the date of acquisition / sale / transfer; number of equity shares; and acquisition / issue cost per equity share in respect of each of these persons/entities, with the Register of members, minutes of the meetings of the board of directors of the Company , minutes of annual general meeting and extra-ordinary general meetings, relevant statutory registers including share allotment and share transfer registers, Form 2 (Return of Allotment) pursuant to Section 75(1) of the Companies Act, 1956, as amended (for allotments since inception to March 31, 2014) and Form PAS-3 pursuant to Section 39(4) of the Companies Act, 2013, as amended, and Rule 12 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (for allotments since April 1, 2014) along with extracts of relevant board and shareholder resolutions, Form SH-7 pursuant to Section 64(1) of the Companies Act, 2013, as amended and Rule 15 of the Companies (Share Capital and Debenture Rules), 2014, confirmation from the Company for monies received from the selling shareholders , bank account statements, relevant filings with the Reserve Bank of India, demat transfer statements, share transfer forms, delivery instruction slips, any other forms filed with any regulatory authority in this regard and other documents presented to us;
- (iii) verified the details of primary issuance made by the Company relevant allotment forms, statutory registers of the Company filed with the Registrar of Companies;
- (iv) computed weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.
- (v) verified the details of secondary acquisition / sale / transfer in respect of Promoters, members of the Promoter Group, Selling Shareholder and Shareholder(s) having the right to nominate director(s) from share transfer forms, demat transfer statements, depository instruction slips and other documents and accounts as may be deemed relevant;
- (vi) computed weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where promoters / promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in company Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this certificate, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.
- (vii) relied on the confirmation provided by Promoters, members of the Promoter Group, Selling Shareholder and Shareholder(s) having the right to nominate director(s); and
- (viii) relied on the details confirmation provided by the Company viz. details of vested ESOPs as on particular dates, if any.

Schedule 2

- A. Compared the amounts with, or recalculated the percentages based on, amounts included in or derived from the Restated Consolidated Financial Information and found them to be in agreement.
- B. Compared the amounts/ metrics with, or recalculated the percentages based on, corresponding amounts/ metrics appearing in a schedule prepared by officials of the Company based on the accounting records of the Company and found them to be in agreement. We proved the mathematical accuracy of such schedule prepared by the officials of the Company. We also compared the amount identified in such schedule with the corresponding amount appearing in the relevant accounting records of the Company and found them to be in agreement.
- C. Compared the amounts/ metrics with, or recalculated the percentages based on, corresponding amounts/ metrics appearing in a schedule prepared by officials of the Company based on management accounts, relevant management information system reports, the enterprise resource planning (“**ERP**”) systems or other financial information, corporate, secretarial, regulatory filings or other records of the Company and found them to be in agreement. We proved the mathematical accuracy of such schedule prepared by the officials of the Company. We also compared the amounts/ metrics identified in such schedule with the corresponding amounts/ metrics appearing in the relevant corporate, secretarial and other records of the Company and found them to be in agreement.
- D. Proved the arithmetic accuracy or computation of the percentages or amounts.