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## CORPORATE INFORMATION

**CIN:** U50101KL2005PTC018670

### BOARD OF DIRECTORS

Director : Mr. John Kuttukaran Paul  
Director : Mr. Francis Kuttukaran Paul  
Director : Mr. Naveen Philip  
Director : Mr. Jyothish Madhavan Pillai  
Director : Mr. Thomas Anthappan Karedan

### AUDITORS: Mr. A. S. Narayanamoorthy

Chartered Accountant  
Panampally Nagar, Cochin

### SECRETARIAL AUDITOR: M.C Sajumon

Practising Company Secretary  
Ernakulam North P.O., Kochi

### BANKERS:

1. South Indian Bank Ltd
2. Kotak Mahindra Bank Ltd
3. Axis Bank Ltd
4. Standard Chartered Bank Ltd
5. State Bank of India

**REGISTERED OFFICE: 40/1506, Kuttukaran Centre, Mamangalam, Kochi-25**

### Ware Houses and Sales Centres

#### I. Maruti Genuine Parts (MGP) Trivandram Region Sales Centres

1. Trivandram Warehouse - Menilam, Thiruvallam PO, Trivandram – 625027
2. Trivandram Outlet - Medical College P.O, Trivandram - 695011
3. Kollam Outlet - Vadakkevila P.O Ayathil, Kollam - 691008
4. Karamana Outlet - N.H Road, Karamana, Trivandram - 695002
5. Alamcode Outlet - Thottackadu PO, Alamcode, Trivandrum – 695605

6. Kottarakara Outlet - Pulamon Post, Kottarakara, Kollam - 691531
7. Nedumangad Outlet - Pazhakutty.P.O, Nedumangad, Trivandrum - 695561
8. Punalur Outlet - Nellippally Jn., Punalur, Kollam - 691331
9. Neyyattinkara Outlet - Amaravila PO, Neyyattinkara, Trivandrum - 695122
10. Poonthura Outlet - N H Bye Pass, Poonthura P O, Trivandram - 695026
11. Karunagapally Outlet - Vandana Emporium, Karunagappally- 690519
12. Kollam Warehouse - Kottiyam-Kundara Road, Perumpuzha PO, Kollam- 691504
13. Kazhakuttam Outlet - Palace Nagar- 105, Kazhakuttam P.O, Trivandrum - 695582
14. Kilimanoor Outlet - Pazhayakunnumal, Kilimanoor, Thiruvananthapuram- 695601
15. Kattakada Outlet - Kaithakonam, Kattakkada P.O. Trivandrum - 695572

## **II. Maruti Genuine Parts (MGP) Kottayam Region Sales Centres**

1. Kottayam Warehouse - Kattachira P.O, Kottayam - 686572.
2. Kottayam Outlet - Sathri Road, Kottayam - 686001
3. Pathanamthitta Outlet - Kulam Junction, Pathanamthitta - 689653
4. Kayamkulam Outlet - Near MSM College, Kayamkulam, Alapuzha 690502
5. Pala Outlet - Pala Ponkunnam Road, Pala, Kottayam - 686575
6. Kattappana Outlet, Kumily Road, Kattappana, Idukki- 685508
7. Cherthala Outlet, Opp Dhanlaxmi Bank, Cherthala, Alapuzha- 688 524
8. Thodupuzha Outlet, Kolani Vengallor Road, Kolani, Thodupuzha, Idukki - 685608
9. Chengannur Outlet - Near JB School, Chengannur, Alapuzha - 689121
10. Adimali Outlet - Kallarkutty Road, Adimali, Idukki 685561
11. Aroor Outlet - Opposite Manorama News, Aroor, Alapuzha 688534
12. Kanjirapally Outlet- Kurishmkal Jn, Kanjirapally, Kottayam - 686507
13. Adoor Outlet - Saiboos Arcade, Adoor P.O, Pathanamthitta - 691523
14. Nattakam Outlet - Chiramel Chambers, Nattakam P.O, Kakkur, Kottayam - 686013
15. Alapuzha Outlet - Kalpaga, Kallupurakkal, Kallupuraward, Alappuzha - 688007
16. Kattappana Warehouse - Vellayamkudy P.O., Kattappana NH, Idukki - 685515
17. Rajakadu Outlet - Meppollil, Rajakkad PO, Idukki - 685566

## **III. Maruti Genuine Parts (MGP) Bangalore Region Sales Centres**

1. Bangalore Warehouse - Kasaba Hobli, Bangalore 560 067
2. Bangalore Marathahalli - Outer Ring Road, Bangalore- 560 037
3. Bangalore Domlur - Old Airport Road, Domlur, Bangalore - 560071
4. Bangalore Mahadevapuram - Mahadvapura Post, Bangalore - 560016

5. Bangalore Sarjapura - Main Road, Sarjapura Village, Bangalore-562125
6. Bangalore CMH Road - Lakshmi Puram, Halsuru, Bangalore 560 008
7. Bangalore Whitefield - Whitefield Hobail, Bangalore – 560067
8. Bangalore Iblur - Agara, Near Iblur Sarjapur Main Road, Bangalore – 560102
9. Bangalore Varthur Outlet - Arthur-Gunjur Main Road, Varthur, Bangalore 560087
10. Bangalore CV Raman Nagar Outlet - CV Raman Nagar Post, Bangalore-560093
11. Bangalore Mahadevapuram Warehouse – Udayanagar, Mahadevapura, Bangalore 560016
12. Ejjipura Outlet - Next to Green View Homes, Ejjipura, Bangalore - 560047

#### **IV. Tata Passenger Car Business Units (PCBU) Kerala – Parts Sales Centres**

1. Ernakulam - Seepport Airport Road, Thrikkakkara, Ernakulam-682021
2. Thrissur - Poothole Road, Aranattukara PO, Thrissur - 680 004
3. Calicut - Eranjipalam PO, Wayanad Road, Calicut - 673 006
4. Trivandram - Killipalm, Karamana PO, Trivandram - 695002

#### **V. Tata Passenger Car Business Units (PCBU) Karnataka – Parts Sales Centres**

1. Bangalore – Lalbagh Fort Road, Near Minerva Circle, Bangalore – 560004
2. Hubli - Ward No.38a, Krishnapura, Dharwad, Karnataka – 580030
3. Bijapur - No.1342/2, Shahpet, Vijayapura (Bijapur), Karnataka – 586101
4. Hospet - No.22, Popular Complex, Hospet Town, Ballar, Karnataka-583201
5. Shimoga - No.118, Auto Complex, Kasaba Hobli, Shivamogga, Karnataka 577201
6. Mysore - No. F2/4, F2/4A, F2/4B, Mysore City, Mysore, Karnataka -570004
7. Mangalore - Ground Floor, Cross Road, Kadri, Mangalore, Karnataka-575002
8. Belgaum - SY No.4000 , No. 371/1 , Old P.B.Road, Belgaum - 590016

#### **VI. Tata Commercial Vehicle Business Units (CVBU) Kerala – Parts Sales Centres**

1. Ernakulam - Seepport Airport Road, Thrikkakkara, Ernakulam-682021
2. Kottayam - Pakkil JN., Pakkil P.O, Kottayam. 686012.
3. Trivandram - Surya Nagar, Melaranoor, Karamana, Trivandrum - 695 002
4. Alapuzha - Alapuzha West Vilege, Thiruvambady, Alapuzha - 688 002

## **VII. Ashok Leyland (Ley Parts) Sales Centres**

1. Ernakulam - Temple Road, Koonamthai, Edappally, Ernakulam – 682024
2. Trivandram - N H Bye Pass, Poonthura P O, Trivandram – 695026
3. Calicut - Wayanad Road, East Nadakkavu, Calicut - 673 006

## **VIII. JCB India Ltd Parts Sales Centres**

1. Bangalore Warehouse - Makli, Nelamangala, Bengaluru Urban, Karnataka - 562123

## **IX. Automotive Paints Sales Centres**

1. Axalata Coating Systems - Seepport Airport Road, Thrikkakkara, Ernakulam – 682021

## **X. Automotive Lubricants Sales Centres**

1. Shell Ernakulam - Temple Road, Koonamthai, Edappally, Ernakulam – 682024
2. Shell Hubli - Ward No.38a, Krishnapura, Dharwad, Karnataka – 580030
3. Shell Bijapur - No.1342/2, Shahpet, Vijayapura (Bijapur), Karnataka – 586101

## **XI. Kartrenz – Used Car Purchase, Sales and Service Centres**

1. Ernakulam - N H 49, Cochin Madhurai Road, Thiruvankulam, Ernakulam – 682305

## NOTICE

Notice is hereby given that the 18<sup>th</sup> Annual General Meeting of Members of Popular Auto Dealers Private Limited ("Company") will be held at 03.00 P.M. on Thursday, 3rd 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 31<sup>st</sup> March, 2023 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Thomas Anthappan Karedan (DIN: 08770690), 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 14<sup>th</sup> Annual General meeting as the Statutory Auditors of the Company for a period of 5 years, pursuant to the provisions of Section 139(1) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014."

Note: The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 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 14<sup>th</sup> Annual General Meeting of the Company.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
POPULAR AUTO DEALERS PRIVATE LIMITED**

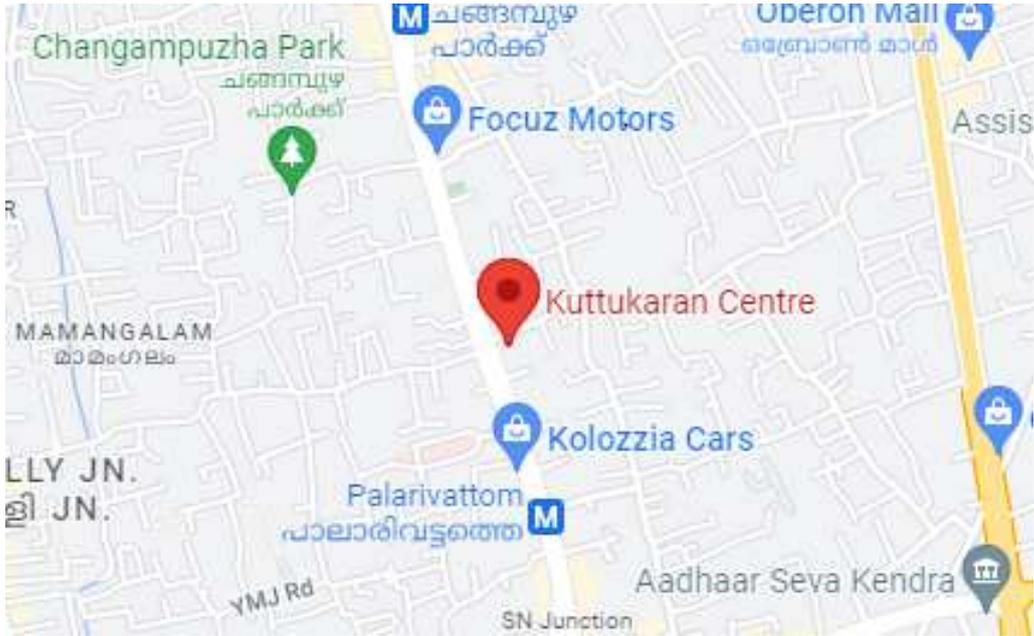
Sd/-  
**NAVEEN PHILIP  
DIRECTOR  
(DIN: 00018827)**

**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.**
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.
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 and accompanying explanatory statement 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.
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**



**BY ORDER OF THE BOARD OF DIRECTORS OF  
POPULAR AUTO DEALERS PRIVATE LIMITED**

Sd/-

**NAVEEN PHILIP  
DIRECTOR  
(DIN: 00018827)**

**Place: Kochi  
Date:23.05.2023**

## **ATTENDANCE SLIP**

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

I, hereby record my presence at the 18<sup>th</sup> Annual General Meeting of Popular Auto Dealers Private Limited held at 03.00 P.M. on Thursday, 3rd 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

**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 18<sup>th</sup> Annual General Meeting of the Company held on 03.00 P.M. on Thursday, 3rd August, 2023, at 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. Thomas Karedan as a Director liable to retire by rotation.		
3	To fix remuneration of Statutory Auditors		

Signed this ----- day of ----- 2023

Affix One Rupee Revenue Stamp
--

Signature of proxy holder(s)

Signature of shareholder

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.

## **DIRECTORS' REPORT**

To,

The Members,  
**Popular Auto Dealers Private Limited**

Your Directors are pleased to present the Company's 18<sup>th</sup> Annual Report together with the report of the statutory auditors and the audited financial statements of the company for the financial year ended 31<sup>st</sup> March, 2023.

### **Global Review**

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.

Demand in the Indian automotive market in FY22-23 continued the growth trajectory from the previous year

### **Business Operational Review**

Popular Auto Dealers Private Limited, incorporated in the Year 2005, is doing distribution of Maruti Genuine Parts (MGP), parts for TATA Passenger Cars, parts of TATA Commercial Vehicles, Paints (Axalta), Shell Lubricants & Ashok Leyland Parts. The Company has 30 Ware Houses and 38 Retail Outlets and has won many awards from the Principals on business excellence with dedicated and well trained 334 staff headed by a professionally qualified management team.

As part of Business expansion, your company has ventured into spare parts distribution dealership for JCB. Your Company has also opened a new JCB Spares divisions at Bangalore.

Additionally, as part of the management initiative to supplement existing business, during the financial year 2022-23, your Company has opened 4 new Maruti outlets in Kilimanoor, Kattakada, Rajakadu and Ejipura and 2 new Maruti warehouses in Kattapana and Mahadevpuram.

Your Directors expect that these facilities will trigger the growth further and will contribute to higher profitability of the Company for the forthcoming years.

