

NOTICE

Notice is hereby given that the 14th Annual General Meeting of Members of Popular Autoworks Private Limited ("Company") will be held at 11.00 A.M. on Thursday, 03rd August, 2023, at the Registered Office of the Company at Kuttukaran Centre, Mamangalam, Ernakulam, Kerala-682025, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2023 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. M. A. Sajjan (DIN: 01850974), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To fix remuneration of Statutory Auditors and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 142 (1) read with Section 102 (2) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder the Board of Directors of the company be and is hereby authorized to fix the remuneration of Mr. A.S. Narayanamoorthy, Chartered Accountant (Membership No. 13980), for the period from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, who have been appointed by the Members in the 10th Annual General meeting as the Statutory Auditors of the Company for a period of 5 years, pursuant to the provisions of Section 139(1) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014."

BRANCHES

Marqland, No. 32/5
Rupena Agrahara
Hosur Road
Bangalore - 560068

Marqland, 55/2 - 54 PM
Industrial Layout N.S.
Palya Bannerghatta Road
Bangalore - 560078

Marqland, NH 75
Near Kannur Check Post
Kannur Post
Mangalore - 575007



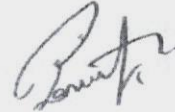
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Popular Autoworks

Popular Autoworks Pvt Ltd.
Kuttukaran Centre
Mamangalam, Cochin 682025
t (0484) 2330039, 2344345
CIN - U34100KL2009PTC02431B
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Note: The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the 10th Annual General Meeting of the Company.

BY ORDER OF THE BOARD OF DIRECTORS OF
POPULAR AUTOWORKS PRIVATE LIMITED



VARUN T.V.
COMPANY SECRETARY
(MEMBERSHIP NO. A22044)

Place: Kochi
Date: 23.05.2023

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxies to be effective should be lodged with the Company at least 48 hours before the commencement of the meeting.

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2. A person can act as a proxy on behalf of the members not exceeding 50 and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. A member holding more than 10 percent of total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. A corporate member intending to send its authorized representatives to attend the meeting in terms of section 113 of the Companies Act, 2013 is requested to send to the Company a certified copy of the board resolution authorizing such representative to attend and vote on its behalf at the meeting.
4. Members/proxies/authorized representatives are requested to submit the attendance slips duly filled in for attending the meeting. Members holding shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
5. During the period beginning 6 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company.
6. All documents referred to in the notice are open for inspection at the registered office of the Company on all working days, except Saturdays, between 11:00 a.m. To 1:00 p.m. up to the date of the general meeting and at the venue of the meeting for the duration of the meeting.

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7. Members are requested to kindly notify the Company of any changes in their addresses/e-mail address so as to enable the Company to address future communication to their correct addresses.
8. Pursuant to section 20(2) of the Companies Act, 2013 read with rule 35 of the Companies (Incorporation) Rules, 2014, as amended, Companies are permitted to send official documents to their shareholders electronically.
9. Copies of the Memorandum and Articles of Association of the Company and other relevant records in respect of the ordinary business are available at the Registered Office of the Company and electronically for inspection of the members during business hours between 10 am and 5 pm on all working days, except Saturdays.

Route Map



Popular Autoworks

Popular Autoworks Pvt Ltd.
Kuttukaran Centre
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t (0484) 2330039, 2344345
CIN- U34100KL2009PTC024318
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ATTENDANCE SLIP

(Please complete this attendance slip and hand over at the entrance of the Meeting hall)

I, hereby record my presence at the 14th Annual General Meeting of Popular Autoworks Private Limited held at 11.00 A.M. on Thursday, 03rd August, 2023 at Kuttukaran Centre, Mamangalam, Cochin-682025.

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name	
Address & email ID	
Folio no.	
No. of shares held	

I certify that I am the registered shareholder / proxy for the registered shareholder of the Company.

Signature of member / proxy

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Form No. MGT 11 PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013, and rule 19(3) of Companies (Management and Administration) Rules, 2014]

Name, address and email ID of the shareholder(s)	
Folio no.	

I / we, being the member(s) of _____ shares of the above named Company, hereby appoint:

name: _____

address: _____

signature: _____ or failing him;

name: _____

address: _____

signature: _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 14th Annual General Meeting of the Company held on 11.00 A.M. on Thursday, 03rd August, 2023 at the Registered Office at Kuttukaran Centre, Mamangalam, Cochin-682025 or / and at any adjournment thereof, in respect of such Resolutions as indicated below:

Sl. No.	Resolutions	Voted for	Voted against
1	To receive, consider and adopt the financial statements of the Company for the financial year ended March 31, 2023		
2	Re-appointment of Mr. M. A. Sajjan as a Director liable to retire by rotation.		
3	To fix remuneration of Statutory Auditors		

Signed this _____ day of _____ 2023

Signature of proxy holder(s)

Signature of shareholder

Affix One
Rupee
Revenue
Stamp

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Notes: (1) The proxy, to be effective, should be deposited at the Registered Office of the Company not less than **FORTY EIGHT HOURS** before the commencement of the meeting. (2) A proxy need not be a member of the Company. (3) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members. (4) The Form of proxy confers authority to demand or join in demanding a poll. (5) The submission by a member of this Form of proxy will not preclude such member from attending in person and voting at the meeting.

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DIRECTORS' REPORT

To,
The Members
Popular Autoworks Private Limited

Your Company's Directors are pleased to present the 14th Annual Report of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2023.

Economy & Industry

The current global economy is characterized by a broad-based and sharper-than-expected decline, with inflation clocking figures not seen in past several decades. This is due to a combination of factors, including rising interest rates, tightening financial conditions in most regions, Russia's invasion of Ukraine, lingering Covid-19 pandemic and rising geopolitical tensions. In addition, rising global debt levels, weak consumer confidence, and a weakening global labor market are all contributing to the current sluggish global economic environment. In keeping with the "gloomier" global environment, India's economic growth is expected to grow slow at 6.5% in FY 2023-24. However, India's medium-term growth prospects are healthier. Over the next few fiscals, the GDP is slated to grow at 6.8 per cent annually, driven by capital and productivity increases.

The luxury vehicles segment typically comprises approximately 1% of the overall PV industry in India. Vehicles of Mercedes, BMW, Audi, Volvo and JLR are part of this segment. The luxury vehicles segment in India is expected to grow at a CAGR of 14-16% from 23,700 units in Fiscal 2022 to 47,000 to 49,000 units by Fiscal 2027. This growth is expected to be driven by estimated improvement in economic environment, increase in disposable incomes as well as intermittent launches by OEM/brands. The auto industry is inherently vulnerable to the economic cycles and is highly sensitive to the interest rates and fuel prices. Factors like economic slowdown, fear of job loss and increasing fuel price led to consumer postponing their purchase decisions, which led to subdued demand environment.

Operational Review

Your Company continues to be one of the two authorized dealers of in Karnataka for sales and service of the luxury cars of Jaguar Land Rover India Limited. Until 2020, your Company was the only authorized dealer in Karnataka, however the OEM in FY21 entered into one more dealer in the State. However, your company continues to be the exclusive dealer in Central Bangalore. The Company has at present four Marqland showrooms in the State and one Carmarq used car showroom at Bangalore urban, Karnataka.

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Your Company has opened one new Marqland showroom at 1-N-6-450/2, NH-17, Derebail village, Near Hotel BMS pvt ltd, Kottara, Ashok Nagar Post, Ashok Nagar, Mangaluru, Dakshina Kannada, Karnataka, 575006 and closed one Marqland showroom at NH 75, Mangalore – Bangalore Highway, Near Kannur Check post, Dakshina Kannada, Karnataka, 575007

During the FY 2022-23, your Company sold 134 new vehicles, 77 used vehicles, and serviced 5,212 vehicles.

Your Company is the No. 1 in the country for customer retention. It has won the best dealership award of CAT-B and best sales award for CAT-A & CAT-B.

1. Overview of the Financial Performance

Key highlights of standalone financial performance for the year ended March 31, 2023, are summarised as under:

(In INR millions, except earnings per share data)

Particulars	FY 2023	FY 2022
Net Revenue from Operations	1824.05	1612.66
Other Income	48.97	16.95
Total Revenue	1873.02	1629.62
Employee benefit expenses	95.66	90.38
Finance costs	66.82	66.58
Depreciation and amortization expenses	105.57	68.46
All other expenses	1571.92	1399.85
Total Expenses	1839.97	1625.27
Profit / (Loss) Before Tax	33.05	4.35
Tax Expense:		
Current Tax	5.29	4.33
Less: MAT Credit Entitlement	1.83	(4.33)
Deferred Tax	(2.97)	(2.77)
Profit / (Loss) after Tax	22.97	1.58

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Earnings per equity share(in Rs)		
Basic and Diluted	0.93	0.06

During the Financial Year under review, total standalone revenue of the Company increased to Rs. 1824.05 million from Rs. 1612.66 million for the previous year. Profit before tax increased to Rs. 33.05 million as against Rs. 4.35 million in the previous financial year registering a steep growth of around 759.77%.

2. Deemed Public Company Status

As per the Proviso to Section 2 (71) of the Companies Act, 2013 a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of the Companies Act, 2013 even where such subsidiary company continues to be a private company in its articles.

The holding Company Popular Vehicles and Services Limited has converted to a Public Company on 10th July 2018.

Being a Wholly Owned Subsidiary of Popular Vehicles and Services Limited, with effect from 10th July, 2018 our Company became a Deemed Public Company as per the Proviso to Section 2 (71) of the Companies Act, 2013.

However, our Company has continued to be a Private Limited Company as per the Articles of Association of the Company.

3. Share Capital

During the financial year under report, there is no change in the Authorized and Paid up Equity Share Capital of the Company.

As on 31st March, 2023, the Authorised share capital of your Company stood at Rs. 28,00,00,000/- consisting of 2,80,00,000 Equity Shares of Rs. 10/- each.

As on 31st March, 2023, the paid-up equity share capital of your Company stood at Rs. 25,11,17,800/- consisting of 2,51,11,780 Equity Shares of Rs. 10/- each fully paid up.

4. Dividend & Reserves

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CS@popularv.com

For the financial year ended 31st March, 2023, your directors do not recommend any amount to be paid as dividend.

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

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

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

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

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

7. Significant and Material Orders

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

8. Details of Holding/Subsidiary/Joint Ventures/Associate Companies

During the financial year under review the Company has not entered into or invested in any new Subsidiaries, Joint Ventures and Associates. The details of the Holding/Subsidiary and Associate Companies are given below:-

Sl. No.	Name of the Company	Holding/Subsidiary/Associate
1	Popular Vehicles and Services Limited	Holding Company

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

a) Composition of the Board

The Board of Directors of your Company comprises of five Directors namely Mr. Naveen Philip, Director, Mr. Francis K. Paul, Director, Mr. John K. Paul, Director and Mr. M.A. Sajjan, Director and Mr. Jyothish Madhavanpillai, Director.

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In accordance with the Articles of Association Mr. M. A. Sajjan, Director retires by rotation at the ensuing Annual General Meeting. Mr. M. A. Sajjan being eligible, seeks re-appointment at the Annual General Meeting.

The Board of Directors do recommend the reappointment of Mr. M. A. Sajjan.

b) Board Meetings

During the Financial Year 2022-23 the Company has held five (5) meetings of the Board of Directors on 28th April, 2022, 25th May, 2022, 04th July, 2022, 01st October, 2022 and 24th January, 2023. The intervening gap between two consecutive Meetings is within the period as prescribed under Section 173 (1) of the Companies Act, 2013.

c) Board Committees

The Company is not mandatorily required under the provisions of the Companies Act, 2013 and rules made thereunder to constitute any committees.

However, the Company has constituted Finance and Authorisation Committee (sub-committee) with Mr. Naveen Philip, Director (Chairman), Mr. Francis K. Paul, Director, Mr. M.A. Sajjan, Director as members.

During the Financial Year 2022-23 the Company has held seven (7) meetings of the Finance and Authorisation Committee on 27th May, 2022, 16th August, 2022, 28th October, 2022, 10th November, 2022, 02nd December, 2022, 13th March, 2023 and 17th March, 2023.

d) Independent Directors

As per Rule 4 sub rule 2 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Company is not required to appoint Independent Directors.

e) Key Managerial Personnel (KMPs)

During the financial year Mr. Akshintala Suresh Kumar has been appointed as the Chief Executive officer of the company with effect from 04th July, 2022 pursuant to the provisions of Section 203 of the Companies Act, 2013.

The Key Managerial Personnel of the Company are:

1. Mr. Akshintala Suresh Kumar – Chief Executive Officer
2. Mr. John Verghese – Chief Financial Officer
3. Mr. Varun T. V.- Company Secretary

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10. Evaluation of Directors, Board and Committees

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

The Board has carried out an annual performance evaluation of its own performance and the directors. The Board's performance was evaluated based on inputs received from all the Directors after considering criteria such as Board's composition and structure, effectiveness of the Board, performance of the Board processes and information provided to the Board, etc.

11. Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. Public Deposits

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

13. Unsecured loan from Directors

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As on 31st March, 2023 the Company has the following outstanding loans from its Directors;
(Rs. In millions)

Name of the Director	Amount outstanding
John K Paul	16.95
Francis K Paul	17.55

14. Statutory Auditors

Mr. A.S. Narayanamoorthy, Chartered Accountant (Membership No. 13980) was appointed as Statutory Auditors of the Company at the 10th Annual General Meeting of the Company for a period of 5 years till the conclusion of the 15th Annual General Meeting.

15. Statutory Auditor's Report

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

16. Particulars of loans, guarantees or investments

During the Financial year 2022-23, the Company has not given any loans, provided any guarantee or made any investments.

As on 31st March, 2023, the Company has an outstanding intercorporate loan amounting to Rs. 38.70 million from the Holding Company Popular Vehicles and Services Limited.

17. Particulars of contracts or arrangements with related parties

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

18. Managerial remuneration

There are no Directors, key managerial personnel or other employees who are in receipt of remuneration exceeding the limits prescribed under section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

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

The Company has re-constituted an Internal Committee as required under the said Act to take necessary preventive actions as may be possible and also to carry out redressal of complaints, if any, on sexual harassment and for matters connected therewith or incidental thereto. During the Financial Year 2022-23 under review, the Company has not received any sexual harassment complaints.

The Committee has submitted the Annual Report on POSH to the Company and to the District Officer, pursuant to Section 21 of the POSH Act, 2013. The Board of Directors took note of the same at their meeting dated 24th January, 2023.

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

The company uses power saving lighting equipments for its office and workshop and saves power wherever there is scope for energy saving.

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

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

Payment Date	Vendor Name	Description	Foreign Currency	Amount in Rs.
08.07.2022	Visotec SAS	Signage	€ 12,810.00	10,56,729
02.02.2023	Keymite Ltd trading as KMS	JLR Colour Trims	€ 128.50	16,832

21. Corporate Social Responsibility.

As the Company does not fall under the ambit of Section 135(1) of the Companies Act, 2013 the provisions of CSR Policy are not applicable to the Company.

22. Secretarial Audit

The Provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder in respect of Secretarial Audit shall not apply to the Company for the financial year 2022-23.

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

23. Human Resources Management

Human Resource Department plays a pivotal role in achieving organizational excellence. Your Company constantly strives to develop quality human resources, to meet the challenges of competitive business environment and to build critical capabilities in achieving the Company's objectives and goals. The Company is continuously renewing and updating the knowledge and skill of its employees at all levels through training and development.

Your Company has been certified 'Great Place To Work' fourth year in a row as a reflection of the unwavering commitment to creating a consistent and overwhelming positive employee experience.

As on 31st March, 2023, the Company had a total head count of 138 employees, and there is a decrease of 3 employees over the previous year. Your Company takes significant efforts on employee development by imparting training to employees at the various levels.

Your Company wishes to put on record its deep appreciation for the co-operation and efforts of its employees for the betterment of the organization.

24. Vigil mechanism

The Company has a vigil mechanism that is intended to provide adequate safeguards against victimisation of employees and directors who avail the vigil mechanism and to address the genuine concerns, if any, of the Directors and employees.

25. Risk Management and Adequacy of Internal Financial Controls.

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

The Company's Internal Control Systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Board.

BRANCHES

Marqland, No. 32/5
Rupena Agrahara
Hosur Road
Bangalore - 563058

Marqland, 55/2 - 54 PM
Industrial Layout, N.S.
Palya Bannerghatta Road
Bangalore - 560078

Marqland, NH-75
Near Kannur Check Post
Kannur Post
Mangalore-575007



www.kuttukaran.in

26. Credit Rating

During the financial year under review, CARE Ratings have reaffirmed CARE BB/ Stable rating for Long term Bank facilities and CARE BB; Stable / CARE A4+ rating has been reaffirmed for Long term/Short term Bank facilities. The stable outlook on the rating has been reaffirmed.

27. Internal Audit

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

28. Reporting of Fraud by Auditors

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

29. Industrial Relations

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

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

Not applicable

BRANCHES

Marqland, No. 32/5
Rupena Agrahara
Hosur Road
Bangalore - 560068

Marqland, 55/2 - 54 PM
Industrial Layout N.S.
Palya Bannerghatta Road
Bangalore - 560078

Marqland, NH-75
Near Kannur Check Post
Kannur Post
Mangalore-575007



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Popular Autoworks

Popular Autoworks Pvt Ltd.
Kuttukaran Centre
Mamangalam, Cochin 682025
t (0484) 2330039, 2344345
CIN-U34700KL2009PTC024318
GSTIN-29AAFCP0841E12L
CS@popularv.com

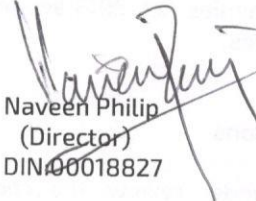
31. Disclosure about the difference between the amounts of the valuation executed at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

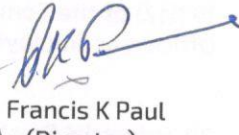
Not applicable

32. Acknowledgements

Your Directors wish to express their appreciation to the shareholders and other stakeholders for their continued faith in the company and also for their valuable support.

For and on Behalf of Board of Directors
Popular Autoworks Private Limited


Naveen Philip
(Director)
DIN:00018827


Francis K Paul
(Director)
DIN:00018825

Place: Kochi-25
Date:23.05.2023

BRANCHES
Marqland, No. 32/5
Rupena Agrahara
Hosur Road
Bangalore - 560068

Marqland, 55/2 -54 PM
Industrial Layout N.S.
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Popular Autoworks Pvt Ltd.
 Kuttukaran Centre
 MamanGalam, Cochin 682025
 t (0484) 2330039, 2344345
 CIN : U34100KL2009PTCO24318
 GSTIN : 29AAECP0841E1ZL
 CS@popularv.com

FORM NO. AOC -2 ANNEXURE A TO THE DIRECTORS' REPORT

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

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

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

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

BRANCHES
 Marthandam, Pan. 12/75
 Marthandam, Pan. 12/75
 Marthandam, Pan. 12/75
 Marthandam, Pan. 12/75

Marthandam, Pan. 12/75
 Marthandam, Pan. 12/75
 Marthandam, Pan. 12/75
 Marthandam, Pan. 12/75

Marthandam, Pan. 12/75
 Marthandam, Pan. 12/75
 Marthandam, Pan. 12/75
 Marthandam, Pan. 12/75

Kuttukaran Centre

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Popular Autoworks

Popular Autoworks Pvt Ltd.
 Kuttukaran Centre
 Mammangalam, Cochin 682025
 t (0484) 2350039, 2344345
 CIN - U34100KL2009PTCO24318
 GSTIN - 29AAFCP0841E1ZL
CS@popularv.com

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

SL. No.	Particulars	1	2	3	4
1.	Name (s) of the related party & nature of relationship	Popular Auto Dealers Private Limited	Popular Vehicles and Services Limited	Popular Vehicles and Services Limited	Popular Vehicles and Services Limited
2	Nature of contracts/ arrangements/ transaction	Purchase of goods	Expenses met for the Company	Reimbursement of expenses	Sale of goods
3	Duration of the contracts /arrangements/ transaction	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Purchase of goods in the ordinary course of business amounting to Rs 3.10 million.	Payment made for the expenses met for the Company in the ordinary course of business amounting to 4.29 million.	Reimbursement of expenses met on behalf of the Company in the ordinary course of business amounting to Rs. 0.18 million.	Sale of goods in the ordinary course of business amounting to Rs 0.39 million.
5	Dates of approval by the Board, if any	Board meeting dated 14/02/2022 sanctioned	Board meeting dated 14/02/2022 sanctioned	Board meeting dated 14/02/2022	Board meeting dated 14/02/2022

BRANCHES:
 Kuttukaran Centre
 Mammangalam
 Mambur Road
 Bangalore

Mammangalam, 68/2 - 54 PM
 Industrial Estate
 Bangalore - 560078

Mammangalam, N-1 75
 Near Kuttukaran Centre
 Bangalore - 575007



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Popular Autoworks


Popular Autoworks Pvt Ltd.
 Kuttukaran Centre
 Mammangalam, Cochin 682025
 t (0484) 2330039, 2344345
 cin_U34700KL2009PTCO24 31B
 GSTIN-29AAFCPO841E1ZL
 CS@popularv.com

		an overall limit of Rs.10 millions	an overall limit of Rs.10 millions	sanctioned an overall limit of Rs.10 millions	sanctioned an overall limit of Rs.10 millions
6	Amount paid as advance, if any	Nil	Nil	Nil	Nil

Refer Note No.36 of the financial statements for details

For and on Behalf of Board of Directors
 Popular Autoworks Private Limited


 Naveen Philip
 (Director)
 DIN:00018827


 Francis K Paul
 (Director)
 DIN:00018825

Place: Kochi-25
 Date:23.05.2023

BRANCHES:
 Government Job - 13776
 Regional Agriculture
 Major Road - 560034
 Kottayam - 560034

Manufactured, No.2, 56 PMA
 Industrial Layout, N.S.
 Palayam, Changanassery Road
 Bangalore - 560078

Manufactured, No. 38,
 Near Narayan Chack, Puzha
 Kattur, Puzha
 Bangalore-575007



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A.S.NARAYANAMOORTHY
CHARTERED ACCOUNTANT

Phone : 0484-2319367

G 163, Panampally Nagar,
Cochin - 682 036.

02/2023

UDIN: 23013980BHANIW6252

23.05.2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POPULAR AUTOWORKS
PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

I have audited the accompanying Standalone financial statements of Popular Autoworks Private Limited (*"the Company"*) which comprises the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, and **PROFIT**, Changes in Equity and its cash flows for the year ended on that date.

Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



Information other than the Financial Statements and Auditors Report thereon

The Company's Board of Directors is responsible for the Information other than the financial statements and auditors report thereon. The said information comprises the information included in the Directors Report (Other information), but does not include the financial statements and my audit report thereon. The Other Information is expected to be made available to me after the date of this auditors' report

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, otherwise appear to be materially misstated

When I read the other information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.



Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, I am also responsible for expressing my opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



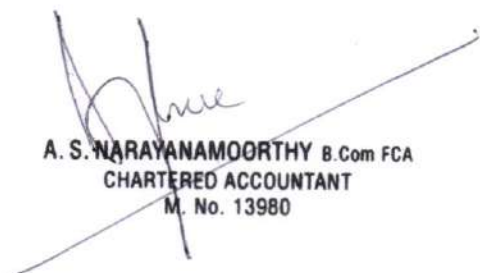
I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, I give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, I report that:
 - a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
 - b. In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer my separate Report in Annexure A.
 - g. No managerial remuneration was paid during the year and hence reporting on compliance with the provisions of section 197 read with Schedule V to the Act is not applicable.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
 - a. The company does not have any pending litigation which would impact its financial position.



- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d. (i) The management, as explained in Note 39 of the financial statements, has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management, as explained in Note 40 of the financial statements, has represented, that, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures, that I considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- e. The Company has not declared or paid any dividend during the year and hence reporting under this clause is not applicable.
- f. The applicability of clause on usage of accounting software is deferred to financial years commencing on or after 1st April 2023 vide MCA Notification dated 31st March 2022.


A. S. NARAYANAMOORTHY B.Com FCA
CHARTERED ACCOUNTANT
M. No. 13980

ANNEXURE

i) Fixed Assets

- (a) (A) The Company has maintained records showing particulars of Property, Plant and Equipment including quantitative details and situation.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) These Properties, Plant and Equipments have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such physical verification.
- (c) The Company does not own any immovable properties other than improvements to leasehold buildings.
- (d) The company has not revalued its Property, Plant and Equipments during the year
- (e) As per the information and explanations furnished to me, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii) Inventories

- (a) The inventories have been physically verified by the management during the year at reasonable intervals and in my opinion the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on physical verification of stock were not material having regard to the size of the operation of the company.
- (b) The company has been sanctioned /renewed working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during the year. In my opinion and according to the information and explanations furnished to me, the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

iii) Investments/Loans/Advances and Guarantees

During the year, the company has not made any investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties other than those given in the normal course of business. Accordingly, none of the subclauses under this heading are applicable.



iv) Compliance with Sec 185 and Sec 186

In my opinion and according to the information and explanations given to me, the company had not granted any loans to parties to whom provisions of Sec 185 applies and consequently clauses relating to terms and conditions of loan, payment of interest and repayment of principal and status of overdue are not applicable.

In my opinion and according to the information and explanations given to me, the company has not made any investments, guarantees during the year to which the provisions of Section 185 and 186 of the Companies Act 2013 applies.

v) Fixed Deposits

In my opinion and according to the information and explanations given to me, the company has not accepted any deposits or amounts deemed to be deposits to which the provisions of Section 73 to 76 of the Companies Act, 2013 and rules made there under applies.

vi) Cost Records

In my opinion and according to the information and explanations given to me, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the company.

vii) Statutory Dues

- (a) The company was generally regular in depositing with appropriate authorities undisputed statutory dues towards Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, duty of customs, cess and other statutory dues, wherever applicable. There were no arrears of undisputed statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the records of the company, there were no disputed statutory dues outstanding as on the date of balance sheet.

viii) Undisclosed Income

In my opinion and according to the information and explanations given to me, there are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.



ix) Repayment of Loans

- (a) In my opinion and according to the information and explanations given to me, the company has not defaulted in repayment of interest and principal to any lender.
- (b) Based on the information and explanations given to me, the company is not declared wilful defaulter by any bank or financial institution or any other lender;
- (c) In my opinion and according to the information and explanations given to me, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to me, and the procedures performed, and on an overall examination of the financial statements of the company, I report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to me and on an overall examination of the financial statements of the company, I report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures
- (f) According to the information and explanations given to me and procedures performed by me, I report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x) Application of funds raised through public offer

- (a) The company has not raised any funds through public offer during the year.
- (b) The company has not raised any funds during the year by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible)

xi) Frauds

- (a) According to the information and explanations given to me, no fraud, on or by the company, has been noticed or reported during the year.
- (b) As no fraud, on or by the company, has been noticed or reported during the year, reporting under this clause as per section 143(12) is not applicable.
- (c) As represented to me by the management, there are no whistle blower complaints received by the company during the year.



xii) Nidhi Company

In my opinion and according to the information and explanations given to me, the company is not a nidhi company and hence this clause is not applicable to the company.

xiii) Related Party Transactions

In my opinion and according to the information and explanations given to me, all transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 wherever applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

Being a wholly owned subsidiary, the Company is not required to constitute an Audit Committee as per section 177 of the Companies Act, 2013 read with Rule 4 (2) of Companies (Appointment and Qualification of Directors) Rules, 2014 as amended.

xiv) Internal Audit

- (a) In my opinion and based on my examination, the company has an internal audit system commensurate with the size and nature of its business
- (b) I have considered the internal audit reports of the company issued till date, for the period under audit

xv) Non-Cash Transactions

As explained to me, the company has not entered into any non-cash transactions with directors or other persons during the year

xvi) Registration with RBI

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence this clause is not applicable to the Company.

xvii) Cash Losses

The company has not incurred cash losses in the financial year and in the immediately preceding financial year

xviii) Resignation of Auditor

There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.



xix) Going Concern

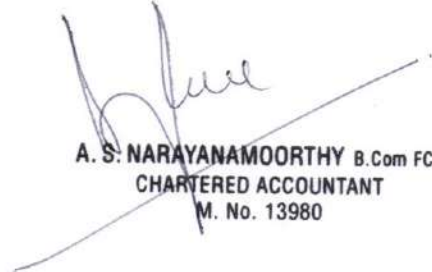
According to the information and explanations given to me and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, knowledge of the Board of Directors and management plans and based on my examination of the evidence supporting the assumptions, nothing has come to my attention, which causes me to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. I, however, state that this is not an assurance as to the future viability of the company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx) Corporate Social Responsibility

The company does not have any liability towards CSR and hence reporting under this clause is not applicable.

xxi) Observations by component auditors

The Company does not have any subsidiaries and hence reporting under this clause regarding qualifications or adverse remarks by the auditors of subsidiaries in the Companies (Auditor's Report) Order reports of the companies is not applicable.


A. S. NARAYANAMOORTHY B.Com FCA
CHARTERED ACCOUNTANT
M. No. 13980

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF POPULAR AUTOWORKS PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of Popular Autoworks Private Limited ("the Company") as of March 31, 2023 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that


- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".


A. S. NARAYANAMOORTHY B.Com FCA
CHARTERED ACCOUNTANT
M. No. 13980

POPULAR AUTOWORKS PRIVATE LIMITED, KUTTUKARAN CENTRE MAMANGALAM, KOCHI 25
STATEMENT OF TOTAL INCOME FOR THE ASSESSMENT YEAR 2023-24
FINANCIAL Year Ended 31.03.2023 PAN - AAFCP0841E
STATUS-COMPANY

INCOME FROM BUSINESS

Profit as per Statement of Profit and Loss		3,30,50,784
Add : Inadmissibles		
Depreciation considered separately - other than on ROU assets (Note: 23)	6,39,58,728	
Provision for gratuity (Note: 21)	11,23,254	
Provision for Bonus	23,29,760	
Provision for Leave Encashment	3,46,442	
Interest cost of Gratuity as per Actuarial Valuation (Note: 22)	2,75,790	
	6,80,33,974	
		10,10,84,758
Less : Admissibles		
Deduction u/s 35D (as per ITAT decision in 154 ITD 103) for ROC fees - Year II	3,60,000	
Gain on sale of property, plant and equipments	6,15,364	
Ind AS Adjustments (Refer Note 2 below)	93,68,261	
Provision for bad & doubtful debts written back (Net)	13,80,381	
Interest income considered separately (Note: 18)	3,63,699	
Depreciation as per Income Tax Act	3,96,93,675	
	5,17,81,382	
		4,93,03,376
Profit from business		4,93,03,376

INCOME FROM OTHER SOURCES

Interest income from banks	5,434	
Interest on IT Refund	3,58,265	3,63,699
		4,96,67,075
	Gross Total Income	4,96,67,075
	Less: Set off unabsorbed depreciation AY 2017-18 and AY 2020-21	(2,40,98,285)
	Taxable Income	2,55,68,790
		63,92,198
Tax due @ 25%	4,47,454	
Add: Surcharge @ 7%	68,39,651	
	2,73,586	
Add: Health and Education Cess @ 4%	71,13,237	
Tax due as per normal provisions	52,86,424	
Tax due as per Sec. 115JB	71,13,237	
Tax due (higher of the above)	18,26,814	
Less: MAT credit utilised	52,86,424	
Tax Due	51,51,239	
	39,14,412	
	(37,79,227)	
Less: TDS & TCS		
Advance Tax		
Refund Due		

Notes:

1 Following Losses may be allowed to carry forward :-

AY	Unabsorbed Depreciation C/f as per Prev ITR	Set Off Current year	Balance to be C/f	Date of filing
2017-18	1,75,473	1,75,473	-	09.10.2017
2020-21	2,39,22,812	2,39,22,812	-	12.12.2020
Balance c/f	2,40,98,285	2,40,98,285	-	

2 Ind AS adjustment charged to Profit & Loss (Net)

Item	Amount
Amortisation of Right of Uses - IndAS 109 (Shown under amortisation)	20,06,971
Interest Income from Rent Deposit- IndAS 109	(14,64,918)
Interest on Lease Liability- IndAS 116	4,45,49,273
Amortisation of Right of Uses - IndAS 116	3,96,04,649
Accrued rent expenses for the period	(5,88,81,908)
Rent concession for the period	-
Lease liability write back	(3,51,82,328)
Total	(93,68,261)

3 Computation of MAT Credit Entitlement Claimed

Profit as per Statement of Profit and Loss		3,30,50,784
Less: Provision for bad & doubtful debts written back	(13,80,381)	(13,80,381)
	Book Profit	3,16,70,403
		47,50,560
Tax due @ 15%		3,22,539
Add: Surcharge @ 7%		50,83,100
		2,03,324
Add: Education cess @ 4%		52,86,424

6 Bank Details

Bank Name : Kotak Mahindra Bank
A/C No : 5011192577
IFSC Code : KKBK0000424
Branch : Bengaluru
Type of account: Cash Credit

For POPULAR AUTOWORKS PVT. LTD.

Vanaraj
Director

Particulars	Note	As at 31st Mar 2023	As at 31st March 2022
Assets			
Current Assets			
Property, Plant and Equipment	4	265.68	269.97
Right of Use (ROU) Asset	29	434.50	376.83
Intangible assets	5	0.39	0.43
Financial Assets			
Other Financials Asset	6	21.34	16.37
Other non-current assets	7	22.24	23.16
Deferred tax assets	25	32.44	35.30
Income Tax Assets (Net)	25	20.89	23.84
Total Non current assets		797.48	745.91
Current Assets			
Inventory	8	205.62	129.62
Financial Assets			
Trade receivables	9	40.24	41.22
Cash & Cash Equivalents	10	43.82	21.73
Other current assets	7	28.24	13.89
Total Current Assets		317.92	206.46
Total assets		1,115.40	952.37
Equity & Liabilities			
Equity			
Equity Share Capital	11	251.12	251.12
Other Equity		(72.69)	(96.15)
Equity attributable to the owners of the company		178.42	154.97
Liabilities			
Non Current Liabilities			
Financial Liabilities			
Borrowings	12	112.98	117.03
Lease Liability	29	508.03	457.08
Provisions	14	4.83	5.81
Total Non current liabilities		625.84	579.91
Current Liabilities			
Financial liabilities			
Borrowings	12	191.57	80.48
Lease Liability	29	13.70	16.20
Trade Payables	16		
- Total outstanding dues of micro and small enterprises		0.04	0.03
- Total outstanding dues of creditors other than micro and small enterprises		20.05	18.58
Other financial liabilities	13	12.47	15.58
Provisions	14	0.70	2.29
Other current liabilities	15	72.60	84.33
Total Current Liabilities		311.13	217.49
Total liabilities		1,115.40	952.37