## **Financial Result**

During the year, your Company has achieved a Revenue from Operation of Rs. 2534.17 millions as against Rs. 1754.60 millions during the previous financial year marking an increase in revenue of 44.43% over the previous year. An increase of 27.66% was made in the PBT of the Company from Rs. 80.22 millions in the previous year to Rs.102.41 millions in the current year.

Key highlights of financial performance of your Company on standalone basis for the financial year 2023-24 are provided below:

(In INR millions, except earnings per share data)

<b>Particulars</b>	<b>For the financial year ended March 31, 2023</b>	<b>For the financial year ended March 31, 2022</b>
Net Revenue from Operations	2534.17	1754.60
Other Income	5.09	10.41
<b>Total Revenue</b>	<b>2539.26</b>	<b>1765.01</b>
Finance Costs	29.64	22.51
Employee benefit expense	110.52	84.54
Depreciation and amortization expense	41.48	34.84
All other expenses	2255.21	1542.9
<b>Total Expenses:</b>	<b>2436.85</b>	<b>1684.79</b>
Profit / (Loss) Before Tax	<b>102.41</b>	<b>80.22</b>
Tax Expense:		
Current Tax	29.40	21.64
Deferred Tax	(3.78)	1.84
<b>Profit / (Loss) after Tax</b>	<b>76.79</b>	<b>56.74</b>
Earnings per equity share(in Rs) Basic and Diluted	1492.73	1116.90

## **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; 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 10<sup>th</sup> July 2018.

Being a Subsidiary of Popular Vehicles and Services Limited, with effect from 10<sup>th</sup> July, 2018 our Company become a Deemed Public Company as per 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.

## **Share Capital**

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

As on 31<sup>st</sup> March, 2023, the Authorized Share Capital of the Company is Rs. 65,00,000/- (Sixty five lakh only) comprising of 60,000(sixty thousand) Equity Shares of Rs.100/- each and 5000 (five thousand) Redeemable Preference Shares of Rs. 100/- each.

As on 31<sup>st</sup> March, 2023, the paid-up share capital of the Company stands at Rs. 51,03,400/- (Fifty one lakh three thousand four hundred only) comprising of 51,034 equity shares of Rs. 100/- each fully paid-up.

## **Dividend & Reserves**

For the financial year ended 31<sup>st</sup> 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 31<sup>st</sup> March, 2023.

## **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.

## **Change in the Nature of Business, if any.**

The work of the Second Multi Brand Pre Owned Cars Sales and Service showroom of new venture 'Kartrenz' is progressing at Perumbavur in Ernakulam District, Kerala. There was no change in the nature of business of the company during the financial year ending on 31<sup>st</sup> March 2023.

## **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.

## **Details of Holding/Subsidiary/Joint Ventures/Associate Companies**

Company has not entered into or invested in any new Subsidiaries, Joint Ventures and Associates.

The details of the Holding Company/Subsidiaries are given below:-

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

During the Reporting financial year, the shares held by the company in Kuttukaran Green Private Limited has been transferred to Popular Vehicles and Services Limited. Hence, Kuttukaran Green Private Limited has ceased to be a subsidiary of the Company with effect from 04<sup>th</sup> April, 2022.

Since the subsidiary financials are being consolidated at the level of ultimate holding company Popular Vehicles and Services Limited, the requirement of consolidation for Subsidiary upto 04<sup>th</sup> April, 2022 is not applicable to the Company.

### **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 i.e. Mr. Naveen Philip, Director, Mr. Francis K. Paul, Director, Mr. John K. Paul, Director, Mr. Thomas Anthappan Karedan, Director and Mr. Jyothish Madhavan Pillai, Director.

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

The Board of Directors do recommend for reappointment of Mr. Thomas Anthappan Karedan as Director.

#### **b) Board Meetings**

During the Financial Year 2022-23 the Company has held five (5) meetings of the Board of Directors on 25<sup>th</sup> May, 2022, 07<sup>th</sup> July, 2022, 10<sup>th</sup> October, 2022, 03<sup>rd</sup> February, 2023 and 21<sup>st</sup> February, 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 committee.

However, the Company has constituted Finance and Authorisation Committee (sub-committee) with Mr. Naveen Philip (Chairman), Mr. Francis K. Paul, Director, Mr. Thomas Anthappan Karedan, Director and Mr. Jyothish Madhavan Pillai, Director as members.

During the Financial Year 2022-23 the Company has held nine (9) meetings of the Finance and Authorisation Committee on 25<sup>th</sup> April, 2022, 30<sup>th</sup> May, 2022, 08<sup>th</sup> August, 2022, 28<sup>th</sup> September, 2022, 25<sup>th</sup> October, 2022, 03<sup>rd</sup> January, 2023, 10<sup>th</sup> February, 2023, 17<sup>th</sup> March, 2023 and 28<sup>th</sup> 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**

Provisions of section 203(1) of the Companies Act, 2013 does not apply to the Company.

#### **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;

(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 and

(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.

## **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.

## **Unsecured Loan from Directors**

As on the Financial Year ended 31st March, 2023, the Company has the following outstanding loans from its Directors;

(Rs. In millions)

<b>Name of the Director</b>	<b>Amount outstanding</b>
Mr. Naveen Philip	14.70
Mr. John K Paul	1.20

## **Statutory Auditors**

Mr. A.S. Narayanamoorthy, Chartered Accountant (Membership No. 13980) was appointed as Statutory Auditor of the Company at the 14<sup>th</sup> Annual General Meeting of the Company held on 25<sup>th</sup> September, 2019 for a term of 5 consecutive years, till the conclusion of the 19<sup>th</sup> Annual General Meeting.

## **Awards and Recognitions**

Your company has received from Tata Motors Limited for achieving the highest range of parts for TATA-Kerala during H1 FY 22-23 in the Spares Business Meet conducted at Ooty in November 2022.

The Shimoga, Hubli & Bangalore branches of PADL have received the following awards for H1 FY 22-23 in the Annual Spare Parts Meet – 2022-23

- i) Shimoga - Highest range of parts at 90% retail
- ii) Hubli - Highest TMOO to retail penetration
- iii) Bangalore – Best Branch Overall Performance

In the Parts Distributor Meet 2022 held by Maruti Suzuki India Limited at Mumbai, PADL Kottayam

and Bangalore Branches won the Achievers Club Award. PADL Trivandrum Branch won the award for the Best Warehouse Infrastructure.

## **Statutory Auditor's Report**

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

### **Particulars of Loans, Guarantees or Investments**

Company had extended an intercorporate guarantee to State Bank of India in favour of Kuttukaran Green Private Limited (KGPL) for Cash credit under Electronic Dealer Funding Scheme facility for an amount of Rs. 1,00,00,000/-. This guarantee was continued on request of the Bank on renewal and enhancement of the said facility to Rs. 2,00,00,000/- in March, 2023. KGPL was moved as the direct subsidiary of the Holding Company, Popular Vehicles and Services Limited and remained as a group company. Since KGPL ceased to be a subsidiary of our Company, Shareholders general approval was received on 16<sup>th</sup> March, 2023 under section 185 of the Companies Act, 2013.

There were no other investments made and loans/guarantee given by the company during the year under the provisions of section 186 of the Companies Act 2013 read with the rules thereon.

### **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.

### **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.

### **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has constituted an Internal Committee as required under the said Act to take necessary preventive actions as may be possible and also to carry out redressal of complaints, if any, on sexual harassment and for matters connected therewith or incidental thereto. 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 report at their meeting dated 21<sup>st</sup> February, 2023.

### **Conservation of Energy/ Technology Absorption and Foreign Exchange Earnings and Outgo**

The company uses power saving lighting equipment's 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 inflow or outflow during the year.

### **Corporate Social Responsibility.**

As per section 135 (1) of the Companies Act, 2013, every Company having net worth of rupees five hundred crores or more, or turnover of rupees one thousand crores or more, or net profit of rupees five crores or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility (CSR) Committee and spent at least 2 percentage of the average net profits of the Company made during the three immediately preceding financial years for CSR activities.

The CSR provisions are applicable to the Company with effect from the Financial Year 2021-22 and the Company has undertaken the CSR activities directly and through NGO.

The Companies (Amendment) Act, 2020, provides that the Constitution of CSR Committee is not mandatory if total amount to be spent as per the CSR obligation is less than Rs. 5 million and in such cases the Board can discharge the functions of CSR Committee. The total CSR obligation and the amount spent by the Company is Rs. 1.11 million. Further as per The Companies (CSR Policy) Amendment Rules, 2022 dated 20.09.2022, the Company is not mandatorily required to constitute CSR Committee since the Company has no unspent amount towards CSR. Hence the Company has discharged its CSR functions through the Board of Directors without constituting a CSR Committee.

The Board of Directors at their meeting held on 30<sup>th</sup> August, 2021 has approved and adopted the CSR Policy.

The Board has organized an event named as 'Kuttukaran Education Empowerment' on 26<sup>th</sup> March, 2023 for felicitating identified students who secured full A+ grade in their SSLC exams during the year 2022. A cash award of Rs. 7,775/- was equally distributed to 143 students across Kerala along with a certificate.

Annual report on CSR Activities as per companies (Corporate Social Responsibility Policy) Rules, 2014 is given in Annexure B.

### **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. However the turnover of the company has exceeded Rs.250 crores in the current financial year.

Accordingly, as a good corporate practice the Company has done the secretarial audit voluntarily. The Secretarial Audit report is attached to this report.

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.

### **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.

### **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.

### **Credit Rating**

During the financial year under review, India Ratings and Research Private Limited has improved the rating to IND BBB from IND BBB-. Stable rating for Long term facilities. The outlook of "Stable" has been affirmed.

### **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.

### **Reporting of Fraud by Auditors**

During the financial 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.

## **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.

As on 31<sup>st</sup> March, 2023, the Company had a total head count of 334 employees with an increase of 35 employees from that of the previous financial 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.

## **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

## **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

## **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.

## **Acknowledgement**

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 Auto Dealers Private Limited**

Sd/-  
**Naveen Philip**  
**(Director)**  
**DIN:00018827**

Sd/-  
**John K. Paul**  
**(Director)**  
**DIN:00016513**

**Place: Kochi-25**  
**Date:23.05.2023**

**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 arm's 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	

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

SL. No.	Particulars	1	2	3	4	5	6
1.	Name (s) of the related party & nature of relationship	Popular Vehicles and Services Limited	Vision Motors Private Limited	Popular Mega Motors (India) Private Limited	Keracon Equipments Private Limited	Popular Autoworks Private Limited	Popular Mega Motors (India) Private Limited
2	Nature of contracts/ arrangements/ transaction	Revenue from Operations	Revenue from Operations	Revenue from Operations	Revenue from Operations	Revenue from Operations	Repairs and Maintenance
3	Duration of the contracts /arrangements/ transaction	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of goods in the ordinary course of business amounting to Rs 152.91 million.	Sale of goods in the ordinary course of business amounting to Rs 30.71 million.	Sale of goods in the ordinary course of business amounting to Rs 2.47 million.	Sales returns in the ordinary course of business amounting to Rs (0.14) million.	Sale of goods in the ordinary course of business amounting to Rs 3.34 million.	Expense sharing ordinary course of business amounting to Rs 0.46 million.
5	Dates of approval by the Board, if any	Board meeting dated 31/03/2022 ,sanctioned an overall limit of Rs.200 millions	Board meeting dated 31/03/2022 ,sanctioned an overall limit of Rs.50 millions	Board meeting dated 31/03/2022 ,sanctioned an overall limit of Rs.50 millions	Board meeting dated 31/03/2022 ,sanctioned an overall limit of Rs.100 millions	Board meeting dated 31/03/2022 ,sanctioned an overall limit of Rs.10 millions	Board meeting dated 31/03/2022 ,sanctioned an overall limit of Rs.10 millions
6	Amount paid as advance, if any	Nil	Nil	Nil	Nil	Nil	Nil

SL No.	Particulars	7	8	9	10	11	12
1.	Name(s) of the related party & nature of relationship	Vision Motors Private Limited	Popular Vehicles and services Limited	Popular Mega Motors (India) Private Limited	Vision Motors Private Limited	Popular Vehicles and services Limited	Prabal Motors Private Limited
2	Nature of contracts/arrangements/transaction	Repairs and Maintenance	Repairs and Maintenance	Expenses met by the Company	Expenses met by the Company	Expenses met by the Company	Expenses met on behalf of the Company
3	Duration of the contracts/arrangements/transaction	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions	Multiple transactions
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Expense sharing in the ordinary course of business amounting to Rs 0.08 million.	Expense sharing in the ordinary course of business amounting to Rs 0.09 million.	Expenses met by the Company in the ordinary course of business amounting to Rs 0.56 Millions	Expenses met by the Company in the ordinary course of business amounting to Rs 1.57 Millions	Expenses met by the Company in the ordinary course of business amounting to Rs 3.00 Millions	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 0.02 Millions
5	Dates of approval by the Board, if any	Board meeting dated 31/03/2022 ,sanctioned an overall limit of Rs.10 millions	Board meeting dated 31/03/2022 ,sanctioned an overall limit of Rs.200 millions	Board meeting dated 31/03/2022 ,sanctioned an overall limit of Rs.10 millions	Board meeting dated 31/03/2022 ,sanctioned an overall limit of Rs.10 millions	Board meeting dated 31/03/2022 ,sanctioned an overall limit of Rs.200 millions	Board meeting dated 31/03/2022 sanctioned an overall limit of Rs.5 millions
6	Amount paid as advance, if any	Nil	Nil	Nil	Nil	Nil	Nil

SL. No.	Particulars	13	14	15	16
a) 1.	Name (s) of the related party & nature of relationship	Kuttakaran Green Private Limited	Popular Vehicles and services Limited	Popular Mega Motors (India) Private Limited	Vision Motors Private Limited
2	Nature of contracts/ arrangements/ transaction	Expenses met on behalf of the Company	Purchase of Goods	Purchase of Goods	Purchase 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	Expenses met on behalf of the Company in the ordinary course of business amounting to Rs 0.01 Millions	Purchase of Goods in the ordinary course of business amounting to Rs 5.14 Millions	Purchase of Goods in the ordinary course of business amounting to Rs 0.73 Millions	Purchase of Goods in the ordinary course of business amounting to Rs 1.77 Millions
5	Dates of approval by the Board, if any	Board meeting dated 31/03/2022 sanctioned an overall limit of Rs.5 millions	Board meeting dated 31/03/2022 sanctioned an overall limit of Rs.200 millions	Board meeting dated 31/03/2022 sanctioned an overall limit of Rs.50 millions	Board meeting dated 31/03/2022 sanctioned an overall limit of Rs.50 millions
6	Amount paid as advance, if any	Nil	Nil	Nil	Nil

\* Refer Note No.34 of the financial statements for details

**For and on Behalf of Board of Directors**  
**Popular Auto Dealers Private Limited**

Sd/-  
**John K. Paul**  
(Director)  
DIN:00016513

Sd/-  
**Naveen Philip**  
(Director)  
DIN:00018827

**Place: Kochi-25**  
**Date:23.05.2023**

**Annual Report on Corporate Social Responsibility (CSR)**

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

**1. Brief outline on CSR Policy of the Company:**

CSR policy encompasses the company's philosophy for delineating its responsibility as a corporate Citizen and lays down the guidelines and mechanism for carrying out socially useful activities/ projects and programs for welfare and sustainability, development of community at large. The CSR provisions are applicable to the Company with effect from the Financial Year 2021-22 and the Company has undertaken the CSR activities directly and through NGO.