Significant accounting policies

1-3

The accompanying notes form an integral part of the balance sheet

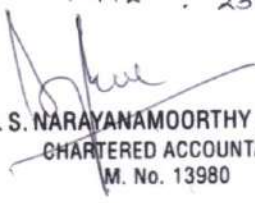
4-41

As per the report on even date

for and on behalf of the Board of Directors of
Popular Autoworks Private Limited

PLACE : COCHIN

DATE : 23.5.2023


A. S. NARAYANAMOORTHY B.Com FCA
CHARTERED ACCOUNTANT
M. No. 13980


Naveen Philip

Director

DIN: 00018827

Place: Kochi

Date:

Francis K Paul

Director

DIN:00018825

Place: Kochi

Date:


John Verghese
Chief Finance Officer
Place: Kochi
Date:

A Suresh Kumar
Chief Executive Officer
Place: Bangalore
Date:


Varun T V
Company Secretary
Place: Kochi
Date:


A. S. Narayanamoorthy

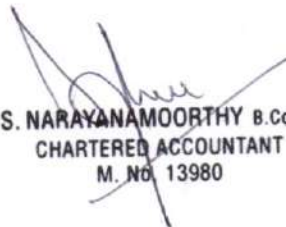
Popular Autoworks Private Limited, Kochi - 25
Statement of profit and loss for the Year Ended 31.03.2023
(All amounts in Millions)

Particulars	Note	For the Year Ended 31.03.2023	For the Year ended 31.03.2022
Income			
Revenue from operations	17	1,824.05	1,612.66
Other income	18	48.97	16.95
Total income		1,873.02	1,629.62
Expenses			
Purchases of stock-in-trade	19	1,587.99	1,285.58
Change in inventories	20	(88.66)	52.90
Employee benefits expense	21	95.66	90.38
Finance costs	22	66.82	66.58
Depreciation and amortisation expense	23	105.57	68.46
Other expenses	24	72.59	61.37
Total expenses		1,839.97	1,625.27
Profit before tax		33.05	4.35
Tax expense			
Current tax :	25	5.29	4.33
Less : MAT Credit Entitlement utilised /(availed)		1.83	(4.33)
Deferred tax	25	(2.97)	(2.77)
Profit for the year		22.97	1.58
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of net defined benefit liability/ (asset)		0.38	(0.09)
Income tax relating to item that will not be reclassified to Profit and Loss		0.11	(0.02)
Total comprehensive income for the year		23.46	1.47
Profit/(Loss) per share (equity share of face value of INR 10 each)	27		
Basic		0.93	0.06
Diluted		0.93	0.06

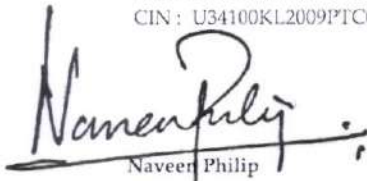

The accompanying notes form an integral part of the statement of profit and loss
As per our report of even date attached

As per the report on even date


PLACE: COCHIN
DATE: 28.5.2023


A. S. NARAYANAMOORTHY B.Com FCA
CHARTERED ACCOUNTANT
M. No. 13980

for and on behalf of the Board of Directors of
Popular Autoworks Private Limited, Kochi - 25
CIN : U34100KL2009PTC024318

 : 
Naveen Philip : Francis K Paul
Director : Director
DIN: 00018827 : DIN:00018825
Place: Kochi : Place: Kochi
Date: : Date:


John Verghese
Chief Finance Officer
Place: Kochi
Date:


A Suresh Kumar
Chief Executive Officer
Place: Bangalore
Date:


Varun T V
Company Secretary
Place: Kochi
Date:



Popular Autoworks Private Limited, Kochi - 25
Cash flow statement for the Year Ended 31.03.2023
(All amounts in Millions)

Particulars	For the Year Ended 31.03.2023	For the Year ended 31.03.2022
Cash flows from operating activities		
Profit/(Loss) before tax	33.05	4.35
<i>Adjustments for</i>		
Finance charges	66.48	66.39
Interest Income	(0.36)	(0.66)
Interest income under the effective interest method	(1.46)	(1.46)
Remeasurement of net defined benefit liability/ (asset)	0.38	(0.09)
Provision for doubtful debts / (written back)	(1.38)	(0.22)
Credit balances written back	(1.99)	(8.97)
Bad debt written off	0.01	0.17
(Profit)/Loss on sale of property, plant and equipment	(0.62)	(0.35)
Depreciation and amortisation	105.57	68.46
Rent concession received	-	(0.35)
Lease liability written back	(35.18)	-
Operating Profit before working capital changes	164.48	127.26
(Increase) /decrease in trade receivables	(0.11)	17.06
(Increase)/decrease in inventories	(61.96)	62.03
(Increase) / decrease in other current assets	(14.34)	5.99
Increase / (decrease) in current liability	(34.52)	(34.92)
Cash generated from/ (used) in operations	53.55	177.43
Taxes paid, net of refund received	5.46	(0.74)
Net cash generated from/ (used) in operating activities (A)	59.01	176.69
Cash flows from investing activities		
Long term loans and advance	(4.58)	6.28
Interest received	0.36	0.66
Acquisition of property ,plant and equipment	(63.31)	(31.07)
Proceeds from sale of property ,plant and equipment	4.36	5.84
Net cash used in investing activities (B)	(63.17)	(18.29)
Cash flows from financing activities		
Interest paid	(21.93)	(24.81)
Intercompany Loan paid/returned	-	-
Secured loans availed (Net)	107.05	(98.92)
Lease payments during the year	(58.88)	(58.15)
Net cash generated from financing activities (C)	26.24	(181.88)
Net increase in cash and cash equivalents (A+B+C)	22.08	(23.48)
Cash and cash equivalents at the beginning of the year	21.73	45.22
Cash and cash equivalents at the end of the year	43.82	21.73

(refer to note 10 - Cash and Cash Equivalents)

The notes referred to above form an integral part of the standalone cash flow statement

As per our report of even date attached

As per the report on even date

PLACE : COCHIN
DATE : 23.5.2023

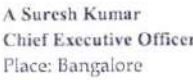
A. S. NARAYANAMOORTHY B.Com FCA
CHARTERED ACCOUNTANT
M. No. 13980

Popular Autoworks Private Limited, Kochi
CIN : U34100KL2009PTC024318


Naveen Philip
Director
DIN: 00018827
Place: Kochi
Date:


Francis K Paul
Director
DIN:00018825
Place: Kochi
Date:


John Verghese
Chief Finance Officer
Place: Kochi
Date:


A Suresh Kumar
Chief Executive Officer
Place: Bangalore
Date:


Varun T V
Company Secretary
Place: Kochi
Date:



Popular Autoworks Private Limited, Kochi - 25
(All amounts in Millions)

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

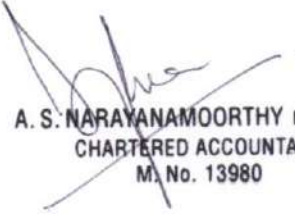
Particulars	As at 1 April 2022	Cash flows	Non cash changes		As at 31 Mar 2023
			Fair value changes	Others	
Non current borrowings *	162.54	10.88	-	-	173.42
Current borrowings	34.96	96.17	-	-	131.13
Lease liabilities (refer note 31)	473.28	(58.88)	-	107.33	521.73

Particulars	As at 1 April 2021	Cash flows	Non cash changes		As at 31 Mar 2022
			Fair value changes	Others	
Non current borrowings *	260.70	(98.16)	-	-	162.54
Current borrowings	35.72	(0.76)	-	-	34.96
Lease liabilities (refer note 31)	471.96	(58.15)	-	59.46	473.28

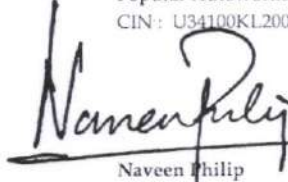
*includes current maturities of long -term borrowings
(Refer to note 10 - Cash and cash equivalents)


As per report on even date attached.

PLACE : COCHIN
DATE : 23.5.2023


A. S. NARAYANAMOORTHY B.Com FCA
CHARTERED ACCOUNTANT
M. No. 13980

for and on behalf of the Board of Directors of
Popular Autoworks Pvt Ltd
CIN : U34100KL2009PTC024318


Naveen Philip
Director
DIN: 00018827
Place: Kochi
Date:


Francis K Paul
Director
DIN:00018825
Place: Kochi
Date:


John Verghese
Chief Finance Officer
Place: Kochi
Date:

A Suresh Kumar
Chief Executive Officer
Place: Bangalore
Date:


Varun T V
Company Secretary
Place: Kochi
Date:


Ash

Popular Autoworks Private Limited, Kochi - 25
Statement of Changes in Equity
(All amounts in Millions)

A. Equity share capital

Particulars	Equity shares (In No)	Amount
Balance as at 01.04.2021	2,51,11,780	251.12
Changes in equity share capital during 2021-22	-	-
Balance as at 31.03.2022	2,51,11,780	251.12
Balance as at 01.04.2022	2,51,11,780	251.12
Changes in equity share capital during 2022-23	-	-
Balance as at 31.03.2023	2,51,11,780	251.12

B Other equity

Particulars	Reserves and surplus	Items of Other Comprehensive Income	Total other equity attributable to equity holders of the Company
	Retained Earnings	Remeasurement of net defined benefit liability / (asset), net of tax	
Balance as at 01.04. 2021	(98.66)	1.05	(97.61)
Total comprehensive income For the Year Ended 31.03.2023			
Profit/(Loss_) for the year	1.58		1.58
Other comprehensive income		(0.12)	(0.12)
Total comprehensive income	1.58	(0.12)	1.46
Balance as at 31.03. 2022	(97.08)	0.93	(96.15)
Balance as at 01.04. 2022	(97.08)	0.93	(96.15)
Total comprehensive income For the Year Ended 31.03.2023			
Profit/(Loss_) for the year	22.97		22.97
Other comprehensive income		0.49	0.49
Total comprehensive income	22.97	0.49	23.46
Balance as at 30.09. 2023	(74.11)	1.42	(72.69)

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

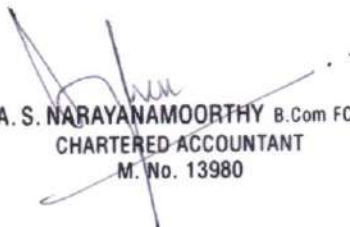
Retained earnings:

Represents accumulation of retained earnings of earlier years.

As per the report on even date

PLACE : COCHIN

DATE : 23.5.2023



A. S. NARAYANAMOORTHY B.Com FCA
CHARTERED ACCOUNTANT
M. No. 13980


for and on behalf of the Board of Directors of
Popular Autoworks Private Limited
CIN : U84100KL2009PTC024318


Naveen Philip
Director
DIN: 00018827
Place: Kochi
Date:


Francis K Paul
Director
DIN:00018825
Place: Kochi
Date:


John Verghese
Chief Finance Officer
Place: Kochi
Date:


A Suresh Kumar
Chief Executive Officer
Place: Bangalore
Date:


Varun T V
Company Secretary
Place: Kochi
Date:



Notes to the financial statements (All amounts in Indian rupees millions)

1. Company overview

Popular Autoworks Private Limited ('the Company') was incorporated in 2009 as a Private Limited Company. The Company is engaged in the business of sale and service of Passenger vehicles, sale of spare parts and accessories, The Company is headquartered in Kochi, India and has operations in Karnataka.

2. Basis of preparation

A. Statement of compliance

The Company is a subsidiary of Popular Vehicles and Services Limited whose financial statements are prepared in accordance with Companies (Indian Accounting Standard) Rules 2015 notified under section 133 of the Companies Act 2013 (the Act), as amended and other relevant provisions of the Act. Consequently, these financial statements are prepared in accordance with Companies (Indian Accounting Standard) Rules 2015. Further, being a subsidiary of an unlisted public company, this Company is also deemed to be an unlisted public company.

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

B. Functional and presentation currency

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

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for cases where fair value is applicable.

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.



3. Significant accounting policies

3.1 Property, plant and equipment

A. Recognition and measurement

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

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

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

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

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

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

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

B. Subsequent expenditure

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

C. Depreciation

Depreciation is calculated on cost of items or property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method. Leasehold improvements to buildings are amortised over the lease term or useful lives, as the case may be based on the location of the branches as per Corporate Identity (CI) norms of principals.

Branches under Segment 1 are those where the CI norms of principals are regularly reviewed and enhanced by the principals based on change in industry standards. Where the possibilities of further expansions based on change in CI norms are limited, the dealers are required to vacate and move to new locations as per CI policy. Accordingly, the leasehold improvements in such locations are amortised over the principal lease term.

The branches in Segment 2 represent service centres and other locations where the CI norms are



Popular Autoworks Private Limited
Notes to the financial statements (continued)
 (All amounts in Indian rupees millions)

not frequently reviewed and enhanced by the principals, the leasehold improvements are amortised over the useful life prescribed under Schedule II which is 60 years.

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

Class of Assets	Previous Life	Revised Life
Leasehold Building - Segment 1	15	15
Leasehold Building - Segment 2	60	60
Plant and Machinery	15	15
Electrical Equipment's	10	10
Office Equipment's	5	5
Computer and Accessories	3	3
Motor Car	8	8
Motor Cycle	10	10
Furniture and Fittings	10	10
Tools & Equipment's	15	15

* For the above mentioned classes of assets, the Company believes that the useful lives as given above best represent the useful lives of these assets based on internal assessment and supported by technical advice, where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

3.2 Intangible assets:

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

Class of assets	Years
Software	3

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

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

3.3 Employee benefits

Short-term employee benefits

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



Popular Autoworks Private Limited
Notes to the financial statements (continued)
(All amounts in Indian rupees millions)
Post-employment benefits

Defined contribution plans

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

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

The company is covered under the Group Gratuity Scheme of Life Insurance Corporation of India for future payments of Gratuity as determined on actuarial basis by LIC of India. The contribution is debited to gratuity payable.

Defined benefit plans

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

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

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

Other long term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured based on an annual independent actuarial valuation using the projected unit credit method. Re-measurement gains or losses are recognized in profit or loss in the period in which they arise.

3.4 Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by



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discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

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

3.5 Revenue

Revenue on sale of vehicles, spare parts and accessories is recognized when the risk and rewards are transferred to the customer and is accounted net of GST and trade discounts, if any.

Revenue from services is recognized on rendering of services to customers.

Discounts and incentive income is recognized when the services are rendered and as per the relevant scheme/ arrangement with the service receiver. Trade discount from principal/manufacturer are also grouped under discount/incentive. In respect of other heads of income, the Company follows the practice of recognizing income on an accrual basis.

Ind-AS 115 was effective from 1 April 2018. The effect of adoption of this standard is insignificant.

3.6 Inventories

Inventories are valued on the basis of cost or net realizable value, whichever is less.

Cost for this purpose is arrived at as follows:

- a) Vehicles, on Specific identification Basis.
- b) Spares and accessories at weighted average method.

3.7 Financial instruments

3.7.1 Recognition and initial measurement

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

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

3.7.2 Classification and subsequent measurement

Financial assets

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

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

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



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

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

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;



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- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

3.7.3 De recognition

Financial assets

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

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

Financial liabilities

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

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



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

3.7.5 *Derivative financial instruments*

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

3.8 Impairment

i) *Impairment of financial instruments*

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

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

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

ii) *Impairment of non- financial assets*

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

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



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

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

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

3.9 Ind AS -116 Leases

Ind AS 116 has replaced existing leases standard with effect from 01.04.2019, Ind AS 17 Leases (Ind AS 17) and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognizes present value of the lease payment (discounted using incremental borrowing rate) as right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments and lease rent expense will be replaced with the amortization of right-of use-asset and interest accrued on lease liability. The standard also contains enhanced disclosure requirements for lessees and will have consequential impact on cash flows categories as well. The new standard substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company has applied the provisions of this standard only in respect of those lease agreements other than short term leases. Where the non-cancellable period in the lease agreements entered into by the Company are for a period of less than one year, such leases fall within the meaning of short term lease as per the standard and thus qualifies for exemption as per para 5 to 8 of Ind AS 116. Accordingly, this standard is not applied for short term leases.

3.10 Recognition of interest income or interest expense

Interest income other than received from banks is recognized on effective interest rate basis and Interest Income from banks are based on statement received from banks.

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

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

Interest income from temporarily investing amount borrowed for construction of capital asset has been reduced from the amount of borrowing cost capitalized till the asset is substantially ready for intended use.



Popular Autoworks Private Limited
Notes to the financial statements (continued)
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3.11 Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

3.12 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.



3.13 Earnings/loss per share

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

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

3.14. Cash-flow statement

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

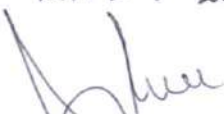
3.15. Cash and cash equivalents

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

3.16. Prior Period Items

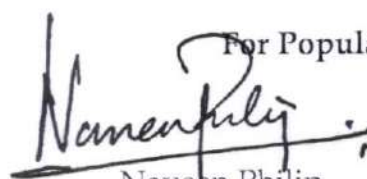
Expenses/income less than Rs. 10,00,000, if any, are not treated as prior period items as they are not material considering the scale of operations of the company. Further, expense / income relating to earlier years which crystallised during the year are not treated as prior period items.


PLACE : COCHIN
DATE : 23.5.2023


A. S. NARAYANAMOORTHY B.Com FCA
CHARTERED ACCOUNTANT
M. No. 13980


A Suresh Kumar
Chief Executive Officer
Place:
Date:



For Popular Autoworks Pvt Ltd

Naveen Philip
Director
DIN: 00018827
Place:
Date:


John Verghese
Chief Finance Officer
Place:
Date:


Francis K Paul
Director
DIN: 00018825
Place:
Date:


Varun T V
Company Secretary
Place:
Date:

4 (i) Property, plant and equipment

Particulars	Buildings (#)	Furniture and fixtures	Electrical equipment	Plant and machinery	Motor car	Motor Cycle	Computer Equipment	Office equipment	Total	Capital work- in-progress
Gross Block										
Balance at 1.04.2021	173.79	63.11	25.47	101.26	48.98	0.04	7.91	18.40	438.97	-
Additions/(transfers)	12.11	1.36	3.32	4.47	7.70	-	0.61	0.98	30.56	-
Disposals	1.84	-	-	-	6.09	-	-	-	7.92	-
Balance at 31.03.2022	184.07	64.48	28.79	105.73	50.60	0.04	8.52	19.37	461.61	-
Balance at 1.04.2022	184.07	64.48	28.79	105.73	50.60	0.04	8.52	19.37	461.61	-
Additions/(transfers)	28.37	11.51	4.83	16.69	0.86	-	0.50	0.37	63.13	-
Disposals	-	-	-	-	7.48	-	-	-	7.48	-
Balance at 31.03.2023	212.44	75.99	33.62	122.42	43.97	0.04	9.02	19.74	517.25	-
Accumulated Depreciation										
Balance at 01.04.2021	73.74	20.27	12.01	28.57	14.69	0.01	6.14	9.17	164.62	-
Depreciation for the year	4.39	5.71	2.54	7.27	5.77	0.03	1.04	2.60	29.36	-
Disposals	-	-	-	-	2.34	-	-	-	2.34	-
Balance at 31.03.2022	78.13	25.98	14.55	35.84	18.13	0.04	7.18	11.78	191.63	-
Balance at 01.04.2022	78.13	25.98	14.55	35.84	18.13	0.04	7.18	11.78	191.63	-
Depreciation for the year	36.87	6.47	3.61	8.22	4.88	-	0.88	2.82	63.74	-
Disposals	-	-	-	-	3.80	-	-	-	3.80	-
Balance at 31.03.2023	115.00	32.45	18.16	44.06	19.20	0.04	8.06	14.60	251.57	-
Carrying amounts (net)										
at 31.03.2023	97.44	43.54	15.46	78.35	24.77	-	0.96	5.14	265.68	-
at 31.03.2022	105.93	38.50	14.24	69.89	32.47	-	1.35	7.60	269.97	-

Include building constructed on leasehold land

Particulars	At 31st March 2023		At 31st March 2022	
	Gross block	Net block	Gross block	Net block
Building	212.44	97.44	184.07	105.93

Note

1) The showroom and service centre located at NH 75, Mangalore - Bangalore Highway, Dakshina Kannada, Karnataka was vacated by the Company during the year 2022-23 based on instructions from principals and facilities were moved to new location at NH-17, Derebail village, Ashok Nagar, Mangaluru, Dakshina Kannada, Karnataka. The leasehold improvements and other fixed assets which could not be dismantled and moved to new location can no longer be used by the Company and hence the useful life of such assets are treated as NIL as on the date from when the branch at Mangalore - Bangalore Highway was vacated. Accordingly, the written down value of such assets as on the date of vacating the branch amounting to Rs.33.64 millions is fully written

Ageing details of capital work in progress

Description	As at 31.03.2023	As at 31.03.2022
Projects in progress		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	-	-
Projects temporarily suspended		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	-	-



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5 Other Intangibles assets

Particulars	Software	Total
Gross Block		
Balance at 01.04.2021	1.13	1.13
Additions	0.51	0.51
Balance at 31.03.2022	1.65	1.65
Balance at 01.04.2022	1.65	1.65
Additions	0.18	0.18
Balance at 31.03.2023	1.82	1.82
Accumulated Amortisation		
Balance at 01.04.2021	1.13	1.13
Amortisation for the year	0.08	0.08
Balance at 31.03.2022	1.21	1.21
Balance at 01.04.2022	1.21	1.21
Amortisation for the year	0.22	0.22
Balance at 31.03.2023	1.43	1.43
Carrying amounts (net)		
at 31.03.2023	0.39	0.39
at 31.03.2022	0.43	0.43



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Notes to the financial statements (continued)
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	As at 31.03.2023	As at 31.03.2022
6 Other Financials Asset		
Non Current		
Rent and other deposits	21.34	16.37
	21.34	16.37
7 Other assets		
Non-current		
<i>Considered good - Unsecured</i>		
Prepayments	21.81	17.10
Advances for capital goods	0.42	6.06
	22.24	23.16
Current		
<i>Considered good - Unsecured</i>		
Prepayments	1.95	3.46
Balance with statutory / government authorities	9.74	-
Advance to staff	0.22	0.08
Payment to vendors for supply of goods and services	16.33	10.36
	28.24	13.89
	50.47	37.05
8 Inventories		
(Valued at lower of cost and realisable value)		
New vehicles	146.38	71.17
Goods in transit- vehicle	-	12.96
Used cars	35.12	27.61
Spares and lubricants	28.75	19.70
Goods in transit- spares	1.94	1.63
Accessories	7.49	7.38
	219.67	140.45
Less: Provision for obsolete inventory	14.04	10.83
	205.62	129.62
For details of inventories hypothecated, refer note 12		