**2. Composition of CSR Committee:**

The Companies (Amendment) Act, 2020, provides that the Constitution of CSR Committee is not mandatory if total amount to be spent as per the CSR obligation of the Company is less than Rs. 50 Lakhs and in such cases the Board can discharge the functions of CSR Committee. The total CSR obligation and amount spent by the Company during the FY 2022-23 was Rs. 1.11 million, hence the Company has discharged its CSR functions through the Board of Directors.

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

The Company has approved its CSR policy in the Board Meeting dated 30th August, 2021. The Company does not have Website.

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

N/A

5. (a) Average net profit of the company as per sub-section (5) of section 135.

Rs. 5,55,83,245/-

(b) Two percent of average net profit of the company as per sub-section (5) of section 135.

Rs. 11,11,665/-

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

Nil

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

Nil

(e) Total CSR obligation for the financial year [(b)+(c)-(d)].

Rs. 11,11,665/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

Rs. 11,11,825/-

(b) Amount spent in Administrative overheads.

Nil

(c) Amount spent on Impact Assessment, if applicable.

N/A

(d) Total amount spent for the Financial Year [(a)+(b)+(c)].

Rs. 11,11,825/-

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
11,11,825	-	-	-	-	-

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

Sl.No	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	11,11,665
(ii)	Total amount spent for the Financial Year	11,11,825
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	160
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	160

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

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

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

Nil

**For and on Behalf of Board of Directors of  
Popular Auto Dealers Private Limited**

**Place: Kochi-25  
Date: 23.05.2022**

Sd/-  
**Naveen Philip  
(Director)  
DIN:00018827**

Sd/-  
**John K Paul  
(Director)  
DIN: 00016513**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2023**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To  
The Members  
Popular Auto Dealers Private Limited  
40/1506, Kuttukaran Centre,  
Mamangalam, Palarivattom P O  
Ernakulam Kerala- 682025.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Popular Auto Dealers Private Limited** (CIN:U50101KL2005PTC018670) (hereinafter called the Company), incorporated on 28.09.2005, having registered office at Door No 40/1506, Kuttukaran Centre, Mamangalam, Palarivattom P O, Ernakulam Kerala- 682025 and carrying on the business of dealing in and servicing all kinds of Passenger Vehicles, Commercial Vehicles, and other Vehicles and their Spare Parts and accessories. The Company is a deemed public company, being the wholly owned subsidiary of M/s Popular Vehicles and Services Limited (CIN: U50102KL1983PLC003741). Secretarial Audit of M/s Popular Auto Dealers Private Limited for the financial year ending on 31.03.2023 was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under- Not applicable as the company is an unlisted deemed public company;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; regarding dematerialisation of securities, it is clarified that vide MCA notification dated 22<sup>nd</sup> January 2019, an unlisted public company/deemed public company, if it is a Wholly Owned Subsidiary company, is exempted from the requirement of compulsory dematerialization of its share certificates. However the Company had dematerialised its share certificates.
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial

Borrowings. There was no Foreign Direct Investment in the company and the company has not made any Overseas Direct Investment and also had not availed External Commercial Borrowings.

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

- a) The Securities and Exchange Board of India (LODR) Regulations, 2015- Not applicable as the company is an unlisted/deemed public company;
- b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- Not applicable as the company is an unlisted/deemed public company;
- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992- Not applicable as the company is an unlisted/deemed public company;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable as the company is an unlisted/deemed public company;
- e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999-Not applicable as the company is an unlisted/ deemed public company and has not offered any Employee Stock Option Scheme and Employee Stock Purchase Scheme during the period under review;
- f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations,2014-Not applicable as the company is an unlisted/deemed public company and has not offered any shares or granted any options pursuant to any Employee Benefit Scheme during the period under review;
- g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the company is an unlisted/deemed public company and has not issued and listed any debt securities during the period under review;
- h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 - Not applicable as the company is an unlisted/deemed public company and not registered as Registrars to an Issue and Share Transfer Agent;
- i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the company is an unlisted/deemed public company; and
- j) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998 - Not applicable as the company is an unlisted/deemed public company and has not bought back any securities during the period under review.

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

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

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

a) Motor Vehicles Act,1988 and rules made there under;

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

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

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

**I further report that** the Board of Directors of the Company is duly constituted. The Ministry vide notification dated July 5<sup>th</sup> 2017 had amended Rule 4 of Companies (Appointment and qualification of Directors) Rules, 2014 in order to provide that an unlisted public company which is a wholly owned subsidiary will not be required to appoint Independent Directors. The Company is a deemed public company. Whereas, it has been explained that the company is a wholly owned subsidiary of M/s Popular Vehicles and Services Limited and exemption is available to wholly owned subsidiary from appointment of Independent Directors. Hence the company has not appointed Independent Directors. Mr. John Kuttukarn Paul (DIN: 00016513), Director, who retired by rotation in terms of Section 152 of the Companies Act, 2013 was re-appointed as Director of the Company at the 17<sup>th</sup> Annual General Meeting held on 05.07.2022 as recommended by the Board at their meeting held on 25.05.2022.

During the period under report, the directors of the company have filed Web-Form DIR-3 KYC WEB or Form DIR-3-KYC as the case may be with MCA/ROC as it has been made mandatory for the DIN holders to update the DIN Status within the stipulated date by the MCA for updating its register with latest and personal information of DIN holders vide notification dated 5th July 2018

The Company is not required to appoint Chief Financial Officer (CFO), as its paid up share capital does not fall under the threshold limit of Rs.10 Crores, as prescribed under Section 203(1) of the Companies Act 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**I further report that** the company has held Five (5) Board meetings during the period under review respectively on 25.05.2022, 07.07.2022, 10.10.2022, 03.02.2023 and 21.02.2023. Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance duly complying with the time limits specified and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The Board at the meeting held on 25.05.2022 took note of the Declarations given by the Directors pursuant to Section 164(2) of the Act and ensured that none of the directors are disqualified under the provisions of Section 164(2) of the Act. The Board also noted the Disclosure of interest and shareholding of Directors received pursuant to Section 184(1) of the Act.

The Board, at its meeting held on 31.03.2022 had considered and accorded omnibus approval for related party transactions (in the nature of purchase/sale of goods & fixed assets, availing/rendering of services, loans from Directors, Receipt/payment of rent) between the company and its holding/subsidiary/associate companies/KMPs etc., to be carried out on arm's length basis, in the ordinary course of business during the financial year 2022-23. The Board met on 21.02.2023, gave omnibus approval for the related party transactions with its directors, subsidiaries, group companies etc., within the prescribed limit, under arm's length conditions on continuing basis, for the upcoming financial year 2023-24.

The Board has at its meeting held on 25.05.2022, among other general business and statutory matters, considered and approved the financial statements of the Company as on 31.03.2022. The Directors Report for the Financial Year 2021-22 was considered and approved in the Board meeting dated 25.05.2022.

During the reporting period, the Finance & Authorisation Committee had met Nine (9) times respectively on 25.04.2022, 30.05.2022, 08.08.2022, 28.09.2022, 25.10.2022, 03.01.2023, 10.02.2023, 17.03.2023 and 28.03.2023. The proceedings of the above committee meetings were duly recorded and signed by the Chairman and were also duly considered by the Directors in their respective Board meetings.

The company has not constituted Audit Committee and Nomination and Remuneration Committee u/s 177 and 178, as the wholly owned subsidiary Company of a Public Company is exempted from constituting Audit Committee and Nomination and Remuneration Committee vide MCA Notification dated 13<sup>th</sup> July 2017.

The Company falls under the purview of section 135 of the Companies Act, 2013 based on the Net profit criteria. Regarding the constitution of CSR Committee, it was explained that since the CSR amount to be spent by the Company is less than Rs.50 Lakh, the Constitution of CSR Committee is not mandatory and the Board itself can perform the functions of the CSR Committee as per the Companies (Amendment) Act, 2020. Further as per The Companies (CSR Policy) Amendment Rules, 2022 dated 20.09.2022, the Company is not mandatorily required to constitute CSR Committee since the Company has no unspent amount towards CSR. The specified CSR amount to be spent for the financial year 2022-23 was Rs.1.11 Million and the said amount was spent by the Company for promotion of education by organizing an event named 'Kuttukaran Education Empowerment'

The 17<sup>th</sup> Annual General Meeting of the company for the financial year ending 31.03.2022 was held on 05.07.2022 at the Registered Office of the Company. At the said AGM, the Shareholders had given their consent by a Special Resolution, pursuant to Section 186 of the Companies Act, 2013, for giving loans, providing guarantee and security or making investments by the Company upto a sum not exceeding Rs.50 Crore over and above the paid up capital of the Company and its free reserves as approved by the Board at their meeting held on 25.05.2022.

During the period under report, the Company has related party transactions with holding Company M/s Popular Vehicles and Services Limited (CIN: U50102KL1983PLC003741) and other group Companies, Associate or fellow subsidiaries M/s Popular Mega Motors India Private Limited (CIN: U31103KL1997PTC011748), M/s Vision Motors Private Limited (CIN: U34100KL2008PTC022049), M/s Keracon Equipments Private Limited (CIN: U51503KL2011PTC029161), M/s Popular Autoworks Private Limited (CIN: U34100KL2009PTC024318), M/s Kuttukaran Green Private Limited (CIN: U50400KL2017PTC049442), M/s Prabal Motors Private Limited (CIN: U50101KL2006PTC019140), in the nature of purchase of goods, fixed assets, availing or rendering of services, payment and receipt of Corporate Guarantee Commission etc. and has complied with provisions of Section 188/186 of the Companies Act, 2013.

The Company at the Extra Ordinary General Meeting held on 16.03.2023, by Special Resolution accorded consent pursuant to Section 185 of the Companies Act, 2013, for giving loan(s) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/to be taken by any entity which is a Subsidiary or Associate or Joint Venture or group entity of the Company or any other person in which any of the Directors of the Company is deemed to be interested up to a sum not exceeding Rs.10 Crore as approved by the Board at their meeting held on 21.02.2023. The proceedings of the above meeting were recorded and signed by the Chairman.

As per explanation received and records of the company, the Company has constituted an Internal Complaints Committee (ICC) under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Board of Directors at their meeting held on 21.02.2023 took note of the Annual Report under Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the Calendar Year 2022. As per explanation received and records of the company, the Committee has submitted Annual Report to the Company and to the District Officer, pursuant to Section 21 of the POSH Act, 2013.

During the period under report, the Company has filed with ROC e-Form DPT-3 pursuant to Rule 16 of the Companies (Acceptance of Deposits) Rules 2014, for filing particulars of transactions by a company not considered as deposits as per Rule 2(1)(c) of the Companies (Acceptance of Deposits), Rules 2014, in addition to other eforms for change in the composition of the Board of Directors and other KMPs, annual filing compliances and registration of charges etc.

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

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

- 1) The shares held by the Company in M/s Kuttukaran Green Private Limited has been transferred to M/s Popular Vehicles and Services Limited. Hence, M/s Kuttukaran Green Private Limited has ceased to be a subsidiary of the Company with effect from 04<sup>th</sup> April, 2022.

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

UDIN: **A009868E000359855**  
Place: Kochi-18  
Date: 23.05.2023

Sd/-  
M.C. SAJUMON  
Practising Company Secretary  
MN: A9868, C P. No.: 2385  
ICSI Unique Code: I1995KE067800  
Peer review Cert. No. 713/2020

**'Annexure A'**

**ANNEXURE TO SECRETARIAL AUDIT REPORT**

To  
The Members  
Popular Auto Dealers Private Limited  
40/1506, Kuttukaran Centre,  
Mamangalam, Palarivattom P O  
Ernakulam Kerala-682025.

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

1. Maintenance of Secretarial or other statutory records is the responsibility of the management of the company. My responsibility is to express an opinion on these records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the Secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
5. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

UDIN: **A009868E000359855**  
Place: Kochi-18  
Date: 23.05.2023

Sd/-  
M.C. SAJUMON  
Practising Company Secretary  
MN: A9868, C P. No.: 2385  
ICSI Unique Code: I1995KE067800  
Peer review Cert. No. 713/2020

**01/2023**

**UDIN: 23013980BHANIV2511**

**23.05.2023**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POPULAR AUTO DEALERS PRIVATE LIMITED, COCHIN**

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

**Opinion**

I have audited the accompanying Standalone financial statements of **Popular Auto Dealers Private Limited. ("the Company")** which comprises the Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Profit and Loss and Statement of cash flows for the year then ended, Statement of Changes in Equity 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 31<sup>st</sup> 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 there under, 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 auditor's 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 31<sup>st</sup> 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 has disclosed the impact of pending litigations on its financial position in Note No. 27 of the financial statements;
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. (i) The management, as explained in Note 34-IV 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 34-IV of the financial statements, has represented, that, to the best of its 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 1<sup>st</sup> April 2023 vide MCA Notification dated 31<sup>st</sup> March 2022.

Sd/-

**A S Narayanamoorthy**  
Chartered Accountant  
M.No: 13980

## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF POPULAR AUTO DEALERS PRIVATE LIMITED, COCHIN.**

### 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 and hence this clause relating to revaluation is not applicable.

(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.

### iii) 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 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 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. The details of guarantees provided by the Company are as below:

(a) During the year the company has provided guarantee of Rs.10 Million on loans availed to Kuttukaran Green Private Limited (KGPL) from banks / financial institutions. The aggregate

amount of guarantee outstanding as on date of Balance Sheet in respect of loans availed by KGPL from banks / financial institutions is Rs.20 Million.

- (b) In my opinion and according to the information and explanations furnished to me, the guarantees provided and the terms and conditions of guarantees provided are prima facie not prejudicial to the company's interest.
- (c) The Company has not granted any loans to any other entity during the year and hence this sub-clause on schedule of repayment of loans granted is not applicable.
- (d) The Company has not granted any loans to any other entity during the year and hence this sub-clause on details of overdue loans is not applicable.
- (e) The Company has not granted any loans to any other entity during the year and hence this sub-clause on loans which have fallen due and renewed / extended is not applicable.
- (f) During the year, the company has not granted any loans/advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment

#### 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 other than those mentioned in clause (iii) above.

#### 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 are no disputed statutory dues are 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 by me, 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 / preferential allotment / private placement

- (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

- (a) The company does not have any unspent amount towards CSR on items other than ongoing projects and hence reporting under this clause is not applicable.
- (b) The Company does not have any amount due in respect of ongoing projects towards CSR and hence reporting under this clause is not applicable.

#### xxi) Observations by component auditors

The company does not have any subsidiaries/associates/joint ventures as on the date of Balance Sheet and hence reporting under this clause is not applicable

Sd/-

**A S Narayanamoorthy**  
Chartered Accountant  
M.No: 13980

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF POPULAR AUTO DEALERS PRIVATE LIMITED, COCHIN**

### **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 Auto Dealers 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".

Sd/-

**A S Narayanamoorthy**  
Chartered Accountant  
M.No: 13980

**Popular Auto Dealers Private Limited, Ernakulam**  
**Balance Sheet**  
(All amounts in INR millions)

	Note	As at 31 March 2023	As at 31 March 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	54.21	46.77
Capital Work-in-progress	2	8.14	3.25
Intangible Assets	3	7.21	9.61
Right-of-Use Asset	17	114.50	77.89
Financial assets			
Investments	4	9.13	6.22
Other financial assets	5	26.41	21.82
Deferred tax assets (net)	26	7.46	3.49
Other non-current assets	6	6.67	2.49
<b>Total non-current assets</b>		<b>233.73</b>	<b>171.54</b>
<b>Current assets</b>			
Inventories	7	289.59	226.17
Financial assets			
Trade receivables	8	266.67	222.65
Cash and cash equivalents	9	24.09	23.96
Bank balances	10	12.96	12.03
Other current assets	6	5.17	5.64
<b>Total current assets</b>		<b>598.48</b>	<b>490.45</b>
<b>Total assets</b>		<b>832.21</b>	<b>661.99</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	11	5.10	5.10
Other equity		332.92	256.74
<b>Equity attributable to owners of company</b>		<b>338.02</b>	<b>261.84</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease Liability	17	100.13	63.42
Borrowings	12	32.51	25.98
Provisions	14	1.69	2.32
Income tax liability (net)	26	2.46	1.05
<b>Total non-current liabilities</b>		<b>136.79</b>	<b>92.77</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease Liability	17	27.05	24.79
Borrowings	12	162.13	144.82
Trade payables	16		
- Total outstanding dues of micro and small enterprises			
- Total outstanding dues of creditors other than micro and small enterprises		161.04	129.87
Other financial liabilities	13	0.17	0.06
Provisions	14	0.69	0.58
Other current liabilities	15	6.32	7.26
<b>Total current liabilities</b>		<b>357.40</b>	<b>307.38</b>
<b>Total equity and liabilities</b>		<b>832.21</b>	<b>661.99</b>
<b>Significant accounting policies</b>	1		
Notes forming part of financial statements	2-38		
As per report of even date attached			

for and on behalf of the Board of Directors of  
**Popular Auto Dealers Private Limited**  
CIN : U50101KL2005PTC018670

Sd/-  
**A S Narayanamoorthy**  
Chartered Accountant  
M.No: 13980  
Place : Kochi  
Date : 23/05/2023

Sd/-  
**Naveen Philip**  
Director  
DIN: 00018827

Sd/-  
**John K Paul**  
Director  
DIN: 00016513

**Popular Auto Dealers Private Limited, Ernakulam**

**Statement of Profit and Loss  
(All amounts in INR millions)**

	<b>Note</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
<b>Income</b>			
Revenue from operations	<b>18</b>	2,534.17	1,754.60
Other income	<b>19</b>	5.09	10.41
<b>Total income</b>		<b><u>2,539.26</u></b>	<b><u>1,765.01</u></b>
<b>Expenses</b>			
Purchases of Stock in Trade	<b>20</b>	2,228.48	1,524.67
Changes in inventory of stock-in-trade	<b>21</b>	(53.39)	(24.20)
Employee benefits expense	<b>22</b>	110.52	84.54
Finance costs	<b>23</b>	29.62	22.51
Depreciation and amortisation expense	<b>24</b>	41.48	34.84
Other expenses	<b>25</b>	80.14	42.43
<b>Total expenses</b>		<b><u>2,436.85</u></b>	<b><u>1,684.79</u></b>
<b>Profit before exceptional item and tax</b>		<b><u>102.41</u></b>	<b><u>80.22</u></b>
<b>Profit / (Loss) before tax</b>		<b><u>102.41</u></b>	<b><u>80.22</u></b>
Income tax expense			
Current tax	<b>26</b>	29.40	21.64
Deferred tax charge /(benefit)	<b>26</b>	(3.78)	1.84
<b>Profit / (Loss) for the year attributable to owners of the Company</b>		<b><u>76.79</u></b>	<b><u>56.74</u></b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit liability/ (asset), net of tax		(0.81)	0.35
Income Tax relating to item that will not be reclassified to profit or loss		0.20	(0.09)
<b>Total comprehensive income / (Loss) for the year attributable to owners of the Company</b>		<b><u>76.18</u></b>	<b><u>57.00</u></b>
<b>Profit per share (Equity share of face value of INR 100 each)</b>			
Basic	<b>28</b>	1,492.73	1,116.90
Diluted	<b>28</b>	1,492.73	1,116.90
<b>Significant accounting policies</b>	<b>1</b>		
Notes forming part of financial statements	<b>2-38</b>		
As per report of even date attached			

for and on behalf of the Board of Directors of  
**Popular Auto Dealers Private Limited**  
CIN : U50101KL2005PTC018670

Sd/-  
**A S Narayanamoorthy**  
Chartered Accountant  
M.No: 13980  
Place : Kochi  
Date : 23/05/2023

Sd/-  
**Naveen Philip**  
Director  
DIN: 00018827

Sd/-  
**John K Paul**  
Director  
DIN: 00016513

**Popular Auto Dealers Private Limited, Ernakulam**  
**Cash Flow Statement**  
(All amounts in INR millions)

	As at 31 March 2023	As at 31 March 2022
<b>Cash flows from operating activities</b>		
Profit / (Loss) before tax	102.41	80.22
<i>Adjustments for</i>		
Finance costs	19.05	14.01
Interest on shortfall in payment of advance tax	0.18	0.57
Interest Expense on lease liability	10.39	7.93
Interest income (IND AS 109)	(1.23)	(0.99)
Lease Liability Written Back	(0.55)	(0.25)
Lease concession	(0.02)	(3.64)
Interest income	(0.66)	(0.60)
Provision for doubtful debts written back	-	(1.78)
Provision for doubtful advances written back	(0.10)	(0.10)
Gain on sale of property, plant and equipment (net)	(0.19)	(0.08)
Depreciation and amortisation expense	41.48	34.84
<b>Operating profit before working capital changes</b>	<b>170.76</b>	<b>130.13</b>
(Increase) / Decrease in Trade receivables	(44.02)	(38.61)
(Increase) / Decrease in Inventories	(63.42)	(29.92)
(Increase) / Decrease in Loans and Advances	(5.04)	1.11
Increase / (Decrease) in Long Term Provisions	(1.34)	1.27
Increase / (Decrease) in Other current liabilities	30.45	7.44
<b>Cash generated from/ (used) in operations</b>	<b>87.39</b>	<b>71.42</b>
Taxes paid, net of refund received	(28.13)	(18.31)
<b>Net cash generated from/ (used) in operating activities (A)</b>	<b>59.26</b>	<b>53.11</b>
<b>Cash flows from investing activities</b>		
Investments	(2.91)	(2.34)
Long term advance	(3.36)	(2.61)
Interest received	0.66	0.60
Purchase of property, plant and equipment(including change in cwip)	(20.60)	(25.38)
Proceeds from sale of property, plant and equipment	0.24	0.27
<b>Net cash used in investing activities (B)</b>	<b>(25.97)</b>	<b>(29.46)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(19.05)	(14.01)
Secured loans availed, net	23.84	19.70
Payment of lease liabilities	(37.02)	(27.70)
<b>Net cash generated from financing activities (C)</b>	<b>(32.23)</b>	<b>(22.01)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1.06</b>	<b>1.64</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>35.99</b>	<b>34.35</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>37.05</b>	<b>35.99</b>

(refer to note 9 & 10- Cash and bank balances)

The notes referred to above form an integral part of the financial statements  
As per report of even date attached

*for* and on behalf of the Board of Directors of  
**Popular Auto Dealers Private Limited**  
CIN : U50101KL2005PTC018670

Sd/-  
**A S Narayanamoorthy**  
Chartered Accountant  
M.No: 13980  
Place : Kochi  
Date : 23/05/2023

Sd/-  
**Naveen Philip**  
Director  
DIN: 00018827

Sd/-  
**John K Paul**  
Director  
DIN: 00016513

**Popular Auto Dealers Private Limited, Ernakulam**  
**Cash Flow Statement**  
(All amounts in INR 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 March 2023
			Fair value changes	Others	
Non current borrowings *	34.77	10.81	-	-	45.58
Current borrowings	136.03	13.03	-	-	149.06
Lease liabilities (refer note 17)	88.21	(37.02)	-	75.99	127.18

Particulars	As at 1 April 2021	Cash flows	Non cash changes		As at 31 March 2022
			Fair value changes	Others	
Non current borrowings *	12.57	22.20	-	-	34.77
Current borrowings	138.53	(2.50)	-	-	136.03
Lease liabilities (refer note 17)	62.83	(30.31)	-	55.69	88.21

\*includes current maturities of long -term borrowings

(Refer to note 9 & 10 - Cash and cash equivalents)

**As per report of even date attached**

for and on behalf of the Board of Directors of  
**Popular Auto Dealers Private Limited**  
CIN : U50101KL2005PTC018670

Sd/-

**A S Narayanamoorthy**

Chartered Accountant

M.No: 13980

Place : Kochi

Date : 23/05/2023

Sd/-

**Naveen Philip**

Director

DIN: 00018827

Sd/-

**John K Paul**

Director

DIN: 00016513

**Popular Auto Dealers Private Limited, Ernakulam**  
**Statement of changes in Equity**  
(All amounts in INR millions)

A. Equity Share capital	Amount
<b>As at 31 March 2021</b>	<b>5.10</b>
Changes in Equity share capital	-
<b>As at 31 March 2022</b>	<b>5.10</b>
Changes in Equity share capital	-
<b>As at 31 March 2023</b>	<b>5.10</b>

**B. Other equity**

Particulars	Reserves and surplus		Items of other Comprehensive Income	Total other Equity attributable to Equity holders of the Company
	Securities premium	Retained earnings	Remeasurement of net defined benefit liability/ (asset), net of tax	
<b>Balance as at 31 March 2021</b>	<b>37.45</b>	<b>162.14</b>	<b>0.15</b>	<b>199.74</b>
Ind As Adjustment on account of lease				-
Total comprehensive income for the year				
Profit for the year		56.74		56.74
Other comprehensive income		-	0.26	0.26
Total comprehensive income	-	56.74	0.26	57.00
<b>Balance as at 31 March 2022</b>	<b>37.45</b>	<b>218.88</b>	<b>0.41</b>	<b>256.74</b>
<b>Balance as at 31 March 2022</b>	<b>37.45</b>	<b>218.88</b>	<b>0.41</b>	<b>256.74</b>
Ind As Adjustment on account of lease				-
Total comprehensive income for the year				
Profit for the year		76.79		76.79
Other comprehensive income		-	(0.61)	(0.61)
Total comprehensive income	-	76.79	(0.61)	76.18
<b>Balance as at 31 March 2023</b>	<b>37.45</b>	<b>295.67</b>	<b>(0.20)</b>	<b>332.92</b>

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

**1 Securities Premium**

Represents premium arising out of issue of 14,704 Equity shares of Rs.100/- each at a premium of Rs.2,547 per share during the FY 2018-19.