Popular Autoworks Private Limited, Kochi - 25
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9 Trade receivables	-	-
Secured, considered good		
Unsecured, considered good	-	-
From related parties		
Other than related parties	-	-
which have significant increase in credit risk	0.30	1.68
credit impaired	(0.30)	(1.68)
Less: Allowance for expected credit loss	40.24	41.22
Others	40.24	41.22
Net trade receivables	40.24	41.22
Trade receivable Ageing schedule		
Outstanding for following periods from due date of payment		
(i) Undisputed Trade receivables - considered good		
Less than 6 months	40.21	39.98
6 months -1 year	0.03	1.24
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	40.24	41.22
(ii) Undisputed Trade Receivables - Which have significant increase in credit risk		
Less than 6 months	-	-
6 months -1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	-	-
(iii) Undisputed Trade Receivables - credit impaired		
Less than 6 months	0.09	0.44
6 months -1 year	0.17	0.68
1-2 years	-	0.43
2-3 years	0.04	0.13
More than 3 years		
Total	0.30	1.68
	40.54	42.89
10 Cash and cash equivalents		
Balance with banks	0.43	0.00
- in current accounts	0.11	0.10
- in deposit accounts	43.25	21.51
- in cash credit accounts	0.02	0.02
Cash on hand	-	0.10
Cheques in hand		
Cash and cash equivalents in balance sheet	43.82	21.73



11 Share capital	As at 31.03.2023		As at 31.03.2022	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of INR 10 each	2,80,00,000	280.00	2,80,00,000	280.00
	2,80,00,000	280.00	2,80,00,000	280.00
Issued, subscribed and paid-up				
Equity shares of INR10 each, fully paid-up	2,51,11,780	251.12	2,51,11,780	251.12
	2,51,11,780	251.12	2,51,11,780	251.12

Shares held by promoters at the Period end of the year				% Change during the year
S. No	Promoter name	No. of Shares**	% of total shares**	
1	Popular Vehicles and Services Limited	2,51,11,779	100.00	-
2	Mr. Naveen Philip (nominee of Popular Vehicles and Services Limited)	1	0.00	-
	Total	2,51,11,780	100.00	-

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity shares of INR.10 each fully paid-up				
At the beginning of the year	2,51,11,780	251.12	2,51,11,780	251.12
Addition Current Year	-	-	-	-
At the end of the year	2,51,11,780	251.12	2,51,11,780	251.12

(a) Rights, preferences and restrictions attached to equity shares

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

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

	As at 31.03.2023		As at 31.03.2022	
	Number of shares (in millions)	% holding in the class	Number of shares (in millions)	% holding in the class
Equity shares of INR.10 each fully paid-up				
a) Popular Vehicles and Services Limited	2,51,11,780	100%	2,51,11,780	100%

The company is a wholly owned subsidiary of Popular Vehicles and Services Limited



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Notes to the financial statements (continued)
(All amounts in Millions)

	As at 31.03.2023	As at 31.03.2022
12 Borrowings		
Non-current		
Secured		
Term loans from banks (Refer Note 1 & 6 below)	63.24	77.84
Term loans from financial institution (Refer Note 2 below)	18.21	-
Intercorporate Loans (Refer Note 4 below)	31.53	39.19
	112.98	117.03
Current		
Unsecured		
Loan from directors (Refer Note 5 below)	34.50	34.50
Secured		
Short term loan from banks (Refer Note 3 below)	96.63	0.15
Cash credit and overdraft facilities from banks	-	0.31
Current maturities of long term debt	60.43	45.51
	191.57	80.48
	304.55	197.50

A Secured bank loans and unsecured loans

Note 1: Term loans from bank includes Term loan from Kotak Mahindra Bank Limited is secured by charge on all spares, accessories, debtors and used cars stock of Bangalore division and stock of Mangalore Division, exclusive charge on spares and book debts of Mangalore Division, collateral security by way of equitable mortgage on properties owned by Kuttukaran Trading Ventures; equitable mortgage on Land & Building owned by Kuttukaran Homes LLP property owned by Directors as common collateral for the group and personal guarantee of Directors. The loan is repayable in instalments ranging from 11 to 57 instalments; along with corporate guarantee of companies in which directors' are interested.

Note 2: Term loans from Financial institution includes vehicle loans from Sundram Finance Limited are secured by Hypothecation of the Vehicles financed by them With personal guarantee of Directors. The loans are repayable in 3 to 24 instalments.

Note 3: Short Term loans from Banks Includes Inventory funding from Kotak Bank Limited, ICICI bank Ltd and Axis Bank Ltd are secured by charge on stock and book debts.

Note 4 The interest rate on unsecured Inter Corporate loan from the Holding company Popular Vehicles and Services Limited is 8.85% p.a

Note 5 The unsecured loans obtained from Director's are interest free. There is no condition for repayment either.

Note 6 The Company has availed during the FY2020-2021 working capital term loan under ECLGS scheme from Axis Bank Ltd Rs 19.7 Million at the rate of interest 8.4% and from ICICI Bank Ltd Rs 14.2 Million at a rate of interest 9.25%. The tenure of the loan is 48 months. Only interest is to be paid on first year of loan and principal will be paid in 36 equal instalments after year one of disbursement. These loans are secured by National Credit Guarantee Trustee Company (NCGTC) and charge on stock and book debts of the Company on second ranking basis. Further the company had availed working capital term loan under ECLGS scheme from Kotak Mahindra Bank Rs. 21.40 Million at the rate of interest 8.25% Same is also secured by National Credit Guarantee Trustee Company Limited. The tenure and other condition same as Axis Bank and ICICI Bank.

Statement of details of terms and conditions of the current and non-borrowings.

Nature of borrowing	Security terms	As at 31.03.2023	As at 31 March 2022
Non-current, secured			
Term loans from banks	a) Personal Guarantee, Corporate Guarantee, Equitable Mortgage of Land & Building, Hypothecation on Current asset b) Second Charge on primary securities available for existing facilities	96.82	104.05
Term loans from financial institutions	a) Personal Gaurantee of Naveen Philip b) Personal Gaurantee of Naveen Philip, John K Paul and Francis K Paul.	37.90	11.61
Intercorporate Loans	As per the agreed terms the loans were repayable with in a period of 7 years	38.70	46.88
Current, secured			
Cash credit and overdraft facilities from banks	a) Personal Gaurantee of Naveen Philip, John K Paul and Francis K Paul,	-	0.31
Short term loan from banks	a) Personal Guarantee, Corporate Guarantee, Hypothecation on Current asset b) Personal Guarantee, Corporate Guarantee, Equitable Mortgage of Land & Building, Hypothecation on Current asset	96.63	0.15
Short term loan from financial institutions	a) Personal Gaurantee of Naveen Philip b) Personal Gaurantee of Naveen Philip, John K Paul and Francis K Paul.	-	-
Loans from directors	As per the agreed terms the loans were repayable with in a period of one year from the balance sheet date.	34.50	34.50
Total		304.55	197.50

Note:
The balance includes current maturities of long-term borrowings



13 Other financial liabilities		
Current		
Interest accrued and due on borrowings	0.44	0.15
Accrued salaries and benefits	8.74	7.62
Dues to creditors for expenses and others	1.82	6.71
Dues to related parties	0.61	0.25
Dues to creditors for capital goods	0.85	1.45
	12.47	15.58
14 Provisions		
Non-current		
<i>Provision for employee benefits</i>		
Provision for employee Gratuity	3.42	4.11
Compensated absences	1.41	1.70
	4.83	5.81
Current		
<i>Provision for employee benefits</i>		
Provision for employee Gratuity	-	1.50
Compensated absences	0.70	0.79
	0.70	2.29
	5.53	8.10
15 Other liabilities		
Non-current		
Advance from vendors for rebates	-	-
	-	-
Current		
Advance from vendors for rebates	1.50	0.90
Contract liabilities	66.66	71.20
Statutory dues payables	4.44	12.23
	72.60	84.33

The contract liabilities primarily relate to the advance received from the customers for the sale of vehicles. This will be recognised as revenue as and when the Company meet the performance obligation by delivering the vehicles.

16 Trade payables		
Due to MSME	0.04	0.03
Dues to others	20.05	18.58
	20.09	18.62
Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:		
The principal amount remaining unpaid to any supplier as at the end of the year	0.04	0.03
The interest due on the principal remaining outstanding as at the end of the year	-	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-
Trade Payables ageing schedule		
(i)MSME		
Less than 1 year	0.04	0.03
1-2 years		
2-3 years		
More than 3 years		
Total	0.04	0.03
(ii)Others		
Less than 1 year	13.88	14.67
1-2 years	2.25	3.91
2-3 years	3.91	
More than 3 years		
Total	20.05	18.58
(iii) Disputed dues - MSME	-	-
(iv) Disputed dues - Others	-	-
	20.09	18.62



(All amounts in Millions)

	Year ended 31 March 2023	Year ended 31 March 2022
17 Revenue from operations		
Sales-new vehicles	1,128.04	978.48
Sales spares and accessories	336.40	266.13
Sales-used vehicles	177.47	207.75
Labour income	95.70	88.88
Total	1,737.62	1,541.24
Other operating revenues		
Discounts and incentives	70.73	58.81
Finance and insurance commission	15.71	12.61
Total	86.43	71.43
Grand Total	1,824.05	1,612.66
Reconciliation of revenue from sale of products and services		
Gross revenue	1,741.02	1,545.85
Less: Discount allowed	3.40	4.61
	1,737.62	1,541.24

(A) Disaggregate of revenue information

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue by nature		
Luxury vehicles	1,305.51	1,186.23
Others	518.54	426.44
	1,824.05	1,612.66
Revenue by contract type		
Fixed price	1,824.05	1,612.66

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Trade receivables	40.24	41.22
Contract liabilities	66.66	71.20

(C) Transaction price allocated to remaining performance obligations

The following table includes revenue expected to be recognised in the future related to

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Within 1 year	66.66	71.20
1-3 years		
More than 3 years		
Closing balance	66.66	71.20



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Notes to the financial statements (continued)
(All amounts in Millions)

18	Other income		
	Interest on Rent deposits (Notional)	1.46	1.46
	Interest on Fixed deposits with banks	0.01	0.39
	Interest on IT Refund	0.36	0.27
	Credit balances written back	1.99	8.97
	Provision for doubtful debt written back	1.38	-
	Miscellaneous income	7.97	5.16
	Lease Liability Write Back	35.18	-
	Rent Concession	-	0.35
	Gain on sale of property, plant and equipments(net)	0.62	0.35
		48.97	16.95
19	Purchase of stock-in-trade		
	Purchase-new vehicles	1,129.63	866.08
	Purchase-used vehicles	176.85	194.28
	Purchase-spare and accessories	281.51	225.21
		1,587.99	1,285.58
20	Change in inventories of stock-in-trade		
	Opening stock	115.10	167.99
	Closing stock	203.76	115.10
		(88.66)	52.90
21	Employee benefits expense		
	Salaries and allowances	86.04	81.49
	Contribution to provident and other funds	3.34	3.45
	Provision for Gratuity	1.12	1.07
	Staff recruitment	0.61	0.30
	Staff welfare expense	4.55	4.08
		95.66	90.38
22	Finance cost		
	Interest on borrowings	21.93	24.81
	Corporate guarantee commission	0.07	-
	Interest on Lease Liability	44.55	41.57
	Interest - Others	0.28	0.20
		66.82	66.58
23	Depreciation and amortisation Expenses		
	Depreciation on property, plant and equipment	63.74	29.36
	Amortisation on intangible assets	0.22	0.08
	Amortisation on Right of Use (ROU) Asset	41.61	39.02
		105.57	68.46
24	Other expenses		
	Transportation charges	1.82	0.94
	Power, water and fuel	8.91	9.91
	Consumables	0.24	0.26
	Pre delivery inspection charges	3.36	2.88
	Insurance	3.34	4.09
	Repairs and maintenance - others	10.18	5.80
	Communication	1.45	1.55
	Advertisement and promotional expenditure	2.47	4.88
	Rates and taxes	5.17	4.33
	Legal, professional and other consultancy	9.05	2.92
	Travelling and conveyance	5.11	2.45
	Housekeeping and security	16.49	15.94
	Rent	0.65	0.56
	Printing and stationery	0.71	0.56
	Office expenses	1.56	1.06
	Bad debts written off	0.01	0.17
	Provision for bad & doubtful debts	-	0.59
	Bank charges	1.62	1.99
	Miscellaneous expenses	0.43	0.49
		72.59	61.37