**2 Retained earnings**

Represents accumulation of retained earnings of earlier years.

As per report of even date attached

for and on behalf of the Board of Directors of  
**Popular Auto Dealers Private Limited**  
CIN : U50101KL2005PTC018670

Sd/-  
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**John K Paul**  
Director  
DIN: 00016513

**Popular Auto Dealers Private Limited**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

## **1.1 Company overview**

Popular Auto Dealers Private Limited ('the Company') was incorporated in 2005 as a Private Limited Company. The Company is engaged in the business of sale of automobile spare parts and accessories, Sale of used cars. The Company is headquartered in Kochi, India and has operations in Kerala and Karnataka.

## **1.2 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 1.3.

### **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 wherever 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. Basis of preparation (continued)

## **1.3 Significant accounting policies**

### **1.3.1. Property, plant and equipment**

#### **i. 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

**Popular Auto Dealers Private Limited**  
**Notes to the financial statements (continued)**

(All amounts in INR millions)

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, 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 labour, 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.

**ii. 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.

**iii. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognized in the profit or loss. Leasehold improvements are amortized over the useful lives of assets.

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

<b>Class of Assets</b>	<b>Previous Life</b>	<b>Revised Life</b>
Building	60	60
Plant and Machinery	15	15
Electrical Equipments	10	10
Office Equipments	5	5
Computer and Accessories	3	3
Motor Car	8	8
Motor Cycle	10	10
Furniture and Fittings	10	10
Software	3	3
Tools & Equipments	5	5

**1.3.2 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

**Popular Auto Dealers Private Limited**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

use and is included in amortization in profit or loss. The estimated useful lives are as follows:

<b>Class of assets</b>	<b>Years</b>
Software	3
Goodwill	5

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.

### **1.3.3 Employee benefits**

#### *Short-term employee benefits*

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

#### *Post-employment benefits*

##### *Defined contribution plans*

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

Prepaid contributions are 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

**Popular Auto Dealers Private Limited**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

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 on the basis of 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.

**1.3.4 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 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.

**1.3.5 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.

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

Discounts and incentive income is recognized when the services are rendered and as per the relevant scheme/ arrangement with the service receiver. Trade discounts from principal/manufacture are also grouped under discounts/incentives. 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.

**Popular Auto Dealers Private Limited**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

### 1.3.6 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:

- Maruti Spares & Accessories and Ashok Leyland Spare parts are valued at Cost on FIFO basis.
- TATA Spares, Axalta products, Shell products are valued at Weighted Average basis.
- Kartrenz used cars division, valuation is done on specific identification basis.

### 1.3.7 Impairment

#### **i) Impairment of financial instruments**

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

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

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

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

#### **Measurement of expected credit losses**

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

#### **Presentation of allowance for expected credit losses in the balance sheet**

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

#### **Write-off**

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

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

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

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

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

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its

**Popular Auto Dealers Private Limited**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

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

### **1.3.8 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.

### **1.3.9 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.

### **1.3.10 Income tax**

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

#### **i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or 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

**Popular Auto Dealers Private Limited**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

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.

**1.3.11 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.

**1.3.12 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 earnings per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

**Popular Auto Dealers Private Limited**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

**1.3.13 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.

**1.3.14 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

**1.3.15 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.

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
**(All amounts in INR millions)**

**2 Property, plant and equipment**

Particulars	Buildings #	Furniture and fixtures	Plant and Equipment	Computer Equipment	Office equipment	Motor Vehicles	Tools and Equipments	Total (A)	Capital work-in-progress (B)	Total (A+B)
<b>Gross carrying value</b>										
Balance at 1 April 2021	1.37	30.62	0.38	3.96	0.46	14.13	-	50.92		50.92
Additions/(transfers)	7.88	8.92	0.49	2.00	0.35	2.02	0.01	21.67	3.25	24.92
Disposals								0.79		0.79
<b>Balance at 31 March 2022</b>	<b>9.25</b>	<b>39.54</b>	<b>0.87</b>	<b>5.96</b>	<b>0.81</b>	<b>15.36</b>	<b>0.01</b>	<b>71.80</b>	<b>3.25</b>	<b>75.05</b>
Balance at 1 April 2022	9.25	39.54	0.87	5.96	0.81	15.36	0.01	71.80	3.25	75.05
Additions/(transfers)	-	11.91	0.57	2.35	0.74	-	0.01	15.58	4.89	20.47
Disposals						0.38		0.38		0.38
<b>Balance at 31 March 2023</b>	<b>9.25</b>	<b>51.45</b>	<b>1.44</b>	<b>8.31</b>	<b>1.55</b>	<b>14.98</b>	<b>0.02</b>	<b>87.00</b>	<b>8.14</b>	<b>95.14</b>
<b>Accumulated Depreciation</b>										
Balance at 1 April 2021	0.11	9.87	0.08	2.69	0.30	6.10	-	19.15		19.15
Depreciation for the year	0.04	3.53	0.04	0.94	0.08	1.85	-	6.48		6.48
Disposals						0.60		0.60		0.60
<b>Balance at 31 March 2022</b>	<b>0.15</b>	<b>13.40</b>	<b>0.12</b>	<b>3.63</b>	<b>0.38</b>	<b>7.35</b>	<b>-</b>	<b>25.03</b>	<b>-</b>	<b>25.03</b>
Balance at 1 April 2022	0.15	13.40	0.12	3.63	0.38	7.35	-	25.03		25.03
Depreciation for the year	0.16	4.37	0.09	1.32	0.21	1.94	0.00	8.09		8.09
Disposals						0.33		0.33		0.33
<b>Balance at 31 March 2023</b>	<b>0.31</b>	<b>17.77</b>	<b>0.21</b>	<b>4.95</b>	<b>0.59</b>	<b>8.96</b>	<b>-</b>	<b>32.79</b>	<b>-</b>	<b>32.79</b>
<b>Carrying amounts (net)</b>										
<b>At 31 March 2023</b>	<b>8.94</b>	<b>33.68</b>	<b>1.23</b>	<b>3.36</b>	<b>0.96</b>	<b>6.02</b>	<b>0.02</b>	<b>54.21</b>	<b>8.14</b>	<b>62.35</b>
<b>At 31 March 2022</b>	<b>9.10</b>	<b>26.14</b>	<b>0.75</b>	<b>2.33</b>	<b>0.43</b>	<b>8.01</b>	<b>0.01</b>	<b>46.77</b>	<b>3.25</b>	<b>50.02</b>

# Include buildings constructed on leasehold land

Particulars	As at 31 March 2023		As at 31 March 2022	
	Gross block	Net block	Gross block	Net block
Leasehold improvements	9.25	8.94	9.25	9.10

a) For details of property, plant and equipment pledged, refer note 12.

**2.i Capital Work in Progress Ageing Schedule**

Capital Work-in-progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	
Projects in progress	7.98	0.16			8.14
Projects temporarily suspended					
<b>Total</b>	<b>7.98</b>	<b>0.16</b>	<b>-</b>	<b>-</b>	<b>8.14</b>

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
**(All amounts in INR millions)**

**3 Intangible Assets**

Particulars	Goodwill	Computer Software	Total
<b>Gross carrying value</b>			
Balance at 1 April 2021	11.80	-	11.80
Additions/(transfers)	-	0.46	0.46
Disposals	-	-	-
<b>Balance at 31 March 2022</b>	<b>11.80</b>	<b>0.46</b>	<b>12.26</b>
<b>Gross carrying value</b>			
Balance at 1 April 2022	11.80	0.46	12.26
Additions/(transfers)	-	0.13	0.13
Disposals	-	-	-
<b>Balance at 31 March 2023</b>	<b>11.80</b>	<b>0.59</b>	<b>12.39</b>
<b>Accumulated Depreciation</b>			
Balance at 1 April 2021	0.29	-	0.29
Depreciation for the year	2.35	0.01	2.36
Disposals	-	-	-
<b>Balance at 31 March 2022</b>	<b>2.64</b>	<b>0.01</b>	<b>2.65</b>
Balance at 1 April 2021	2.64	0.01	2.65
Depreciation for the year	2.36	0.17	2.53
Disposals	-	-	-
<b>Balance at 31 March 2023</b>	<b>5.00</b>	<b>0.18</b>	<b>5.18</b>
<b>Carrying amounts (net)</b>			
<b>At 31 March 2023</b>	<b>6.80</b>	<b>0.41</b>	<b>7.21</b>
<b>At 31 March 2022</b>	<b>9.16</b>	<b>0.45</b>	<b>9.61</b>

**Notes:**

1) This represents the excess purchase consideration paid during the year for the business acquisition from Prerana Motors Private Limited for the wholesale distribution of spare parts /accessories of Tata Motors division for the State of Karnataka based on the agreement dated 9 January 2021.

**A. Consideration transferred**

The following table summarises the acquisition date fair value of consideration transferred:

Particulars	Amount
Total consideration	30.87

**B. Identifiable assets acquired and liabilities assumed**

Particulars	Amount
Property, plant and equipment	0.42
Inventories	18.65
<b>Total assets</b>	<b>19.07</b>
Other liabilities	-
<b>Total liabilities</b>	<b>-</b>
<b>Net identifiable assets acquired</b>	<b>19.07</b>

**C. Goodwill**

Goodwill arising from acquisition has been determined as follows:

Particulars	Amount
Consideration transferred / transferable	30.87
Fair value of net identifiable assets acquired	19.07
<b>Goodwill</b>	<b>11.80</b>

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
**(All amounts in INR millions)**

	As at 31 March 2023	As at 31 March 2022
<b>4 Investments</b>		
<b>Non-current investments, unquoted</b>		
<i>Investments in equity instruments of subsidiaries(at cost)</i>		
<b>Investment in subsidiaries</b>	-	0.10
Kuttukaran Green Private Limited (Formerly Kuttukaran Pre Owned Cars Private Limited) (10,000 equity shares of Rs. 10 each)		
Less: Provision for diminution in value of investment	-	(0.10)
<b>Investment in Mutual Funds</b>	9.13	6.22
	<b>9.13</b>	<b>6.22</b>

Note 1 : Details of Investments in mutual fund units

Particulars	As at 31 March 2023		As at 31 March 2022	
	Units	Amount	Units	Amount
Aditya Birla Sun life Mutual Fund -1038149498	2,709	1.56	2,205	1.42
Canara Robeco Mutual Fund-10814884323	11,241	1.74	9,348	1.48
DSP Mid Cap (G)-INF740K01128	10,438	0.86	-	-
ICICI Prudential mutual fund-12578573	26,685	1.80	22,171	1.45
Kotak Small Cap - RP (G) -INF174K01211	5,558	0.87	-	-
Nippon India Small Cap-408207774587	25,221	2.30	21,831	1.87
<b>Total investments in Mutual Fund Units</b>	<b>81,852</b>	<b>9.13</b>	<b>55,555</b>	<b>6.22</b>

**5 Other financial assets**

**Non Current**

**Considered good - Unsecured**

Rent and other deposits	26.41	21.82
	<b>26.41</b>	<b>21.82</b>

**6 Other assets**

**Non-current**

**Considered good - Unsecured**

Prepayments	4.88	2.44
Disputed Taxes	-	0.05
Balance with Gratuity Fund	1.79	-
	<b>6.67</b>	<b>2.49</b>

**Current**

**Considered good - Unsecured**

Prepayments	1.26	2.09
Advance to staff	0.14	0.09
Payment to vendors for supply of goods and services	3.77	3.46
	<b>5.17</b>	<b>5.64</b>

**7 Inventories**

(Valued at lower of cost and realisable value)

Spares and lubricants	247.15	195.79
Used Cars	8.65	6.49
Goods in Transit- Spare	41.89	31.86
	<b>297.69</b>	<b>234.14</b>
Less: Provision for obsolete inventory	8.10	7.97
	<b>289.59</b>	<b>226.17</b>

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
**(All amounts in INR millions)**

	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
<b>8 Trade receivables</b>		
<b>Current</b>		
Considered good - Secured	-	-
Considered good - Unsecured		
(a) Which have significant increase in Credit Risk	53.32	61.64
(b) Credit impaired	20.83	7.28
Less: Allowance for expected credit loss	(20.83)	(7.28)
(c) Others	213.35	161.01
<b>Net trade receivables</b>	<b>266.67</b>	<b>222.65</b>

Trade receivables ageing schedule

<b>As at 31 March 2023</b>						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good	208.42		4.93			<b>213.35</b>
ii) Undisputed Trade Receivables – which have significant increase in credit risk	53.32			-	-	<b>53.32</b>
iii) Undisputed Trade Receivables – credit impaired	4.19	2.05	10.64	3.95	-	<b>20.83</b>
	<b>265.93</b>	<b>2.05</b>	<b>15.57</b>	<b>3.95</b>	-	<b>287.50</b>

<b>As at 31st March 2022</b>						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good	161.01			-	-	<b>161.01</b>
ii) Undisputed Trade Receivables – which have significant increase in credit risk		61.64		-	-	<b>61.64</b>
iii) Undisputed Trade Receivables – credit impaired	-	0.54	6.74	-	-	<b>7.28</b>
	<b>161.01</b>	<b>62.18</b>	<b>6.74</b>	-	-	<b>229.93</b>

For details of trade receivables from related parties, refer note 34.

The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 32.

**9 Cash and cash equivalents**

Balance with banks		
- in current accounts	21.85	21.73
- in deposit accounts	0.09	0.11
Cash on hand	2.15	2.12
<b>Cash and cash equivalents in balance sheet</b>	<b>24.09</b>	<b>23.96</b>

**10 Bank balances**

Balance in banks as margin money	12.96	12.03
	<b>12.96</b>	<b>12.03</b>

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
**(All amounts in INR millions)**

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
<b>11 Share capital</b>				
<b>Authorised</b>				
Equity shares	60,000	6.00	60,000	6.00
Redeemable Preference Shares of Rs 100 each	5,000	0.50	5,000	0.50
	<b>65,000</b>	<b>6.50</b>	<b>65,000</b>	<b>6.50</b>
<b>Issued, subscribed and paid-up</b>				
Equity shares	51,034	5.10	51,034	5.10
Add: issued during the year	-	-	-	-
	<b>51,034</b>	<b>5.10</b>	<b>51,034</b>	<b>5.10</b>
<b>a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>				
<i>Equity shares of INR.100 each fully paid-up</i>				
At the beginning of the year	51,034	5.10	51,034	5.10
Add: issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>51,034</b>	<b>5.10</b>	<b>51,034</b>	<b>5.10</b>
<b>b) Details of shareholders holding more than 5% shares of the Company</b>				
	As at 31 March 2023		As at 31 March 2022	
<b>Equity shares of Rs. 100 each fully paid up held by</b>	Number of shares	% holding in the class	Number of shares	% holding in the class
a) Popular Vehicles and Services Ltd	51,033	99.99%	51,033	99.99%
b) Naveen Philip (Nominee of Popular Vehicles & Services Ltd)	1	0.01%	1	0.01%
<b>c) Shares held by promoters at the end of the year</b>				
<b>1 Change in Promoters holding during the year (%)</b>		NIL		-
<b>2. Details of Promoters shareholding</b>				
	As at March 31, 2023		As at March 31, 2022	
	No.of Shares	% of Total Shares	No.of Shares	% of Total Shares
a) Popular Vehicles and Services Ltd	51,033	99.99%	51,033	99.99%
b) Naveen Philip (Nominee of Popular Vehicles & Services Ltd)	1	0.01%	1	0.01%
<b>Total</b>	<b>51,034</b>	<b>100.00%</b>	<b>51,034</b>	<b>100.00%</b>

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
**(All amounts in INR millions)**

	As at 31 March 2023	As at 31 March 2022
<b>12 Borrowings</b>		
<b>Non-current</b>		
<b>Secured loans</b>		
Term loans from banks	31.98	24.62
Term loans from financial institutions	0.53	1.36
	<u>32.51</u>	<u>25.98</u>
<b>Current</b>		
<b>Secured loans</b>		
Cash credit and overdraft facilities from banks	133.16	119.83
Short term loan from financial institution	-	0.30
Current maturities of long-term borrowings	13.07	8.79
<b>Unsecured loans</b>		
Loan from Directors	15.90	15.90
	<u>162.13</u>	<u>144.82</u>
	<u>194.64</u>	<u>170.80</u>

Note 1: Term Loan and Cash Credit from Kotak Mahindra Bank Ltd is secured by first charge on all current assets paripassu with South Indian Bank excluding spares stock funded by Standard Chartered Bank, Tata Capital Financial Services Limited, State Bank of India & Axis Bank Limited and paripassu charge on movable assets of the company with South Indian Bank, Equitable mortgage of the immovable properties of the firms in which promoters are interested held as common collateral for the group and personal guarantees of the promoter directors and their spouses, corporate guarantee of the firms in which promoters are interested. Term loan is to be repaid in 60 monthly installments ranging from Rs80,000 to Rs 1,10,000. Working Capital term loans under ECLG scheme from Kotak Mahindra Bank shall be and deemed to be secured by extension of charge on all existing securities/ properties available for existing facilities on second rank basis. The Principal amount is to be repaid in 36 monthly installments of Rs.7,70,570 post moratorium period of 1 year from the date of disbursement.

Note 2: Working Capital Term Loan under ECLG scheme of National Credit Guarantee Trustee Company Limited from Kotak Mahindra Bank Ltd is secured by an extension of charge on primary securities available for existing facilities on a second rank basis. The principal amount is to be repaid in 36 monthly installments post moratorium period of 1 year from the date of first disbursement 10th September 2022

Note 3: Channel Finance from Tata Capital Financial Services Limited is secured by against inventory, book debts, irrevocable and unconditional corporate guarantee of holding company and personal guarantees of all the promoter directors of the company. A credit period of 120 days provided for repayment.

Note 4: Inventory Funding from Axis Bank is secured by Hypothecation of current assets funded by Axis Bank both present and future and personal guarantees by all promoter Directors. Working Capital Term Loan under ECLG scheme from Axis Bank Ltd is secured by an extension of charge on primary securities available for existing facilities on a second rank basis. The principal amount is to be repaid in 36 monthly installments of Rs.90,000 post moratorium period of 1 year from the date of first disbursement.

Note 5: Cash Credit account from South Indian Bank is secured by paripassu charge over stock, book debts and all other available current assets of the company and the Term Loan from South Indian Bank is secured by hypothecation of assets acquired by utilising the Fund, equitable mortgage over immovable property of the Holding company, Corporate guarantee of Holding Company and personal guarantees of all the promoter directors of the company. The Term Loan is Repayable in 60 Monthly Instalments of Rs. 1,38,500.

Note 6: Aggregate amount of borrowings guaranteed by directors Rs. 146.77 Millions

Note 7: Vehicle loans are secured by hypothecation of the vehicle financed repayable in installment ranging from 36 to 48 months

Note 8: Channel Finance from Standard chartered Bank is secured against inventory, book debts, Corporate guarantee of Holding Company and personal guarantees of all the promoter directors of the company

Note 9: Loan from directors are Interest free. Terms of repayment are not stipulated.

Note 10: Cash Credit (e-DFS) from State Bank of India is secured by exclusive hypothecation, first charge on Stocks & Receivables created out of these funds. Equitable Mortgage of Immovable Properties of the firms in which promoters are interested and Personal Guarantee by Promoter, Naveen Philip and collateral security of Kuttukaran Trading Ventures. Corporate Guarantee by Kuttukaran Trading Ventures & Popular Vehicles and Services Ltd

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
**(All amounts in INR millions)**

**12 Borrowings (continued)**

**A Statement of details of terms and conditions of the current and non-borrowings**

Nature of borrowing	As at 31 March 2023	As at 31 March 2022	Security terms
<b>Non-current, secured</b>			
Term loans from banks	2.55	4.58	Term Loan and Cash Credit from Kotak Mahindra Bank Ltd is secured by first charge on all current assets paripassu with South Indian Bank excluding spares stock funded by Standard Chartered Bank, Tata Capital Financial Services Limited & Axis Bank Limited and paripassu charge on movable assets of the company with South Indian Bank, Equitable mortgage of the immovable properties of the firms in which promoters are interested held as common collateral for the group and personal guarantees of the promoter directors and their spouses, corporate guarantee of the firms in which promoters are interested. Term loan is to be repaid in 60 monthly installments
Term loans from banks	7.75	-	Term Loan from South Indian Bank is secured by assets of the company, mortgage over immovable property of the Holding company, Corporate guarantee of Holding Company and personal guarantees of all the promoter directors of the company
Term loans from banks - ECLGS	1.89	2.97	Working Capital Term Loan under ECLG scheme from Axis Bank Ltd is secured by an extension of charge on primary securities available for existing facilities on a second rank basis. The principal amount is to be repaid in 36 monthly installments of Rs.90,000 post moratorium period of 1 year from the date of first disbursement.
Term loans from banks - ECLGS	20.35	24.50	Working Capital Term Loan under ECLG scheme from Kotak Mahindra Bank Ltd is secured by an extension of charge on primary securities available for existing facilities on a second rank basis. The principal amount is to be repaid in 36 monthly installments Rs.7,70,570/- post moratorium period of 1 year from the date of first disbursement.
Vehicle loans from financial institutions	1.28	2.34	Vehicle loans are secured by hypothecation of the vehicle financed and personal guarantee of Director. Repayable in installment for 36 to 48 months
Vehicle loans from financial institutions	0.08	0.38	Vehicle loans are secured by hypothecation of the vehicle financed. Repayable in installment for 36 to 48 months
<b>Current, Secured</b>			
Cash credit and overdraft facilities from banks	2.96	11.41	Cash Credit from Kotak Mahindra Bank Ltd is secured by first charge on all current assets paripassu with South Indian Bank excluding spares stock funded by Standard Chartered Bank, Tata Capital Financial Services Limited & Axis Bank Limited and paripassu charge on movable assets of the company with South Indian Bank, Equitable mortgage of the immovable properties of the firms in which promoters are interested held as common collateral for the group and personal guarantees of the promoter directors and their spouses, corporate guarantee of the firms in which promoters are interested.
Cash credit and overdraft facilities from banks	107.05	81.81	Cash Credit account from South Indian Bank is secured by paripassu charge over stock, book debts and all other available current assets of the company, mortgage over immovable property of the Holding company, Corporate guarantee of Holding Company and personal guarantees of all the promoter directors of the company
Cash credit and overdraft facilities from banks	15.05	7.18	Inventory Funding from Axis Bank is secured by Hypothecation of current assets funded by Axis Bank both present and future and personal guarantees by all promoter Directors.
Cash credit and overdraft facilities from banks	8.10	19.43	Channel Finance from Standard chartered Bank is secured on all existing book debts, Inventory, Corporate guarantee of Holding Company and personal guarantees of all the promoter directors of the company. A credit period of 90 days provided for repayment.
Short term loan from financial institutions	-	0.30	Channel Finance from Tata Capital Financial Services Limited is secured by irrevocable and unconditional corporate guarantee of holding company and personal guarantees of all the promoter directors of the company. A credit period of 120 days provided for repayment.
Cash credit and overdraft facilities from banks	11.68	-	Cash Credit (e-DFS) from State Bank of India is secured by exclusive hypothecation, first charge on Stocks & Receivables created out of these funds. Equitable Mortgage of Immovable Properties of the firms in which promoters are interested and Personal Guarantee by Promoter, Naveen Philip and collateral security of Kuttukaran Trading Ventures. Corporate Guarantee by Kuttukaran Trading Ventures & Popular Vehicles and Services Ltd
<b>Current, Unsecured</b>			
Loans from directors	15.90	15.90	Loan from directors are Interest free
<b>Total</b>	<b>194.64</b>	<b>170.80</b>	

Note:

The balance includes current maturities of long-term borrowings

The borrowings from banks / financial institutions carry interest rates from 7.5% to 12% per annum

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
**(All amounts in INR millions)**

	As at 31 March 2023	As at 31 March 2022
<b>13 Other financial liabilities</b>		
<b>Current</b>		
Interest accrued but not due on borrowings	0.02	0.02
Dues to Banks - Credit Card	0.15	0.04
	<u>0.17</u>	<u>0.06</u>
<b>14 Provisions</b>		
<b>Non-current</b>		
Compensated absences	1.69	1.49
Provision for Gratuity	-	0.83
	<u>1.69</u>	<u>2.32</u>
<b>Current</b>		
Compensated absences	0.69	0.58
	<u>0.69</u>	<u>0.58</u>
<b>15 Other liabilities</b>		
<b>Current</b>		
Contract liabilities	1.55	1.59
Statutory dues payable	4.77	5.67
	<u>6.32</u>	<u>7.26</u>
<p>The contract liabilities primarily relate to the advance received from the customers for the sale of spareparts. This will be recognised as revenue as and when the company meet the performance obligation by delivering the vehicles.</p>		
<b>16 Trade payables</b>		
Dues to micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	161.04	129.87
	<u>161.04</u>	<u>129.87</u>

Trade payable ageing schedule

<b>As at 31st March 2023</b>					
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i)MSME	-	-	-	-	-
ii)Others	156.44	4.60	-	-	161.04
iii)Disputed Dues-MSME	-	-	-	-	-
iv)Disputed Dues-Others	-	-	-	-	-
v)Unbilled dues	-	-	-	-	-
	<u>156.44</u>	<u>4.60</u>	<u>-</u>	<u>-</u>	<u>161.04</u>
<b>As at 31st March 2022</b>					
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i)MSME	-	-	-	-	-
ii)Others	127.24	2.63	-	-	129.87
iii)Disputed Dues-MSME	-	-	-	-	-
iv)Disputed Dues-Others	-	-	-	-	-
v)Unbilled dues	-	-	-	-	-
	<u>127.24</u>	<u>2.63</u>	<u>-</u>	<u>-</u>	<u>129.87</u>

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information

The principal amount remaining unpaid to any supplier as at the end of the year	-	-
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	-	-

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
**(All amounts in INR millions)**

**17 Leases**

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 Restated Financial Statements. Ind AS 116 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 period ended March 31, 2023, March 31, 2022

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Balance as of April 1	77.89	53.83
Additions	68.70	49.83
Less: Depreciation	29.62	24.99
Less : ROU Asset on terminated agreements	2.47	0.78
<b>Closing Balance</b>	<b>114.50</b>	<b>77.89</b>

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 March 31 2023, March 31, 2022

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Current lease liabilities	27.05	24.79
Non-current lease liabilities	100.13	63.42
<b>Total</b>	<b>127.18</b>	<b>88.21</b>

The following is the movement in lease liabilities during the period ended March 31, 2023 and March 31, 2022

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Balance as on April 1	88.21	62.83
Additions	69.05	49.83
Add: Finance Cost accrued during the period as per IND AS 116	10.44	7.93
Less: Lease liability for the period as per rent agreement	37.48	27.70
Less:-Lease Concession	0.02	3.64
Less : Lease Liability on terminated agreements	3.02	1.04
<b>Closing Balance</b>	<b>127.18</b>	<b>88.21</b>

Maturity analysis – contractual undiscounted cash flows

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Less than one year	36.97	32.02
One to five years	92.02	73.19
More than five years	36.75	8.65
<b>Total undiscounted lease liabilities</b>	<b>165.74</b>	<b>113.86</b>

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

	Year ended 31 March 2023	Year ended 31 March 2022
<b>18 Revenue from operations</b>		
Sales spares and accessories	2,331.15	1,638.31
Income from schemes and incentives	161.69	109.57
Sales of Used Cars	40.33	6.53
Labour Income	1.00	0.19
	<b>2,534.17</b>	<b>1,754.60</b>
<b>Reconciliation of revenue from sale of products and services</b>		
Gross revenue	2,541.91	1,773.32
Less: Discount allowed	7.74	18.72
	<b>2,534.17</b>	<b>1,754.60</b>

**(A) Disaggregate of revenue information**

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Revenue by nature</b>		
Used Passenger cars & Labour Income	41.33	6.72
Luxury vehicles	-	-
Commercial vehicles	-	-
Others	2,492.84	1,747.88
	<b>2,534.17</b>	<b>1,754.60</b>
<b>Revenue by contract type</b>		
Fixed price	2,534.17	1,754.60
	<b>2,534.17</b>	<b>1,754.60</b>

**(B) Contract balances**

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

	Year ended 31 March 2023	Year ended 31 March 2022
Trade receivables	266.67	222.65
Contract liabilities	1.55	1.59

**(C) Transaction price allocated to remaining performance obligations**

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

	Year ended 31 March 2023	Year ended 31 March 2022
Within 1 year	1.55	1.59
1-3 years	-	-
More than 3 years	-	-
<b>Closing balance</b>	<b>1.55</b>	<b>1.59</b>

**19 Other income**

Interest on Fixed deposits with banks	0.66	0.60
Interest on Rent deposits	1.23	0.99
Provision for doubtful debts written back	-	1.78
Provision for doubtful advances written back	0.10	0.10
Gain on sale of property, plant and equipment (net)	0.19	0.08
Lease Liability Written Back	0.55	0.25
Lease concession	0.02	3.64
Provision for Gratuity	0.61	-
Other Non Operating Income	1.73	2.97
	<b>5.09</b>	<b>10.41</b>

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
**(All amounts in INR millions)**

	Year ended 31 March 2023	Year ended 31 March 2022
<b>20 Purchases of stock-in-trade</b>		
Spares and accessories	2,188.95	1,512.30
Used Cars	39.53	12.37
	<b>2,228.48</b>	<b>1,524.67</b>
<b>21 Change in inventories of stock-in-trade</b>		
Opening stock	194.31	170.11
Closing stock	247.70	194.31
	<b>(53.39)</b>	<b>(24.20)</b>
<b>22 Employee benefits expense</b>		
Salaries and allowances	98.57	74.24
Contribution to provident and other funds	6.95	5.77
Provision for Gratuity	-	1.31
Provision for leave encashment	0.48	0.40
Staff welfare expense	4.52	2.82
	<b>110.52</b>	<b>84.54</b>
<b>23 Finance cost</b>		
Interest on bank borrowings	16.28	11.65
Corporate Guarantee Commission	1.25	0.62
Interest on Shortfall in payment of advance tax	0.18	0.57
Other borrowing costs	1.52	1.74
Interest Expense on Lease Liability	10.39	7.93
	<b>29.62</b>	<b>22.51</b>
<b>24 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	8.09	6.48
Depreciation on Intangible Assets	2.53	2.36
Depreciation on Right-of-use Asset	30.86	26.00
	<b>41.48</b>	<b>34.84</b>
<b>25 Other expenses</b>		
Rent	6.12	4.61
Transportation charges	21.88	12.17
Power, water and fuel	1.89	1.37
Insurance	1.33	1.43
Repairs and maintenance		
Building	3.41	2.53
Computer	1.86	0.94
Vehicle	4.65	2.75
Others	3.22	2.31
Communication	1.78	1.56
Advertising and sales promotion	2.86	0.54
Corporate social responsibility	1.11	0.77
Rates and taxes	0.52	0.49
Legal and professional	0.95	0.69
Travelling and conveyance	5.14	3.15
Housekeeping and security	2.62	1.53
Donation and charity	0.01	0.01
Office expenses	3.90	2.81
Bad Debts Written off	0.62	-
Allowances for expected credit loss, net	13.55	-
Bank charges	2.66	2.33
Share of loss from LLP	-	0.01
Miscellaneous expenses	0.06	0.43
	<b>80.14</b>	<b>42.43</b>

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
**(All amounts in INR millions)**

	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
<b>26 Income taxes</b>		
<b>Income tax assets/(liability)</b>		
Income tax assets (less provisions)	(2.46)	(1.05)
<b>Net income tax assets/(liability) at the end</b>	<u>(2.46)</u>	<u>(1.05)</u>
<b>Deferred tax assets/(liabilities)</b>		
<b>Deferred income tax assets</b>		
Trade receivables	5.24	1.83
Property, plant and equipment and computer software	(0.64)	(1.25)
Preliminary Expenses	0.004	0.003
Ind AS 116 adjustment	3.19	2.60
Ind AS 116 Adjustment : Recognised through retained earning		
Provision for leave encashment	0.12	0.10
Provision for Gratuity	(0.45)	0.21
<b>Total deferred income tax assets</b>	<u>7.46</u>	<u>3.49</u>
Deferred income tax assets after set off (Refer Note below)	7.46	3.49

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.

Deferred tax asset in respect of unused tax have not been recognized on account of historical losses and unfavourable cashflow for a prolonged period by the Company.

	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
<b>Income Tax expense recognised in Profit and Loss</b>		
Current tax	29.40	21.64
Deferred tax	(3.78)	1.84
	<u>25.62</u>	<u>23.48</u>
<b>Income tax expense for the year reconciled to the accounting profit:</b>		
Profit before tax	<b>102.41</b>	<b>80.22</b>
Income tax expense		
Current tax	29.40	21.64
Deferred tax	(3.78)	1.84
Profit after tax	<u>76.79</u>	<u>56.74</u>
Income tax rates	25.168%	25.168%
Income Tax expense	25.32	20.18
Admissible Expenses	(2.98)	(1.66)
Inadmissible Expenses	6.53	3.00
Ind AS Adjustments	0.52	0.12
<b>Income tax expense recognised in profit or loss</b>	<u>29.40</u>	<u>21.64</u>

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
**(All amounts in INR millions)**

**26 Taxes (continued)**  
**B Deferred tax asset/ (liabilities) (continued)**  
**Recognised deferred tax assets and (liabilities)**

**(iii) Movement in temporary differences**

<b>Movement during the year ended 31 March 2023</b>	<b>As at 1 April 2022</b>	<b>Recognised through retained earning</b>	<b>Charge/ (credit) in the statement of profit and loss</b>	<b>Charge/ (credit) in other comprehensive income</b>	<b>As at 31 March 2023</b>
Allowance for expected credit loss	1.83	-	(3.41)	-	5.24
Provision for employee benefits	0.31	-	0.84	0.20	(0.33)
Lease liabilities, impact on account of Ind AS 116	2.60	-	(0.59)	-	3.19
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(1.25)	-	(0.61)	-	(0.64)
<b>Net deferred tax asset/ (liability) at the</b>	<b>3.49</b>	<b>-</b>	<b>(3.77)</b>	<b>0.20</b>	<b>7.46</b>

<b>Movement during the year ended 31 March 2021</b>	<b>As at 1 April 2021</b>	<b>Recognised through retained earning</b>	<b>Charge/ (credit) in the statement of profit and loss</b>	<b>Charge/ (credit) in other comprehensive income</b>	<b>As at 31 March 2022</b>
Allowance for expected credit loss	2.28	-	0.45	-	1.83
Provision for employee benefits	(0.13)	-	(0.53)	(0.09)	0.31
Lease liabilities, impact on account of Ind AS 116	2.27	-	(0.33)	-	2.60
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	1.01	-	2.26	-	(1.25)
<b>Net deferred tax asset/ (liability) at the</b>	<b>5.43</b>	<b>-</b>	<b>1.85</b>	<b>(0.09)</b>	<b>3.49</b>

**(iv) Tax losses carried forward**

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>Expiry date</b>	<b>As at 31 March 2022</b>	<b>Expiry date</b>
Brought forward losses - allowed to carry forward for specific period	-	-	-	-
Brought forward losses - allowed to carry forward for specific period	-	-	-	-
Brought forward losses - allowed to carry forward for specific period	-	-	-	-
Long term capital loss - allowed to carry forward for specific period	-	-	-	-
Long term capital loss - 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	-	-	-	-

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
**(All amounts in INR millions)**

**27 Contingent liabilities and commitments**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Contingent liabilities</b>		
Disputed Income Tax	-	0.04
Bank Guarantees	125.00	100.00
Corporate guarantees	20.00	10.00
<b>Total</b>	<b>145.00</b>	<b>110.04</b>
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

**28 Earnings/(loss) per share (Amount in INR)**

**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 attributable to equity share holders (basic)**

Particulars	As at 31 March 2023	As at 31 March 2022
Profit for the year, attributable to the equity share holders	76.18	57.00
<b>ii) Weighted average number of equity shares (basic)</b>		
Opening balance	51,034	51,034
Effect of fresh issue of shares for consideration other than cash		
Weighted average number of equity shares of INR 100 each for the year	51,034	51,034
Earnings / (loss) per share, basic	<b>1,492.73</b>	<b>1,116.90</b>

**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 March 2023	As at 31 March 2022
Net profit for the year, attributable to the equity share holders	76.18	57.00
Interest expense of compulsorily convertible preference share	-	-
Net Profit for the year, attributable to the equity share holders	76.18	57.00

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

Weighted average number of equity shares of INR 100 each for the year (basic)	51,034	51,034
Weighted average number of equity shares of INR 100 each for the year (diluted)	51,034	51,034
Earnings / (loss) per share, diluted	<b>1,492.73</b>	<b>1,116.90</b>

**29 Auditors' remuneration (included under legal and professional charges, net of tax)**

Particulars	As at 31 March 2023	As at 31 March 2022
As Auditor		
Statutory audit	0.19	0.16
Tax audit	0.03	0.03
In other capacity		
Other matters	0.16	0.08
	<b>0.38</b>	<b>0.27</b>

**30** In assessing the recoverability / impairment of investments, receivables and other advances which are outstanding as on the date of Balance Sheet, the Company has considered internal and external information upto the date of approval of these financial statements including credit reports and economic forecasts. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. Further, the Company does not anticipate any additional liabilities than what is disclosed in the Balance Sheet upto the date of approval of these financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

**31 Segment Reporting**

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

### 32 Financial Instruments- Fair values and risk management

#### A Accounting classifications and fair values

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

##### As at 31 March 2023

Particulars	Note	Carrying amount				Fair value			
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
<b>Assets</b>									
<b>Financial assets not measured at fair value</b>									
Cash and cash equivalents	9	24.09	-	-	24.09	-	-	-	-
Bank balances other than cash and cash equivalents	10	12.96	-	-	12.96	-	-	-	-
Trade receivables	8	266.67	-	-	266.67	-	-	-	-
Other financial assets	5	0.80	-	-	0.80	-	-	-	-
<b>Financial assets measured at fair value</b>									
Rent Deposit (included in Other Financial Assets)	5	-	25.61	-	25.61	-	-	25.61	25.61
Investments	4	-	9.13	-	9.13	-	9.13	-	9.13
<b>Total</b>		<b>304.52</b>	<b>34.74</b>	<b>-</b>	<b>339.26</b>	<b>-</b>	<b>9.13</b>	<b>25.61</b>	<b>34.74</b>
<b>Liabilities</b>									
<b>Financial liabilities measured at amortised cost</b>									
Trade payables	16	-	-	161.04	161.04	-	-	-	-
Borrowings #	12	-	-	194.64	194.64	-	-	-	-
Lease liabilities	17	-	-	127.18	127.18	-	-	-	-
Other financial liabilities	13	-	-	0.17	0.17	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>483.03</b>	<b>483.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### As at 31 March 2022

Particulars	Note	Carrying amount				Fair value			
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
<b>Assets</b>									
<b>Financial assets not measured at fair value</b>									
Cash and cash equivalents	9	23.96	-	-	23.96	-	-	-	-
Bank balances other than cash and cash equivalents	10	12.03	-	-	12.03	-	-	-	-
Trade receivables	8	222.65	-	-	222.65	-	-	-	-
Other financial assets	5	0.78	-	-	0.78	-	-	-	-
<b>Financial assets measured at fair value</b>									
Rent Deposit (included in Other Financial Assets)	5	-	21.04	-	21.04	-	-	21.04	21.04
Investments	4	-	6.22	-	6.22	-	6.22	-	6.22
<b>Total</b>		<b>259.42</b>	<b>27.26</b>	<b>-</b>	<b>286.68</b>	<b>-</b>	<b>6.22</b>	<b>21.04</b>	<b>27.26</b>
<b>Liabilities</b>									
<b>Financial liabilities measured at amortised cost</b>									
Trade payables	16	-	-	129.87	129.87	-	-	-	-
Borrowings #	12	-	-	170.80	170.80	-	-	-	-
Lease liabilities	17	-	-	88.21	88.21	-	-	-	-
Other financial liabilities	13	-	-	0.06	0.06	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>388.94</b>	<b>388.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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.

#### Measurement of fair values

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

#### Level 1 fair values

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

#### Level 2 fair values

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

#### Level 3 fair values

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

The quantitative sensitivity analysis of level 3 fair value of financial instrument as at 31 March 2023, 31 March 2022 has not been disclosed as it is not material to the Company.

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

**32 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 March 2023	As at 31 March 2022
Trade receivables	287.50	229.93
	<b>287.50</b>	<b>229.93</b>

**Impairment analysis**

The ageing of trade receivables is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Less than 1 year	267.98	223.19
1-2 years	15.57	6.74
2-3 years	3.95	
More than 3 years		
	<b>287.50</b>	<b>229.93</b>

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

Allowance for credit loss	As at 31 March 2023	As at 31 March 2022
Balance at the beginning	7.28	9.06
Provision created during the year	13.55	-1.78
Impairment loss recognised/ (reversed)	-	-
<b>Balance at the end</b>	<b>20.83</b>	<b>7.28</b>

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

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

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

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

Particulars	Payable within 1 year	More than 1 year	Total
Trade payables	156.44	4.60	161.04
Borrowings #	162.13	32.51	194.64
Lease liabilities	27.05	100.13	127.18
Other financial liabilities	0.17	-	0.17

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

Particulars	Payable within 1 year	More than 1 year	Total
Trade payables	127.24	2.63	129.87
Borrowings #	144.82	25.98	170.80
Lease liabilities	24.79	63.42	88.21
Other financial liabilities	0.06	-	0.06

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

**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 for the year.

**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 March 2023	As at 31 March 2022
Variable rate long term borrowings including current maturities	44.21	32.05

**Sensitivity**

Particulars	Impact on profit or (loss)		Impact on other components of equity	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
1% increase in variable rate	(0.44)	(0.32)	(0.33)	(0.24)
1% decrease in variable rate	0.44	0.32	0.33	0.24

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

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**

(All amounts in INR millions)

**33 Employee benefits**

**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 March 2023	As at 31 March 2022
Defined Benefit Plan	10.28	8.41
Plan Assets	10.07	7.54
<b>Net Defined benefit liability/(Asset)</b>	<b>0.21</b>	<b>0.87</b>
Liability for compensated absences	2.38	2.07
<b>Total employee benefit liability</b>	<b>2.59</b>	<b>2.94</b>
Non-current defined benefit liability	1.90	2.36
Current defined benefit liability	0.69	0.58
Other current assets (Balance with Life Insurance Corporation - Gratuity Fund (Net))	-	-

**C Reconciliation of net defined benefit (assets)/liability**

i) Reconciliation of present values of defined benefit obligation

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Defined benefit obligation as at the beginning of the year</b>	8.41	9.15
Current service cost	1.43	1.33
Past service cost	-	-
Interest cost	0.45	0.43
Benefits paid	(0.97)	(2.16)
Liabilities assumed / (settled)	-	-
<b>Re-measurements</b>		
Actuarial Gain/(loss) recognised in other comprehensive income		
- changes in financial assumptions	(0.13)	(0.17)
- changes in Demographic assumptions	-	-
- changes in experience over the past period	1.09	(0.17)
<b>Defined benefit obligation as at the end of the year</b>	<b>10.28</b>	<b>8.41</b>

ii) Reconciliation of present value of plan assets

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Plan assets at the beginning of the year</b>	7.55	9.03
Contributions paid into the plan	2.91	0.19
Benefits paid	(0.97)	(2.16)
Interest income	0.43	0.46
Assets acquired / (settled)		
<b>Re-measurements</b>		
- changes in demographic assumptions		
- return on plan asset	0.15	0.02
<b>Balance at the end of the year</b>	<b>10.07</b>	<b>7.54</b>
<b>Net defined benefit liability</b>	<b>0.21</b>	<b>0.87</b>

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**

(All amounts in INR millions)

**33 Employee benefits (continued)**

**D Expenses recognised in the standalone statement of profit and loss**

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	1.43	1.31
Past service cost	-	-
Net interest on net defined liability	0.01	(0.03)
Employer Contribution	(2.91)	(0.19)
<b>Net gratuity cost</b>	<b>(1.47)</b>	<b>1.09</b>

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial (gain)/ loss on defined benefit obligation	0.81	(0.35)
Return on plan asset excluding interest income	-	-
<b>Net gratuity cost</b>	<b>0.81</b>	<b>(0.35)</b>

**E Plan Asset**

Plan asset comprises of the following:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Funds managed by Life Insurance Corporation of India</b>	<b>10.07</b>	<b>7.54</b>

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

**F Defined Benefit Obligation**

**(i) Actuarial Assumptions**

The following are the principal actuarial assumptions at the reporting date (expressed as weighted average):

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate	7.30%	6.00%
Salary growth rate	7.00%	6.00%
Attrition rate	20% p.a withdrawal rate at all ages	20% p.a withdrawal rate at all ages
<b>Weighted average duration of defined benefit obligation</b>	<b>4.15 Years</b>	<b>4.39 years</b>

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 gratuity plans.

**(ii) Sensitivity analysis**

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(2.03)	2.12	(2.15)	2.24
Future salary growth (0.5% movement)	2.11	(2.05)	2.23	(2.16)

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

**34 Related parties**

**I. Names of related parties and description of relationship:**

- (a) Entity having significant influence over the company  
Popular Vehicles and Services Limited
- (b) Subsidiaries and step down subsidiaries  
Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned cars Pvt Ltd) #
- (c) Associates & Fellow Subsidiaries  
Popular Mega Motors India Private Limited  
Vision Motors Private Limited  
Popular Auto Works Private Limited  
Kuttukaran Trading Ventures  
Keracon Equipments Private Limited  
Kuttukaran Homes LLP  
Prabal Motors Pvt Ltd
- Key management personnel and their relatives (KMP)  
Mr. Naveen Philip, Director  
Mr. John K Paul, Director  
Mr. Francis K Paul, Director  
Mr. Thomas A Karedan, Director  
Mr. Jyothish M, Director  
Mrs. Shalet John, Spouse of Director  
Mrs. Susan Francis, Spouse of Director

# upto 4th April 2022

**II. Related party transactions:**

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Revenue from operations</b>		
Popular Vehicles and Services Limited	152.85	114.28
Popular Mega Motors (India) Private Limited	2.47	2.59
Vision Motors Private Limited	30.71	20.88
Keracon Equipments Private Limited	(0.12)	62.19
Popular Autoworks Private Limited	3.34	2.79
<b>Rent expense</b>		
Popular Vehicles and Services Limited	2.44	2.31
Popular Mega Motors (India) Private Limited	-	0.08
<b>Repairs and maintenance</b>		
Popular Vehicles and Services Limited	0.09	-
Popular Mega Motors (India) Private Limited	0.46	0.39
Vision Motors Private Limited	0.08	0.01
<b>Expenses met by the Company</b>		
Popular Vehicles and Services Limited	3.02	0.43
Popular Mega Motors (India) Private Limited	0.56	0.35
Vision Motors Private Limited	1.58	0.57
Keracon Equipments Private Limited	-	0.06
Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned cars Pvt Ltd)	-	(0.03)
<b>Expenses met on behalf of the Company</b>		
Popular Vehicles and Services Limited	0.02	-
Popular Mega Motors (India) Private Limited	0.02	-
Vision Motors Private Limited	0.02	-
Prabal Motors Pvt Ltd	0.02	0.02
Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned cars Pvt Ltd)	0.01	-
<b>Purchase of goods</b>		
Popular Vehicles and Services Limited	5.12	4.71
Popular Mega Motors (India) Private Limited	0.72	4.00
Vision Motors Private Limited	1.77	0.62
<b>Purchase of fixed assets</b>		
Popular Mega Motors (India) Private Limited	-	1.31
Kuttukaran Trading Ventures	-	0.01

**Popular Auto Dealers Private Limited, Ernakulam**  
**Notes to the financial statements (continued)**  
(All amounts in INR millions)

II. Related party transactions: (continued)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Corporate Guarantee Commission Paid</b>		
Popular Vehicles and Services Limited	1.25	0.62
<b>Corporate Guarantee Commission Received</b>		
Kuttukaran Green Private Limited	0.07	0.004
<b>Share of Loss from LLP</b>		
Avita Insurance Broking LLP	-	0.01
<b>Investment settled by subsidiaries</b>		
Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned cars Pvt Ltd)	0.10	-
<b>Advances settled by subsidiaries</b>		
Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned cars Pvt Ltd)	-	0.10

III. Related party Balances:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Trade receivables</b>		
Popular Vehicles and Services Limited	11.92	13.91
Popular Mega Motors (India) Private Limited	0.01	-
Vision Motors Private Limited	2.38	0.72
Popular Autoworks Private Limited	0.18	0.15
Keracon Equipments Private Limited	-	9.91
Kuttukaran Green Private Limited	0.03	0.005
<b>Trade payable</b>		
Popular Vehicles and Services Limited	1.08	
Popular Mega Motors (India) Private Limited		1.51
<b>Corporate Guarantee Commission payable</b>		
Popular Vehicles and Services Limited	0.38	0.22
<b>Investment in subsidiaries</b>		
Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned cars Pvt Ltd)	-	0.10
<b>Loan from Director</b>		
Mr. Naveen Philip, Director	14.70	14.70
Mr. John K Paul, Director	1.20	1.20
<b>Payable to LLP</b>		
Avita Insurance Broking LLP	-	0.02
<b>Rent Deposit Receivable</b>		
Popular Vehicles and Services Limited	0.20	0.20
Popular Mega Motors (India) Private Limited	-	0.20

IV (a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other 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.

(b) 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.

**Popular Auto Dealers Private Limited, Ernakulam**  
Notes to the financial statements (continued)  
(All amounts in INR millions)

**35 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	598.48	490.45
Current Liabilities	357.40	307.38
Ratio	1.67	1.60
% Change from previous year	4.4%	

**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]	162.13	144.82
Non Current Borrowings [b]	32.51	25.98
Total debt	194.64	170.80
Total equity	338.02	261.84
Ratio	0.58	0.65
% Change from previous year	-10.77%	

\* Short Term Borrowings includes Current Maturities of Non Current Borrowings

**3 Debt Service Coverage Ratio [EBITDA/(Interest Cost + Long term +short term borrowings)]**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
EBITDA	173.51	137.57
Interest Cost	29.62	22.51
Long Term Borrowings	32.51	25.98
Short Term Borrowings*	162.13	144.82
<b>Debt Service Coverage Ratio</b>	<b>0.77</b>	<b>0.71</b>
% Change from previous year end	8%	

\* Short Term Borrowings includes Current Maturities of Non Current Borrowings

**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	76.79	56.74
Total equity	338.02	261.84
Ratio	0.23	0.22
% Change from previous year	5%	

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

Particulars	March 31, 2023	March 31, 2022
Net Profit after tax	76.79	56.74
Sales	2,534.17	1,754.60
Ratio	0.03	0.03
% Change from previous year	0%	

**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]	2,228.48	1,524.67
Changes in inventories of stock-in-trade [b]	-53.39	-24.20
<b>Cost of Material Consumed [a]+[b]</b>	<b>2,175.09</b>	<b>1,500.47</b>
Closing Inventory	289.59	226.17
Ratio	7.51	6.63
% Change from previous year	13.3%	

**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	2,539.26	1,765.01
Current Asset [a]	598.48	490.45
Current Liability [b]	357.40	307.38
<b>Net Working Capital [a]-[b]</b>	<b>241.08</b>	<b>183.07</b>
Ratio	10.53	9.64
% Change from previous year	9.2%	

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

Particulars	March 31, 2023	March 31, 2022
Total Income	2,539.26	1,765.01
Trade Receivable	266.67	222.65
<b>Trade Receivable Turnover Ratio</b>	<b>9.52</b>	<b>7.93</b>
% Change from previous year end	20.1%	

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

Particulars	March 31, 2023	March 31, 2022
EBIT	132.03	102.73
Total Asset [a]	832.21	661.99
Current Liability [b]	357.40	307.38
<b>Capital Employed [a]-[b]</b>	<b>474.81</b>	<b>354.61</b>
Ratio	0.28	0.29
% Change from previous year	-3.4%	

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

Particulars	March 31, 2023	March 31, 2022
Purchase of Stock in trade	2,228.48	1,524.67
Trade Payable	161.04	129.87
<b>Trade Payable Turnover Ratio</b>	<b>13.84</b>	<b>11.74</b>
% Change from previous year end	17.9%	

**Popular Auto Dealers Private Limited, Ernakulam**  
Notes to the financial statements (continued)  
(All amounts in INR millions)

**36 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 March 2023	As at 31 March 2022
Total equity attributable to the equity shareholders of the Company	338.02	261.84
<b>As a percentage of total capital</b>	63%	61%
Long-term borrowings	32.51	25.98
Short-term borrowings	162.13	144.82
Total borrowings	194.64	170.80
<b>As a percentage of total capital</b>	37%	39%
Total capital (equity and borrowings)	532.66	432.64

**37 Details of Corporate social responsibility expenditure**

Pursuant to MCA Notification dated 22.01.2021, the details of unspent liability towards CSR obligations are as below:

	Year ended 31 March 2023	Year ended 31 March 2022
(i) Gross amount required to be spent during the year	1.11	0.77
(ii) Amount approved by the Board to be spent during the period/year	1.11	0.77
(iii) Amount spent during the year on ;		
Construction/ acquisition of asset	-	-
On purposes other than above	1.11	0.77
(iv) (Shortfall) / Excess at the end of the period/year		
Corporate Social Responsibility	-	-
(v) Total of previous years shortfall	-	-
(vi) Details of related party transactions	NA	NA
(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period/year should be shown separately	NA	NA
(viii) Reason for shortfall:	NA	NA
(ix) Nature of CSR activities:		
a) Payment to Prime minister national relief fund	-	-
b) Skill development	-	-
c) Education	1.11	-
d) Rural development	-	-
e) Payment to trust	-	0.77

In pursuance of the General circular No.14/2021 dated 25.08.2021 read with the clarification by the Institute of Chartered Accountants of India, CSR expenses arising out of the obligation for the immediately preceding financial year is recognised as expense as and when the same is incurred and provision for unspent amount towards CSR liability would be created only at the end of the year.

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

**As per our report of even date attached**

Sd/-  
**A S Narayanamoorthy**  
Chartered Accountant  
M.No: 13980  
Place : Kochi  
Date : 23/05/2023

for and on behalf of the Board of Directors of  
**Popular Auto Dealers Private Limited**  
CIN : U50101KL2005PTC018670

Sd/-  
**Naveen Philip**  
Director  
DIN: 00018827

Sd/-  
**John K Paul**  
Director  
DIN: 00016513