	As at 31 Mar 2023	As at 31 March 2022
25 Income Tax Assets (Net)		
Advance Income Tax (Net of provision), TDS, TCS	4.70	10.16
MAT Credit Entitlement	16.18	13.68
Current income tax liabilities		
Net Income assets/(liability) at the end	20.89	23.84
Deferred tax assets/(liabilities)		
Deferred income tax assets		
Allowance for expected credit loss	0.08	0.47
Provision for employee benefits	2.39	3.07
Section 35D disallowed portion	0.10	0.10
Unabsorbed depreciation and business loss	-	5.79
IND AS 116	24.27	26.83
Depreciation	5.60	(0.96)
Total deferred income tax assets	32.44	35.30
Deferred income tax liabilities		
Total deferred income tax liabilities	-	-
Deferred income tax assets after set off (Refer Note below)	32.44	35.30

Movement in temporary differences

	As at 1 April 2022	Recognised through retained earning	Charge/ (credit) in the statement of profit and loss	Charge/ (credit) in other comprehensive income	As at 31 Mar 2023
Movement during the year ended 31 Mar 2023					
MAT credit entitlement	-	-	-	-	-
Unabsorbed depreciation and business loss	5.79	-	5.79	-	0.08
Allowance for expected credit loss	0.47	-	0.38	-	2.39
Provision for employee benefits	3.07	-	0.79	(0.11)	0.10
Other timing differences	0.10	-	-	-	24.27
Lease liabilities, impact on account of Ind AS 116	26.83	-	2.57	-	5.60
Excess of depreciation on property, plant and equipment under Income Tax	(0.96)	-	(6.56)	-	-
Net deferred tax asset/ (liability) at the end of the year	35.30	-	2.97	(0.11)	32.44

	As at 1 April 2021	Recognised through retained earning	Charge/ (credit) in the statement of profit and loss	Charge/ (credit) in other comprehensive income	As at 31 March 2022
Movement during the year ended 31 Mar 2022					
MAT credit entitlement	-	-	-	-	5.79
Unabsorbed depreciation and business loss	12.72	-	6.93	-	0.47
Allowance for expected credit loss	0.30	-	(0.17)	-	3.07
Provision for employee benefits	2.73	-	(0.37)	0.02	0.10
Other timing differences	0.20	-	0.10	-	26.83
Lease liabilities, impact on account of Ind AS 116	21.10	-	(5.73)	-	(0.96)
Excess of depreciation on property, plant and equipment under Income Tax	1.05	-	2.01	-	-
Net deferred tax asset/ (liability) at the end of the year	38.10	-	2.77	0.02	35.30

Deferred tax assets and deferred tax liabilities have been offset wherever the management has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. In assessing the realizability of deferred tax assets, the management considers the extent to which, it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible.

	As at 31 Mar 2023	As at 31 March 2022
Income tax expense / (benefits)		
Current tax	5.29	4.33
Less : MAT Credit Entitlement	1.83	(4.33)
Deferred tax	(2.97)	(2.77)
	4.15	(2.77)

Particulars	As at 31 Mar 2023	As at 31 March 2022
Income tax expense for the year reconciled to the accounting profit		
Profit/ (Loss) before tax	33.05	4.35
Income tax expense		
Current tax	5.29	4.33
MAT Credit	1.83	(4.33)
Deferred tax	2.97	2.77
Profit after tax	22.97	1.58
Income tax rates	27.8%	27.8%
Income Tax expense	9.19	1.21
Admissible Expenses	(-11.70)	(10.30)
Inadmissible Expenses	18.93	10.18
Ind AS Adjustments	(2.61)	5.84
Unabsorbed Depreciation	(6.70)	(6.93)
Income tax expense recognised in profit or loss	7.11	0.00

Particulars	As at 31 March 2023	Expiry date	As at 31 March 2022	Expiry date
Brought forward losses - allowed to carry forward for specific period		-	-	-
Long term capital loss - allowed to carry forward for specific period		-	-	-
Unabsorbed depreciation- allowed to carry forward for infinite period		-	20.82	-



26 Contingent liabilities and commitments

Particulars	As at 31.03.2023	As at 31.03.2022
Contingent liabilities		
Unexpired capital commitments	-	1.34

27 Earnings/(loss) per share

A. Basic earnings/(loss) per share

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

i) Net profit/(loss) attributable to equity share holders (basic)

Particulars	As at 31.03.2023	As at 31.03.2022
Profit/Loss for the year, attributable to the equity share holders(A)	23.46	1.47

ii) Weighted average number of equity shares (basic)

Particulars	As at 31.03.2023	As at 31.03.2022
Number of equity shares at the beginning of the year.(Refer note 12)	2,51,11,780	2,51,11,780
Effect of Fresh Issue of Shares	-	-
Weighted average number of equity shares of INR 10 each during the year(B)	2,51,11,780	2,51,11,780
Earnings / (loss) per share, basic (A/B)	0.93	0.06

B. Diluted earnings/(loss) per share

The calculation of profit/loss attributable to equity share holders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares is as follows:

i) Net profit/(loss) attributable to equity share holders (diluted)

Particulars	As at 31.03.2023	As at 31.03.2022
Net profit/(loss) for the year, attributable to the equity share holders(A)	23.46	1.47

ii) Weighted average number of equity shares (diluted)

Particulars	As at 31.03.2023	As at 31.03.2022
Weighted average number of equity shares of INR 10 each for the year (basic)	2,51,11,780	2,51,11,780
Earnings / (loss) per share, diluted(A/B)	0.93	0.06

28 *Auditors Remuneration*

Particulars	As at 31.03.2023	As at 31.03.2022
Statutory audit	0.20	0.20
Total	0.20	0.20



29 i) IndAS 116

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2018 for the limited purpose of compilation of financials statements. Ind AS replaces Ind AS 17 - Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in the retained earnings at April 1, 2018.

Following are the changes in the carrying value of right of use assets for the Year Ended Mar 31, 2023 and March 31, 2022

Particulars	As at 31.03.2023	As at 31.03.2022
Balance as of April 1, 2022	376.83	396.11
Additions	159.40	17.89
Deletions	62.09	-
Less: Depreciation	39.63	37.16
Closing Balance	434.50	376.83

The aggregate depreciation expense on ROU asset is included under depreciation and amortisation expense in the Statement of Profit and Loss

The following is the breakup of current and non-current lease liabilities as at Mar 31, 2023

Particulars	As at 31.03.2023	As at 31.03.2022
Current lease liabilities	13.70	16.20
Non-current lease liabilities	508.03	457.08
Total	521.73	473.28

The following is the movement in lease liabilities during the Year Ended Mar 31, 2023

Particulars	As at 31.03.2023	As at 31.03.2022
Balance as of April 1, 2021	473.28	471.96
Additions	159.40	17.89
Deletion	96.62	-
Add: Finance Cost accrued during the period as per IND AS 116	44.55	41.57
Less: Accrued Rent for the year	58.88	57.79
Less: Rent concession for the period	-	0.35
Closing Balance	521.73	473.28

ii) Maturity Analysis-contractual undiscovered cashflows

Particulars	As at 31.03.2023	As at 31.03.2022
Less than one year	57.74	56.41
one to five year	261.24	301.47
More than five year	540.44	430.06
Total undiscovered Lease Liabilities	859.42	787.94



A Defined contribution plan

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

B Defined Benefit Plan

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

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

Reconciliation of the projected Defined benefit plan

Particulars	As at 31.03.2023	As at 31.03.2022
Defined Benefit Plan	5.13	5.81
Plan Assets	1.71	0.20
Net Defined benefit liability/(Asset)	3.42	5.61
Liability for compensated absences	2.11	2.50
Total employee benefit liability	5.53	8.10
Non-current defined benefit liability	4.83	5.81
Current defined benefit liability	0.70	2.29

C Reconciliation of net defined benefit (assets)/liability

i) Reconciliation of present values of defined benefit obligation

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

Particulars	As at 31.03.2023	As at 31.03.2022
Defined benefit obligation as at the beginning of the year	5.81	4.76
Current service cost	1.12	1.07
Past service cost	0.27	0.20
Interest cost	(1.71)	(0.32)
Benefits paid		
Re-measurements		
Actuarial Gain/(loss) recognised in other comprehensive income	(0.16)	(0.12)
-changes in financial assumptions		
-changes in demographic assumptions	(0.20)	0.22
-changes in experience over the past period		
Defined benefit obligation as at the end of the year	5.13	5.81

ii) Reconciliation of present value of plan assets

Particulars	As at 31.03.2023	As at 31.03.2022
Plan assets at the beginning of the year	0.20	0.19
Contributions paid into the plan	3.21	0.32
Benefits paid	(1.71)	(0.32)
Interest income	(0.01)	0.00
Re-measurements		
- changes in demographic assumptions	0.02	0.01
- return on plan asset	1.71	0.20
Balance at the end of the year	3.42	5.61
Net defined benefit liability		



(All amounts in Millions)

D Expenses recognised in the statement of profit and loss

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

Particulars	As at 31.03.2023	As at 31.03.2022
Current service cost	1.12	1.07
Past service cost		
Net interest on net defined liability	0.28	0.20
Employer Contribution		
Net gratuity cost	1.40	1.27

(ii) Remeasurements recognised in other comprehensive income

Particulars	As at 31.03.2023	As at 31.03.2022
Actuarial (gain)/ loss on defined benefit obligation	(1.80)	(1.42)
Return on plan asset excluding interest income	(0.02)	(0.01)
Net gratuity cost	(1.82)	(1.42)

E Plan Asset

Plan asset comprises of the following:

Particulars	As at 31.03.2023	As at 31.03.2022
Funds managed by Life Insurance Corporation of India	1.71	0.20

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

F Defined Benefit Obligation

(i) Actuarial Assumptions

Particulars	As at 31.03.2023	As at 31.03.2022
Discount rate	7.30%	5.40%
Salary growth rate	7.00%	6.00%
Attrition rate	29% p.a withdrawal rate at all ages	29% p.a withdrawal rate at all ages
Weighted average duration of defined benefit obligation	3.43 years	3.15 years

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

Assumptions regarding future mortality experience are set in accordance with the standard table - IALM 2012-14 (Ultimate). The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on prevailing market yields of government securities.

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

(ii) Sensitivity analysis

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

Particulars	As at 31.03.2023		As at 31.03.2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(1.69)	1.74	(1.76)	1.80
Future salary growth (0.5% movement)	1.74	(1.70)	1.82	(1.76)

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



Popular Autoworks Private Limited

(All amounts are in Indian Rupees in millions, unless otherwise stated)

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

B Financial risk management

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

i) Risk management framework

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

ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The maximum exposure to credit risk for trade receivables was as follows;

Particulars	As at 31 Mar 2023	As at 31 March 2022
Trade receivables	40.54	42.89
	40.54	42.89

Impairment analysis

The ageing of trade receivables is as follows:

Particulars	As at 31 Mar 2023	As at 31 March 2022
Less than 1 year	40.50	42.33
1-2 years	-	0.43
2-3 years	0.04	0.13
More than 3 years	40.54	42.89

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

Allowance for credit loss	As at 31 Mar 2023	As at 31 March 2022
Balance at the beginning	1.68	1.09
Provision created during the year	-	-
Impairment loss recognised/ (reversed)	(1.38)	0.59
Balance at the end	0.30	1.68

No single customer accounted for more than 10% of the revenue. There is no significant concentration of credit risk.

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

iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 Mar 2023:

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 Mar 2023:

Particulars	Payable within	More than 1 year	Total
Trade payables	20.09		20.09
Borrowings #	191.57	112.98	304.55
Lease liabilities	13.70	508.03	521.73
Other financial liabilities	12.47	-	12.47

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

Particulars	Payable within	More than 1 year	Total
Trade payables	18.62		18.62
Borrowings #	80.48	117.03	197.50
Lease liabilities	16.20	457.08	473.28
Other financial liabilities	15.58	-	15.58



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

iv) Market risk

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

Foreign currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currency of the Company. The functional currency of the Company is INR and the Company does not have any material foreign currency transactions during the Year Ended 31 Mar 2023 and 31 March 2022

Cash flow and fair value interest rate risk

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

(a) Interest rate risk exposure

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

Financial liabilities (bank borrowings)	As at 31 Mar 2023	As at 31 March 2022
Variable rate long term borrowings including current maturities	134.72	115.66

Sensitivity Particulars	Impact on profit or (loss)		Impact on other components of equity	
	As at 31 Mar 2023	As at 31 March 2022	As at 31 Mar 2023	As at 31 March 2022
1% increase in variable rate	(1.35)	(1.16)	(0.97)	(0.83)
1% decrease in variable rate	1.35	1.16	0.97	0.83

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



Popular Autoworks Pvt Ltd

(All amounts are in Indian Rupees in millions, unless otherwise stated)

33 Financial Instruments- Fair values and risk management

A Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 31 Mar 2023

Particulars	Note	Carrying amount				Fair value			
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value									
Cash and cash equivalents	Note 9	43.82	-		43.82				
Trade receivables		40.24	-		40.24				
Other Financials Asset	6	1.00			1.00				
Financial assets measured at fair value									
Rent Deposit (included in Other Financial Assets)			20.34		20.34			20.34	
Investments									
Total		85.06	20.34	-	105.39	-	-	20.34	-
Liabilities									
Financial liabilities measured at amortised cost									
Trade payables	16			20.09	20.09				
Borrowings #	12			304.56	304.56				
Lease liabilities	29			521.73	521.73				
Other financial liabilities	13			12.47	12.47				
Total		-	-	858.84	858.84	-	-	-	-

As at 31 Mar 2022

Particulars	Note	Carrying amount				Fair value			
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value									
Cash and cash equivalents	10	21.73	-		21.73				
Trade receivables	9	41.22	-		41.22				
Other Financials Asset	6	2.25			2.25				
Financial assets measured at fair value									
Rent Deposit (included in Other Financial Assets)			14.12		14.12			14.12	
Investments									
Total		65.20	14.12	-	79.33	-	-	14.12	-
Liabilities									
Financial liabilities measured at amortised cost									
Trade payables	16			18.62	18.62				
Borrowings #	12			197.50	197.50				
Lease liabilities	29			473.28	473.28				
Other financial liabilities	13			15.58	15.58				
Total		-	-	704.98	704.98	-	-	-	-

Represents borrowings (short term and long term).

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

Represents borrowings (short term and long term)

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

Represents borrowings (short term and long term) and current maturities of long term borrowings included in other current financial liabilities.

Measurement of fair values

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

Level 1 fair values

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

Level 2 fair values

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

Level 3 fair values

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

The quantitative sensitivity analysis of level 3 fair value of financial instrument As at 31 Mar 2023, has not been disclosed as it is not material to the Company.



34 Ratios as per the Schedule III requirements

1 Current Ratio = Current Assets divided by Current Liabilities

Particulars	March 31,2023	March 31,2022
Current Assets	317.92	206.46
Current Liabilities	311.13	217.49
Ratio	1.02	0.95
% Change from previous year	7.64%	-1.68%

2 Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	March 31,2023	March 31,2022
Short Term Borrowings [a] *	191.57	80.48
Non Current Borrowings [b]	112.98	117.03
Total debt	304.56	197.50
Total equity	178.42	154.97
Ratio	1.71	1.27
% Change from previous year	33.93%	-34.00%

* Short Term Borrowings includes Current Maturities of Non Current Borrowings

Reason for change more than 25%:

The ratio of FY 23 varied more than 25% compared to FY 22 due to increase in the working capital loan.

Debt Service Coverage Ratio [EBITDA/(Interest Cost +Current maturities of non current borrowings +short term borrowings)]

3

Particulars	Year Ended 31 Mar 2023	Year Ended 31 March 2022
EBITDA	205.44	139.38
Interest Cost	12.93	12.49
Short Term Borrowings	191.57	80.48
Long Term Borrowings	112.98	117.03
Debt Service Coverage Ratio	0.65	0.66
% Change from previous year end	-2.51%	20.31%

4 Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	March 31,2023	March 31,2022
Net Profit after tax*	22.97	1.58
Total equity	178.42	154.97
Ratio	0.13	0.01
% Change from previous year	1164.19%	-105.51%

Reason for change more than 25%:

a)In FY 2022-2023 ratio increased to 0.17 from 0.01 and it is due to higher margin sales

5 Net profit ratio = Net profit after tax divided by Sales

Particulars	March 31,2023	March 31,2022
Net Profit after tax*	22.97	1.58
Sales*	1,824.05	1,612.66
Ratio	0.013	0.001
% Change from previous year	1187%	-105%

Reason for change more than 25%:

a)In FY 2022-2023 ratio increased due to increase in the sale value and margin value increased



(All amount in millions)

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

Particulars	March 31,2023	March 31,2022
Purchase of stock in trade [a]*	1,587.99	1,285.58
Changes in inventories of stock-in-trade [b]	(88.66)	52.90
Cost of Material Consumed [a]+[b]	1,499.33	1,338.47
Closing Inventory	205.62	129.62
Ratio	7.29	10.33
% Change from previous year	-29.4%	68.4%

Reason for change more than 25%:

a) In FY 2022-2023 ratio decreased to 7.29 from 10.33 and it is due to increase in the vehicle stock value.

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

Particulars	March 31,2023	March 31,2022
Total income*	1,873.02	1,629.62
Current Asset [a]	317.92	206.46
Current Liability [b]	311.13	217.49
Net Working Capital [a]-[b]	6.79	(11.03)
Ratio	275.85	(147.74)
% Change from previous year	-286.7%	11.8%

Reason for change more than 25%:

a) In FY 2022-2023 ratio varied more than 25% due to increase in the working capital loan

8 Trade Receivable Turnover Ratio [Total Income/Trade Receivable]

Particulars	March 31,2023	March 31,2022
Total Income*	1,873.02	1,629.62
Trade Receivable	40.24	41.22
Trade Receivable Turnover Ratio	46.54	39.54
% Change from previous year end	17.7%	55.6%

9 Return on Capital employed=Earnings before interest and taxes(EBIT) divided by Capital Employed

Particulars	March 31,2023	March 31,2022
EBIT*	99.87	70.93
Total Asset [a]	1,115.40	952.37
Current Liability [b]	311.13	217.49
Capital Employed [a]-[b]	804.27	734.88
Ratio	0.12	0.10
% Change from previous year	28.7%	86.7%

Reason for change more than 25%:

a) Ratio in FY 2022-2023 varied more than 25 % due to increase in the gross margin amount and sales value.

10 Trade Payable Turnover Ratio [Purchase of stock in trade/Trade payable]

Particulars	March 31,2023	March 31,2022
Purchase of Stock in trade*	1,587.99	1,285.58
Trade Payable	20.09	18.62
Trade Payable Turnover Ratio	79.04	69.06
% Change from previous year end	14.4%	19.8%



35 Capital Management

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

Particulars	As at 31-Mar-23	As at 31-Mar-22
Total equity attributable to the equity shareholders of the Company	178.42	154.97
As a percentage of total capital	37%	44%
Long-term borrowings	112.98	117.03
Short-term borrowings	191.57	80.48
Total borrowings	304.55	197.50
As a percentage of total capital	63%	56%
Total capital (equity and borrowings)	482.98	352.47



Popular Autoworks Private Limited, Kochi - 25
Notes to the financial statements (continued)
(All amount in millions)

36 Related parties

I. Names of related parties and description of relationship:

(a) Holding Company

Popular Vehicles and Services Limited

(b) Fellow Subsidiary

Popular Mega Motors India Private Limited
Vision Motors Private Limited
Popular Auto Dealers Private Limited
Kuttukaran Cars Private Limited (Formerly known as Prabal motors Private Ltd)

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

- Key management personnel and their relatives (KMP)

Mr. Naveen Philip, Director
Mr. Francis K Paul, Director
Mr. John K Paul, Director
Mr. Maniyara Abraham Sajjan, Director
Mr. Jyothish Madhavanpillai, Director

- Entities in which KMP has significant influence

Kuttukaran Institute for Human Resource Development, India
Prabal Motors Private Limited (Formerly Known as Popular Kuttukaran Cars Pvt Ltd)
Keracon Equipment Private Limited
Kuttukaran Trading Ventures

II. Related party transactions:

(a) The Company has entered into the following transactions with related parties :

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Interest Expense		
Popular Vehicles and Services Limited	4.67	6.42
Other support received		
Popular Vehicles and Services Limited	0.18	0.12
Guarantee Commission		
Popular Vehicles and Services Limited	0.07	-
Purchase of fixed asset		
Vision Motors Pvt Ltd	-	2.37
Purchase of goods		
Popular Auto Dealers Private Limited	3.10	2.79
Sale of goods		
Popular Vehicles and Services Limited	0.39	-
Payment for services		
Popular Vehicles and Services Limited	4.29	1.14
Popular Auto Dealers Private Limited	-	0.00
Refund of Intercorporate loan		
Popular Auto Dealers Private Limited		-
Intercorporate loan Repayment		
Popular Vehicles and Services Limited	8.18	29.02



(All amount in millions)

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

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Loans from related parties		
Popular Vehicles and Services Limited	(38.70)	(46.88)
Other payable		
Popular Vehicles and Services Limited	(0.40)	(0.10)
Trade Payables		
Popular Vehicles and Services Limited	-	-
Popular Auto Dealers Private Limited	(0.18)	(0.15)
Guarantee Commission Payable		
Popular Vehicles and Services Limited	(0.03)	-
Long Term Borrowings		
John K Paul	(16.95)	(16.95)
Francis K Paul	(17.55)	(17.55)

37 Interest on inter-corporate loan

The Company had availed loan of Rs. 80 million from its holding company in year 2019-2020 for the financing its new 3S project at an interest rate of 9.65% per annum. Considering the reduction in interest rate in the market, the rate of interest has been reduced to 8.85% with effect from 01st July 2021.

38 Segment reporting

The Company is engaged in the business of purchase and sale of vehicles and related services. The entire operations are organised and managed as one organisational unit with same set of risk and returns, hence the same has been considered as reporting a single primary segment. The Company renders services in India only and does not have any operations in economic environments with different risk and returns, hence it is considered operating a single geographic segment. Accordingly, no segment disclosure has been made in these financial statements

39 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.

40 The Company has not received any funds from any person(s) or entity(ies) ("Funding Party") with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

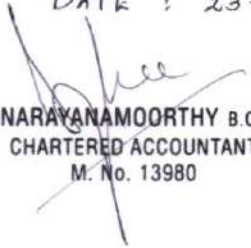
41 Previous year figures have been regrouped/ reclassified wherever necessary to conform to current year presentation.

As per the report on even date

for and on behalf of the Board of Directors of
Popular Autoworks Private Limited
CIN : U31100KL2009PTC024318


PLACE : COCHIN

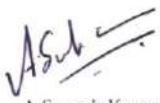
DATE : 23.5.2023



A. S. NARAYANAMOORTHY B.Com FCA
CHARTERED ACCOUNTANT
M. No. 13980


Naveen Philip
Director
DIN: 00018827
Place: Kochi
Date:


Francis K Paul
Director
DIN:00018825
Place: Kochi
Date:


John Verghese
Chief Finance Officer
Place: Kochi
Date:


A Suresh Kumar
Chief Executive Officer
Place: Bangalore
Date:


Varun TV
Company secretary
Place: Kochi
Date: