

Driving
Innovation

and

Fuelling
Growth



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K P Paul

Founder, Kuttukaran

In 1939, Shri. K.P. Paul began his business career with a laundry service called Popular Washing Home.

Breaking tradition, he achieved success within six months, showcasing the daring spirit that defined his life and business. A born leader, he believed in employee empowerment and satisfaction, motivating his team to deliver impeccable customer service.

The visionary entrepreneur, **Shri. Paul diversified into tyre and tube vulcanizing and battery restoration in 1941. Post-World War II, he capitalized on opportunities in the spare parts business, establishing Popular Automobiles in 1944.** This venture grew into one of India's largest chains dealing in spare parts, expanding into imported and new automobile parts with offices across India.

Our Founder's entrepreneurial spirit created self-sustaining opportunities for thousands, with many former employees becoming successful business people. He valued hard work over charity and exemplified dedication, humility, and hard work.

The journey continues under his guiding spirit...

OUR
FOUNDER



ABOUT US

At **Popular Vehicles and Services Limited**, we have been a cornerstone of the **Indian automobile industry** since our establishment in 1983. As a proud member of the **Kuttukaran Group**, which boasts over **70 years of industry experience**, we have grown to become a **leading diversified automobile dealership in India**.

10,000+

² Employees

46,665

New Vehicles Sold
in FY24

10

Marquee
OEM Brands



We are privileged to partner with major OEMs such as Maruti Suzuki, Honda, JLR, Tata Motors, BharatBenz, Piaggio, and Ather. This collaboration allows us to deliver top-notch products and services to our valued customers. Our integrated business model ensures customer retention and drives revenue diversification, solidifying our position as a leader in the automotive sector.

We offer a comprehensive range of services to cater to the complete lifecycle of vehicle ownership. Our offerings include selling new and pre-owned vehicles, vehicle servicing, spare parts distribution, and driving schools. Our extensive network spans Kerala, Tamil Nadu, Karnataka, and Maharashtra, with over 430 touchpoints.

1
Million services and repairs business in FY24

+25%
Revenue CAGR FY21-24

4
States

430+
Touch Points

₹5647 Crore
Total Income in FY24

3

CORPORATE STRUCTURE

At Popular Vehicles and Services Limited (PVSL), our corporate structure is designed to cater to diverse market needs and demographics through various entities, each focusing on specific vehicle brand businesses. Each of these subsidiaries operates with a **99.99% ownership by PVSL**, ensuring cohesive management and strategic alignment across all business units. This structure allows us to effectively address the distinct needs of various customer segments, from commercial vehicle operators to luxury car enthusiasts and eco-conscious consumers.



Established as a leader in the automobile industry, we ensure that our services meet our customers' unique demands across different segments. Our primary entity, PVSL, is prominently associated with Maruti Suzuki, under the brand name 'Popular.' This is the cornerstone of our operations, delivering a wide range of vehicles and services.

Core Philosophy

Passionately Enriching Mobility

Our Vision

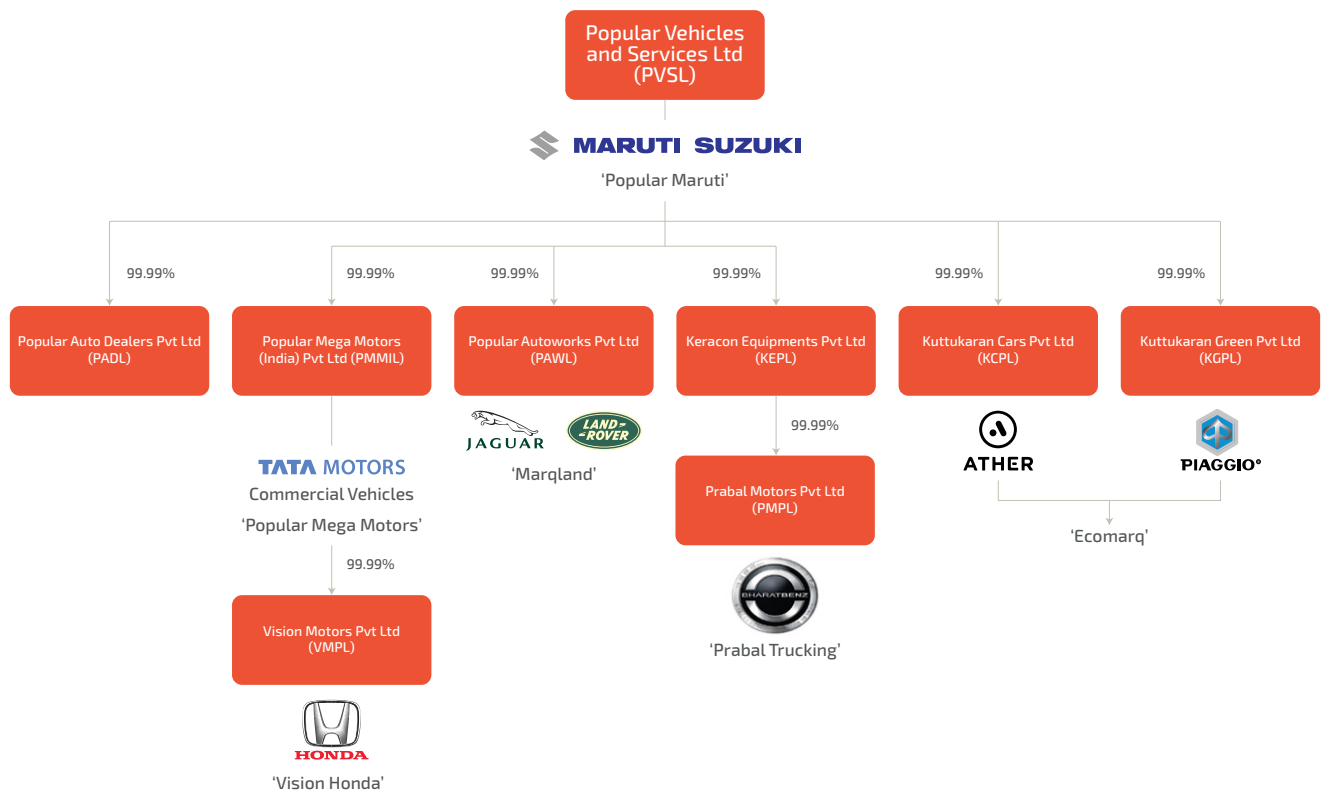
Kuttukaran will be the World's most admired Corporate, by progressively delivering greater value, through entrepreneurship within.

To thrive, a business must expand – in the right direction, at the right time. We scaled up to car dealerships from the increasingly crowded spare parts space bringing new brands to the liberalising Indian market.

K P Paul

Founder, Kuttukaran

5



BUSINESSES DEALERSHIP AND SERVICES

6 Passenger Vehicles



Electric Vehicles



Commercial Vehicles



Pre-Owned Vehicles





Services and Repairs



Driving Schools



7

Spare Parts Accessories and Distribution



Third-Party Financial & Insurance Products



The Beginning

The Group entered the automobile industry in

1944

with the commencement of the automobile spare parts and accessories business.

8

STRATEGIC MILESTONES



OEM Brands Added

1984:

Commenced automobile dealership with Maruti Suzuki in Trivandrum, Kerala.

1997:

Commenced Tata Motors CV dealership in Kerala.

2002:

Started Maruti Suzuki PV dealership in Chennai, Tamil Nadu.

2009:

Began Honda PV dealership in Kerala under 'Vision Motors.'

2010:

Commenced JLR dealership in Karnataka.

2012:

Started Bharat Benz dealership in Tamil Nadu.

2021:

Began Piaggio dealership for 3W EV in Kerala.

2021:

Commenced 2W EV dealerships with Ather Energy in Trivandrum.

Capital Raised

2015:

BanyanTree invested 650 million.

2024:

Became publicly listed on BSE and NSE on 19th March 2024.

Inorganic Growth

2015:

Acquired Tata Motors (Commercial) dealership in North Kerala.

2016:

Acquired an existing Honda car dealership in Kerala.

2019:

Acquired the operations of a sizeable spare parts distributor in Karnataka.

2021:

Took over 11 service centres and 2 showrooms from a dealer for Maruti Suzuki in Kerala.

2023:

Acquired Prabal Motors Private Limited, establishing Bharat Benz dealership across Tamil Nadu and Maharashtra.

Received in-principle approval for Maruti Suzuki Dealership (Arena Channel) in Karnataka.

Board of Directors



1

Mr. George Joseph

Non-Executive Independent Director

AC NRC RMC SRC

George Joseph is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Kerala and is a certificated associate of the Indian Institute of Bankers. He has also completed a banking diploma from the Institute of Bankers, London. He retired as Chairman and Managing Director of Syndicate Bank and was associated with Canara Bank for over 36 years, resigning as General Manager in 2006. He has also served as Chairman, Whole-Time Director, and Joint Managing Director of Wonderla Holidays Limited and as an Independent Director of Muthoot Finance Ltd and ESAF Small Finance Bank Limited. He is currently serving as Chairman and Lead Independent Director of Credit Access Grameen Bank Limited.

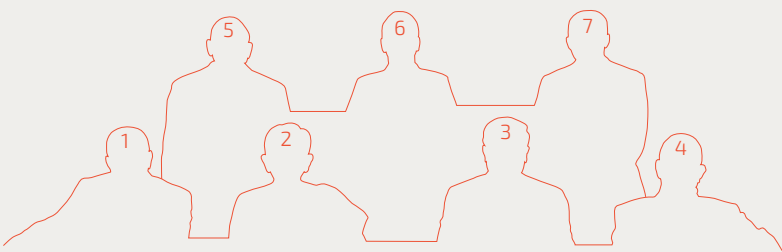
2

Ms. Preeti Reddy

Non-Executive Independent Director

AC NRC RMC SRC

Preeti Reddy is a Non-Executive Independent Director of our Company. She holds a bachelor's degree in arts from the University of Delhi and an honours diploma in business management from Xavier Labour Relations Institute, Jamshedpur. She was the Chairperson South Asia at Kantar Consumer Insights Organisation. She has previously served as a Senior Vice President at IMRB International Limited and has worked in consumer consulting as a Vice President at KSA Technopak (I) Pvt Ltd. Additionally, she has served as Market Research Manager at VST Industries Limited. She is currently serving as Independent Director on the Boards of ICICI Prudential Asset Management Company Limited and ICICI Lombard General Insurance Company Limited.



3

Mr. Jacob Kurian*Chairman and Non-Executive Independent Director*

AC CSR NRC RMC

Jacob Kurian is the Chairman and Non-Executive Independent Director of our Company. He holds a bachelor's degree in electrical engineering from the University of Madras and a post-graduate diploma in business management from Xavier Labour Relations Institute, Jamshedpur. Prior to joining our Company, he was the country manager at TATA Unisys Limited and also worked at TATA Services Limited and Titan Industries Limited.

5

Mr. John K. Paul*Whole-Time Director*

CSR FAC

John K. Paul is the Whole-Time Director of our Company. He holds a bachelor's degree in mechanical engineering from the University of Calicut. He is responsible for the Maruti Suzuki dealership operations of the group. With over 49 years of experience in the automobile industry, he is currently the President of the Kerala Automobiles Dealers Association and a member of the Federation of Automobile Dealers Association's Executive Committee and Governing Council. Additionally, he is a trustee of the Lawrence School Lovedale Alumni Foundation.

7

Mr. Naveen Philip*Managing Director*

FAC RMC SRC

Naveen Philip is the Managing Director of our Company. He holds a bachelor's degree in mechanical engineering from the University of Calicut and a postgraduate diploma in management from the Xavier Institute of Management, Bhubaneswar. He has more than 27 years of experience in the automobile industry. He is a member of the Federation of Automobile Dealers Association's Governing Council. Previously, he served as a manager at Godrej Telecom Limited.

4

Mr. Francis K. Paul*Whole-Time Director*

CSR FAC RMC

Francis K. Paul is a Whole-Time Director of our Company. He holds a bachelor's degree in mechanical engineering from the University of Calicut. He is responsible for corporate social responsibility activities and other policy matters of our Company. He has more than 54 years of experience in the automobile sector.

6

Mr. Rakesh Bhutoria*Non-Executive Nominee Director*

CSR NRC SRC

Rakesh Kumar Bhutoria is the Non-Executive Nominee Director of our Company. He holds a bachelor's degree in chemical engineering from Jadavpur University and a master's degree in management studies from the University of Bombay. He has previously worked as a Managing Director of Standard Chartered Bank UAE and as Group Executive Vice President in commercial banking at IDFC Bank Limited. He has been appointed as a Non-Executive Nominee Director of our Company pursuant to the Shareholders' Agreement.

11

Committee Indications

AC	Audit Committee	NRC	Nomination & Remuneration Committee
CSR	CSR Committee	RMC	Risk Management Committee
FAC	Finance & Authorisation Committee	SRC	Stakeholder's Relationship Committee

COMPETITIVE ADVANTAGES

Longstanding Presence and Experience

PVSL has a significant history in the automobile industry, providing the company with extensive industry knowledge, established relationships, and a strong brand reputation.

Partnerships with Leading OEMs

PVSL has formed strong partnerships with leading Original Equipment Manufacturers (OEMs), such as Maruti Suzuki, Honda, Jaguar Land Rover, Tata Motors, Bharat Benz, Piaggio, and Ather Energy. These relationships enhance PVSL's product portfolio and market reach.

Experienced Leadership Team

The company is led by a seasoned board of directors and a specialist leadership team with extensive experience in the automotive industry. Their expertise and strategic vision drive the company's growth and operational efficiency.

High Delta Proposition in Services & Repairs and Spare Parts Distribution

PVSL is among the top service and repair providers and has a substantial spare parts distribution network. These high-margin businesses contribute significantly to the company's profitability and provide stability due to their recurring revenue nature.

Development Strategy and Growth Initiatives

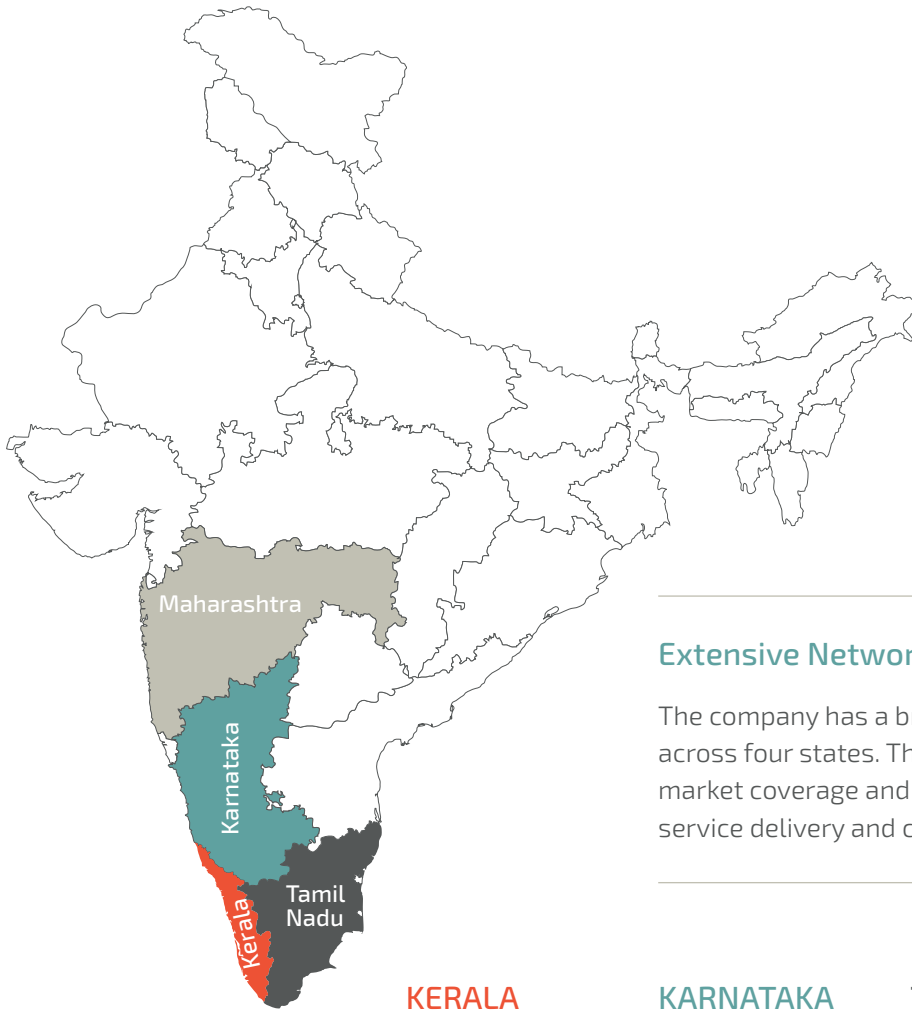
PVSL has proven to capture both organic and inorganic growth opportunities. Their strategy includes identifying underserved locations, establishing new outlets, and acquiring existing dealerships. This has led to consistent growth in their operations and market presence.

Sustained Financial Performance and Profitability

PVSL has demonstrated strong financial performance with consistent growth in revenue, EBITDA, and PAT over the years. The company's focus on high-margin businesses and operational efficiency has improved profitability and return ratios.






Comprehensive Ecosystem for Mobility

PVSL operates across multiple automotive industry segments, including new vehicle sales, pre-owned vehicle sales, services and repairs, spare parts distribution, and third-party financial and insurance products. Our presence across various auto segments, including passenger, commercial, two-wheelers, three-wheelers, and electric vehicles, offers significant strategic advantages. This diverse portfolio allows us to tap into various market segments and meet the diverse needs of our customers. It also mitigates the impact of market fluctuations in any single segment, ensuring stable and consistent revenue growth.



Extensive Network and Market Penetration

The company has a broad network with 430+ touchpoints across four states. This extensive footprint ensures wide market coverage and customer accessibility, enhancing service delivery and customer satisfaction.

	KERALA	KARNATAKA	TAMIL NADU	MAHARASHTRA
 Touchpoints	335	29	62	13
 Showrooms	43	2	15	1
 Sales Outlets Booking Offices	105	0	19	5
 Service Centers	106	3	26	7
 Pre-owned Vehicle Outlets	29	1	2	0

Chairman's Letter to Shareholders

Dear Shareholders,

As we reflect on the past year and look forward to the future, I am pleased to share with you the strides Popular Vehicles and Services Limited (PVSL) has made in financial performance, value creation, and human resources. These areas form the backbone of our operations and are critical to our long-term success and sustainability.

Governance

At PVSL, we are committed to the highest standards of corporate governance. Our governance framework is designed to promote transparency, accountability, and integrity in all aspects of our business.

We have also implemented rigorous risk management processes to identify, assess, and mitigate risks across our operations. This proactive approach enables us to address potential challenges and maintain our stakeholders' trust promptly.

Value Creation

Creating value for our shareholders, customers, and employees is our business strategy's heart. Over the past year, we have focused on expanding our market presence, enhancing operational efficiencies, and investing in innovation. Our successful IPO and subsequent listing on the BSE and NSE are a testament to our growth and financial stability, enabling us to unlock

new opportunities and drive sustainable value creation.

Our diversified portfolio of passenger vehicles, commercial vehicles, and electric vehicles positions us to capitalize on market trends and meet our customers' evolving needs. We have strengthened our market position and delivered consistent revenue growth by leveraging our extensive network and strategic partnerships with leading OEMs.

Human Resources

Our employees are our most valuable asset, and we are dedicated to fostering a culture of excellence, inclusivity, and continuous learning. This year, we have enhanced our talent management programs to attract, retain, and develop top talent across all levels of the organisation. Our comprehensive training initiatives ensure that our employees have the skills and knowledge to excel in a rapidly changing industry.

We are also committed to promoting a diverse and inclusive workplace where every employee feels valued and empowered to contribute to our success. Our diversity and inclusion initiatives are designed to create an environment where different perspectives are embraced and innovation thrives.

Role of Dealerships in the Auto Industry

The Indian automobile industry

is one of the largest in the world, encompassing a wide range of vehicles, including passenger cars, commercial vehicles, two-wheelers, and three-wheelers. This sector is a significant contributor to the nation's GDP and a driver of economic growth. Organised dealership networks like Popular Vehicles and Services are crucial in enhancing the auto value chain.

Dealerships serve as critical customer touchpoints, helping consumers navigate their vehicle selection, providing essential services, and offering a human touch to the buying experience. At PVSL, our dealerships are not just sales points but also centres for building long-term customer relationships. We provide comprehensive services, from vehicle selection to after-sales support, ensuring customers receive personalised and attentive care.

Future Initiatives

Looking ahead, we are implementing comprehensive policies and initiatives focused on Environmental, Social, and Governance (ESG) aspects. We recognise the importance of sustainability and are committed to integrating ESG principles into our business strategy. Our initiatives will include:

- Environmental Sustainability involves reducing our carbon footprint through energy-efficient practices, promoting

the use of electric vehicles, and implementing waste reduction programs.

- **Social Responsibility:** We enhance our community engagement efforts, support local initiatives, and ensure the well-being of our employees.
- **Governance Excellence** means continuously improving our governance practices, fostering transparency, and ensuring compliance with the highest ethical standards.

These initiatives reflect our commitment to positively impacting the environment, society, and stakeholders. We believe embedding ESG principles into our core operations will drive long-term sustainable growth and create value for all our stakeholders.

Leadership and Board Expertise

Our board comprises diverse professionals with extensive expertise in various fields. This diversity brings valuable perspectives and enhances our decision-making processes. The leadership team at PVSL is dedicated to ensuring long-term value creation and adherence to corporate governance principles. Their strategic vision and commitment to excellence guide our operations and ensure we remain at the forefront of the automotive industry.

I assure you that PVSL is well-positioned for future growth

and success. Our dedicated management team, robust governance framework, and focus on innovation and sustainability will guide us as we navigate the dynamic automotive landscape.

Thank you for your continued trust and support.

Sincerely,

Mr. Jacob Kurian

*Chairman and Non-Executive,
Independent Director
Popular Vehicles and Services Limited*



Letter from **Managing Director**

Dear Shareholders,

It is with great pleasure that I present to you the annual report for Popular Vehicles and Services Limited (PVSL) for the financial year ending March 31, 2024. This year has been a period of significant transformation, highlighted by our successful Initial Public Offering (IPO) and subsequent listing on the BSE and NSE. These milestones not only underscore our growth trajectory but also bolster our value propositions and strategic intents, positioning us for future success.

A Year of Growth and Expansion

PVSL proudly marks 40 years of successful operations in FY24, achieving sustained growth and excellence. Our network of passenger vehicle dealerships has expanded significantly across Kerala, Tamil Nadu, and Karnataka, representing major brands like Maruti Suzuki, Honda, and Jaguar Land Rover (JLR). This broad presence has significantly enhanced our market penetration and revenue growth, allowing us to cater to a diverse customer base. Our focus on both economy and luxury segments has paid off, with a significant increase in sales and brand visibility, setting the stage for further growth and success.

Our Tata Motors and BharatBenz commercial vehicle dealerships cover strategic regions, enabling us to tap

into the significant demand for commercial vehicles. This segment has shown remarkable growth, reflecting our effective market strategies and the rising demand for logistics and transportation solutions.

Performance Review and Enhancing Customer Value

Over the past four fiscal years, our passenger vehicle segment, including luxury vehicles, has shown consistent growth. Contributing 59% to our total revenue, this segment has become a cornerstone of our business. The luxury vehicle segment, in particular, saw its revenue double this year, despite challenges such as floods in Tamil Nadu and supply chain disruptions in Q4.

The commercial vehicle segment has demonstrated robust revenue growth, reaching INR 1954 Crores in FY24, a 24.5% increase from FY23. This performance not only underscores our strategic market penetration but also the rising demand for commercial vehicles in key sectors, instilling confidence in our future prospects.

Our services and repairs vertical is critical to our business model, generating recurring revenue and enhancing customer satisfaction. In FY24, revenue from this segment grew by 21%, reflecting our commitment to providing a comprehensive range of services, including warranty and collision repairs, which attract a broad customer

base and foster long-term customer loyalty.

The pre-owned vehicle segment complements our new vehicle sales, providing customers with trade-in options and certified pre-owned vehicles. Despite a slight decline in the most recent year, this segment remains integral to our business, catering to price-sensitive customers and broadening our market reach.

Our spare parts and accessories distribution business ensures a steady supply to workshops and vehicle dealers. This vertical supports our service and repair operations and provides a stable and recurring revenue stream, enhancing overall business stability.

Strategic Initiatives

We have actively pursued diversification to reduce dependency on any single revenue source. We have met diverse customer needs by establishing new dealerships and expanding our product offerings and ensuring stable revenue streams. This approach mitigates risks and positions us for long-term success.

Targeting high-margin segments has been a critical strategy. We have boosted sales of premium vehicles, expanded our automotive distribution network, and enhanced our after-sales service and repair offerings. These high-margin businesses contribute significantly to our profitability and provide stability due to their recurring revenue.

We have also ventured into the EV segment, aligning with future mobility trends and expanding our portfolio in sustainable transportation

Looking forward, we shall continue to deliver strong performance through our strategy of de-risking revenue streams, focusing on high-margin businesses, increasing wallet share from existing dealerships, and adding new relationships. Our strong legacy, forged by deep partnerships with OEMs and an integrated business model, ensures we deliver excellent value to our customers.

We continue to explore inorganic growth opportunities, aiming for a balanced approach between organic and inorganic expansion. While we have not made any acquisitions this year, we are in discussions with various entities across our operational states to identify potential opportunities for growth and consolidation.

Looking to the Future

The Indian automotive market is poised for substantial growth across the passenger vehicle (PV), commercial vehicle (CV), and electric vehicle (EV) segments. As urbanisation increases and disposable incomes rise, the demand for personal mobility will surge. The PV market is anticipated to benefit from these trends, with SUVs and technologically advanced vehicles leading the charge.

The CV market is also set for expansion, driven by infrastructure development, growth in e-commerce, and increased industrial activity. The government's focus on infrastructure projects will further boost demand for commercial vehicles, ensuring continued growth in this segment.

The EV market, a key focus for PVSL, is projected to grow exponentially. As consumers and businesses pivot towards sustainable transportation solutions, our partnerships with Ather and Piaggio position us at the forefront of this transition. The EV segment's potential for growth is immense, and we are well-prepared to capitalise on this opportunity.

PVSL's presence in the entire post-manufacturing value chain of the automobile business—spanning new and pre-owned



vehicle sales, services and repairs, spare parts distribution, and third-party financial and insurance products—gives us a unique competitive edge. This comprehensive ecosystem enables us to provide seamless and integrated services to our customers, enhancing their overall experience and satisfaction.

By leveraging our extensive network and market penetration, we are well-positioned to meet the growing demands of the PV, CV, and EV markets. Our strategic initiatives and robust infrastructure, and experienced leadership will drive sustained growth and profitability in the coming years.

Competitive Advantages

PVSL's longstanding presence in the automobile industry equips us with extensive industry knowledge and a strong brand reputation. Our established relationships with leading OEMs like Maruti Suzuki, Honda, Jaguar Land Rover, Tata Motors, Bharat Benz, Piaggio, and Ather Energy enhance our market reach and product portfolio.

Operating across multiple automotive segments, including new and pre-owned vehicle sales, services and repairs, spare parts distribution, and third-party financial and insurance products, offers us significant strategic advantages. This diverse portfolio allows us to tap into various market segments and ensures stable revenue growth.

With over 430 touchpoints across four states, our extensive network ensures

wide market coverage and customer accessibility. This broad footprint enhances service delivery and customer satisfaction and drives revenue growth.

Strategic Vision for the Future

As we look ahead, PVSL remains committed to advancing its position in the competitive automotive retail industry. Our strategic focus on diversification, high-margin business segments, and deeper market penetration will continue to drive our growth and enhance profitability. Leveraging our competitive advantages, we are well-positioned to tap into new opportunities, ensuring sustained growth and value creation for our shareholders.

Thank you for your continued trust and support.

Sincerely,

Naveen Philip

Managing Director

Popular Vehicles and Services Limited

Corporate Information

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. JACOB KURIAN

Chairman & Non-Executive Independent Director

Mr. NAVEEN PHILIP

Managing Director

Mr. FRANCIS K. PAUL

Whole-Time Director

Mr. JOHN K. PAUL

Whole-Time Director

(Re-appointed on 11th July, 2024)

Mr. GEORGE JOSEPH

Non-Executive Independent Director

(Appointed on 11th July, 2024)

Ms. PREETI REDDY

Non-Executive Independent Woman Director

Mr. RAKESH KUMAR BHUTORIA

Nominee Director

Mr. JOHN VERGHESE

Group Chief Financial Officer (CFO)

Mr. RAJ NARAYAN

Chief Executive Officer (CEO)

Mr. VARUN T.V.

Company Secretary (CS) & Compliance Officer

SECRETARIAL AUDITOR

Mr. M.C.SAJUMON

Practicing Company Secretary, Ernakulam

STATUTORY AUDITORS

M/s BSR & ASSOCIATES LLP,

Chartered Accountants

INTERNAL AUDITOR

Mr. SOJAN CHACKO

(CHARTERED ACCOUNTANT)

REGISTERED OFFICE/ CORPORATE OFFICE

REGISTERED OFFICE

Kuttukaran Centre, Mamangalam,
Kochi, Kerala-682025, India

CORPORATE OFFICE

Kuttukaran Centre, Mamangalam,
Kochi, Kerala-682025, India

CIN: L50102KL1983PLC003741

Email: cs@popularv.com

Website: www.popularmaruti.com

Telephone No: 0484-2341134, 2340143

LISTED AT- BSE LIMITED (BSE) & NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE) w.e.f., 19th MARCH, 2024

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited

C 101, 247 Park,

L.B.S. Marg, Vikhroli (West),

Mumbai-400083

PRINCIPAL BANKERS:

1. Federal Bank Limited
2. State Bank of India

As per circular from Ministry of Corporate Affairs, the physical copy of Annual Report will not be sent to the shareholders. Shareholders will receive the Annual Report only through e-mail registered with the Company.

REVIEW OF BUSINESS

Passenger Vehicles Dealerships

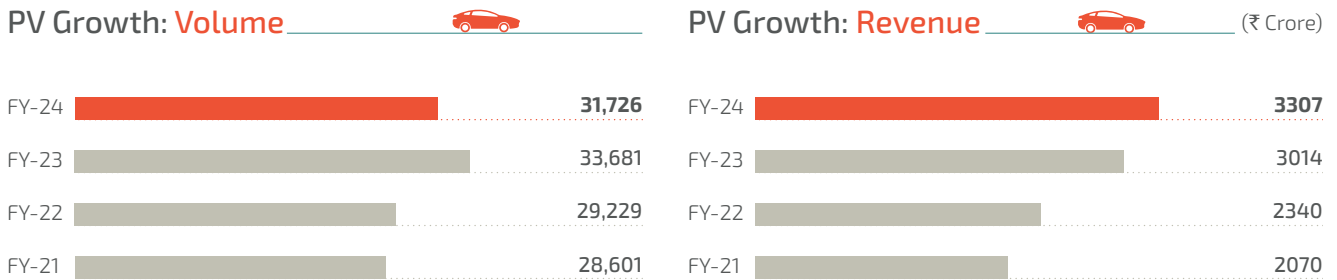
PVSL operates a comprehensive network of passenger vehicle dealerships across Kerala, Tamil Nadu, and Karnataka, representing major brands such as Maruti Suzuki, Honda, and Jaguar Land Rover (JLR). This broad geographic presence and brand diversity allow PVSL to cater to a wide customer base, from economy to luxury segments. The extensive dealership network boosts sales volumes and enhances brand visibility and customer accessibility, driving revenue growth and market penetration.

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Review of Performance

Our PV segment, including luxury vehicles, showed a consistent increase in sales over the past four fiscal years. The segment contributed 59% to our total revenue, indicating its significant role in our overall performance. Notably, the growth was led by sales of premium vehicles, with the luxury segment revenue doubling this year. This impressive growth was achieved despite facing multiple external challenges, such as floods in Tamil Nadu in December 2023 and the non-availability of cars for one of our OEMs in Q4.



PV - Relationship Capital



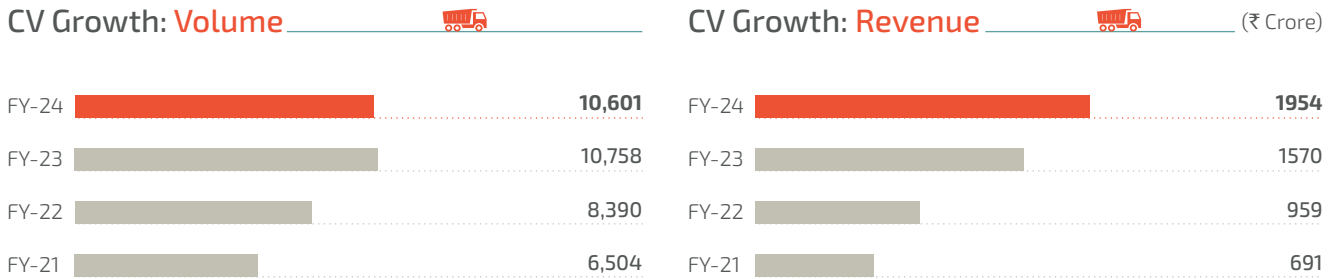
Commercial Vehicles Dealerships

Our commercial vehicle dealerships for Tata Motors (Commercial) and BharatBenz strategically cover Kerala, Tamil Nadu, and Maharashtra. Through these partnerships, PVSL taps into the significant demand in the commercial vehicle sector by offering a range of commercial vehicles. The comprehensive network of showrooms and service centres ensures that PVSL can meet the needs of commercial vehicle operators efficiently, thereby securing a steady revenue stream from this high-demand market.



Review of Performance

Commercial Vehicles (CVs) revenue has shown a significant increase over the past four financial years. In FY21, the revenue was INR 691 Crores. In FY22, the revenue increased to ₹959 Crores, marking a growth of 38.7% from the previous year. FY23 saw a substantial rise in revenue to ₹1570 Crores, representing a 63.7% increase. In FY24, the revenue continued its upward trend, reaching ₹1954 Crores, a 24.5% increase from FY23. Overall, the revenue grew consistently, indicating a strong performance in the CV segment, reflecting increased demand and possibly improved market strategies.



CV - Relationship Capital

TATA MOTORS

Commercial Vehicles (CV)

27
Years of
Relationship

4
Rank
(Sales Volume)

3
Rank
(Service Provider)

71
Touchpoints



BHARATBENZ

Commercial Vehicles (CV)

12
Years of
Relationship

2
Rank
(Sales Volume)

Nil
Rank
(Service Provider)

39
Touchpoints

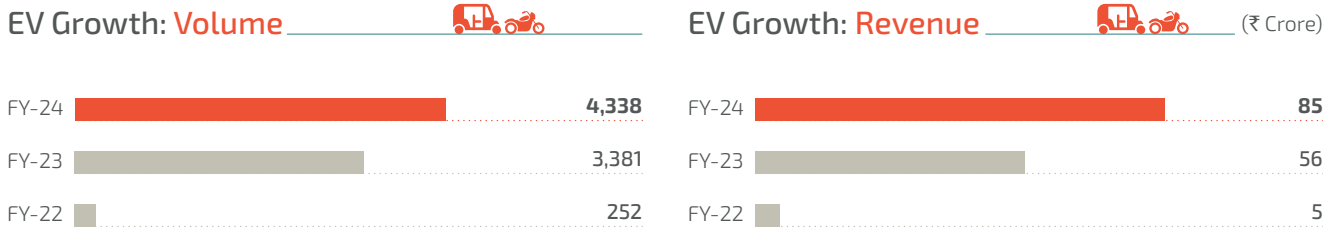
Electric Two-Wheeler and Three-Wheeler Dealerships

PVSL's Entry into the electric vehicle market through partnerships with Ather and Piaggio positions it at the forefront of the growing demand for electric mobility solutions. This segment shows significant potential for growth as consumers and businesses increasingly adopt environmentally friendly transportation options. PVSL's early entry and established network in this sector provide a competitive edge and align with the global shift towards sustainable energy solutions.



Review of Performance

Electric Vehicles (EVs) revenue has experienced remarkable growth over the past four financial years. In FY21, there was no revenue generated from EVs. However, in FY22, the revenue reached ₹5 Crores, marking the initial entry into the EV market. The growth in FY23 was substantial, with revenue soaring to ₹56 Crores, representing a staggering 1020% increase from the previous year. In FY24, the upward trend continued, with revenue reaching ₹85 Crores, a 51.8% increase from FY23. Overall, the EV segment has shown an impressive growth rate of 309% over this period, reflecting a strong market acceptance and expansion strategy.



EV - Relationship Capital



ATHER

Category 2W

2

Years of Relationship

5

Rank (Sales Volume)

5

Rank (Service Provider)

14

Touchpoints



PIAGGIO®

Category 3W

2

Years of Relationship

9

Rank (Sales Volume)

Nil

Rank (Service Provider)

11

Touchpoints



ENHANCING VALUE





Services and Repairs

The services and repairs vertical is crucial for PVSL's business model as it generates recurring revenue. PVSL ensures customer loyalty and repeat business by servicing many vehicles, which is vital for long-term profitability. The diverse range of services, including warranty and collision repairs, attracts a broad customer base, enhancing customer satisfaction and retention.



Review of Performance

The Service and Repairs segment has shown a positive unit/volume and revenue trend over the past four financial years. In FY21, the units serviced were 646,280. This number increased to 721,400 in FY22, showing a growth of 11.6%. FY23 saw a significant rise to 957,148 units, a 32.7% increase from the previous year. The upward trend continued in FY24 with 1,053,545 units, a 10.1% increase from FY23.

The revenue in FY21 was ₹433 Crores. It increased to ₹533 Crores in FY22, representing a 23.1% growth. FY23 revenue rose to ₹714 Crores, a 34% increase. In FY24, the revenue reached ₹865 Crores, reflecting a 21.2% growth from FY23. Overall, the Service and Repairs segment has consistently grown in the number of units serviced and revenue, indicating robust performance and effective service strategies.

Revenue Growth				
Fiscal Year	Units/Volume	Year-on-Year Growth (Units)	Revenue (INR Cr)	Year-on-Year Growth (Revenue)
FY21	646,280	-	433	-
FY22	721,400	11.6%	533	23.1%
FY23	957,148	32.7%	714	34%
FY24	1,053,545	10.1%	865	21.2%

Pre-Owned Vehicles

The pre-owned vehicle segment complements PVSL's new vehicle sales, providing customers with trade-in options and certified pre-owned vehicles. This boosts sales volumes and builds customer trust and loyalty, as buyers have confidence in the quality of certified pre-owned vehicles. This segment also ensures that PVSL can cater to price-sensitive customers, broadening its market reach.

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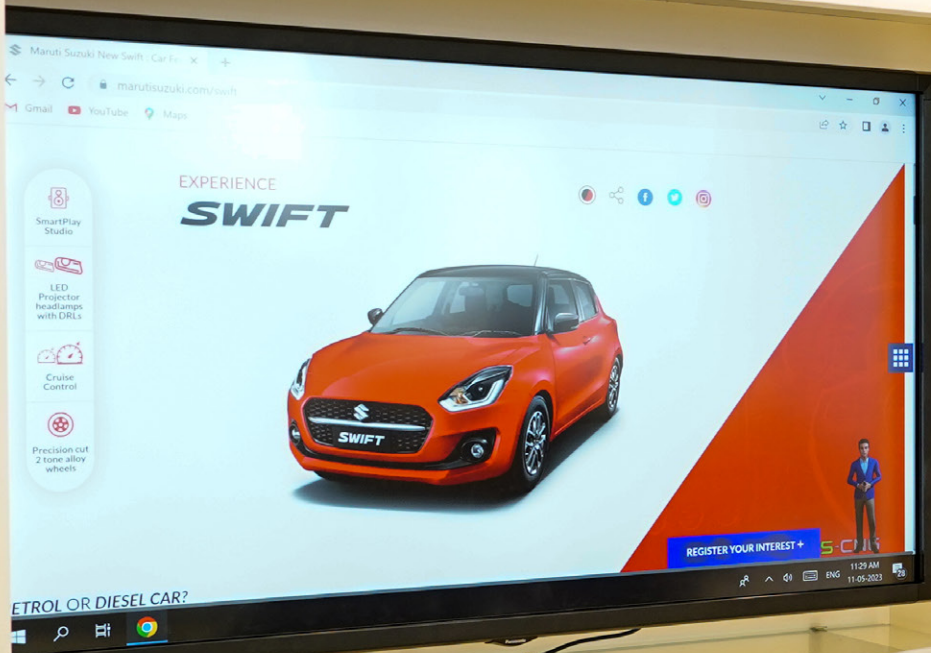


Review of Performance

The Pre-owned Vehicles segment has shown varying trends in both units/volume and revenue over the past four financial years. In FY21, the units sold were 10,098. This number increased to 10,594 in FY22, showing a growth of 4.9%. FY23 saw a rise to 11,806 units, marking an 11.4% increase from the previous year. However, the units sold decreased to 10,698 in FY24, reflecting a decline of 9.4% from FY23.

The revenue in FY21 was ₹247 Crores. It increased to ₹281 Crores in FY22, representing a 13.8% growth. FY23 revenue rose to ₹359 Crores, a 27.8% increase. In FY24, the revenue slightly decreased to ₹358 Crores, reflecting a marginal decline of 0.3% from FY23. Overall, the Pre-owned Vehicles segment has demonstrated a positive growth trend in the initial years, followed by a slight decline in the most recent year, indicating potential market fluctuations or changes in demand.

Revenue Growth				
Fiscal Year	Units/Volume	Year-on-Year Growth (Units)	Revenue (INR Cr)	Year-on-Year Growth (Revenue)
FY21	10,098	-	247	-
FY22	10,594	4.9%	281	13.8%
FY23	11,806	11.4%	359	27.8%
FY24	10,698	-9.4%	358	-0.3%



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Spare Parts and Accessories Distribution

The spare parts and accessories distribution business under PADL leverages the groups extensive network, ensuring a steady supply of parts and accessories to various workshops and vehicle dealers. This vertical provides a stable and recurring revenue stream, enhancing overall business stability. It also supports the service and repair operations, ensuring quick turnaround times for repairs and maintenance. The business operates through 68 touchpoints, including retail outlets and warehouses across Kerala and Karnataka.

LIFESTYLE



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Facilitation of Third-Party Financial and Insurance Products

By offering third-party financial and insurance products, PVSL adds value to its customers, making vehicle purchases and ownership more accessible and convenient. This enhances customer satisfaction and loyalty while providing an additional revenue stream through commissions and fees from financial institutions and insurers. In Fiscal 2023, PVSL facilitated the sale and renewal of thousands of insurance policies and financial assistance.

Driving Schools

PVSL operates 7 driving schools under the 'Maruti Driving School' brand in Kerala, promoting safe driving practices and contributing to community welfare. This initiative not only promotes safe driving practices but also builds brand goodwill and trust within the community, potentially translating into higher brand loyalty and sales.

OUR DIVERSE INTEGRATED BUSINESS MODEL

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Strategic Advantage of Diverse Auto Segment Presence

Our presence across a wide spectrum of auto segments, including passenger, commercial, two-wheelers, three-wheelers, and electric vehicles, offers significant strategic advantages. This diverse portfolio allows us to tap into various market segments and meet the diverse needs of our customers. It also mitigates the impact of market fluctuations in any single segment, ensuring stable and consistent revenue growth. Moreover, our extensive network and partnerships with leading OEMs enhance our ability to provide high-quality products and services, thereby solidifying our position as a leading player in the automotive industry.



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Integrated Business Model

Popular Vehicles and Services Limited employs a robust integrated business model encompassing multiple facets of the automotive value chain. This model includes buying new vehicles, offering comprehensive services and repairs, distributing spare parts, selling and exchanging pre-owned cars, and facilitating third-party financial and insurance products. This holistic approach ensures that we cater to the complete lifecycle of vehicle ownership, enhancing customer loyalty and satisfaction. By providing a one-stop solution for all automotive needs, we strengthen our market presence and diversify our revenue streams, reducing business risk and ensuring steady growth.

KEY DRIVERS OF THE BUSINESS



Indian Automobile Industry

The Indian automobile industry is one of the largest and fastest-growing sectors in the world, playing a significant role in the country's economic development. It encompasses various vehicles, including passenger, commercial, three-wheelers, and two-wheelers. The industry has grown substantially and evolved over the years, driven by increasing urbanisation, rising incomes, and evolving consumer preferences. With a strong manufacturing base and a robust supply chain, India has emerged as a global hub for automobile production and exports. The industry is also at the forefront of adopting new technologies and innovations, contributing to the development of electric and hybrid vehicles. Overall, the Indian automobile industry contributes to the nation's GDP and employment, reflecting its dynamic and evolving nature.



Auto Sales

Passenger Vehicles



2023-24		42,18,746
2022-23		38,90,114
2021-22		30,69,523
2020-21		27,11,457
2019-20		27,73,519
2018-19		33,77,389

Commercial Vehicles



2023-24		9,67,878
2022-23		9,62,468
2021-22		7,16,566
2020-21		5,68,559
2019-20		7,17,593
2018-19		10,07,311

Three Wheelers



2023-24		6,91,749
2022-23		4,88,768
2021-22		2,61,385
2020-21		2,19,446
2019-20		6,37,065
2018-19		7,01,005

Grand Total



2023-24		2,38,53,463
2022-23		2,12,04,162
2021-22		1,76,17,606
2020-21		1,86,20,233
2019-20		2,15,45,551
2018-19		2,62,66,179

Two Wheelers



2023-24		1,79,74,365
2022-23		1,58,62,087
2021-22		1,35,70,008
2020-21		1,51,20,783
2019-20		1,74,16,432
2018-19		2,11,79,847

Consumer Trends – PV

The Indian passenger vehicle industry is experiencing significant shifts in consumer preferences, driven by various factors, including safety concerns, technological advancements, and increasing disposable incomes. A major trend is the shift towards personal mobility, accelerated by the COVID-19 pandemic, as consumers prioritise safety and hygiene. This has increased demand for personal vehicles over shared or public transportation options. SUVs have become particularly popular due to their aspirational value, social status, and practical benefits such as command seating position, better visibility, and higher ground clearance, which are

especially relevant in India. Younger buyers, in particular, seek feature-rich vehicles with advanced technologies like digital gadgets, touchscreen interfaces, and connected vehicle systems. This trend has resulted in a willingness among consumers to pay a premium for higher quality and better-equipped cars, driving the median price of vehicles upward.

Electric vehicles (EVs) are also gaining traction as consumers are increasingly interested in sustainable and zero-emission technologies. Although there is currently limited willingness to pay a significant premium for long-range EVs, this is expected to

change as battery prices decrease and adoption increases. There is also an emerging trend towards adopting advanced automotive technologies such as Advanced Driver Assistance Systems (ADAS) and connected vehicle features, indicating a shift towards more automated and connected vehicles. While shared mobility services are gaining popularity, particularly among the youth, the preference for personal vehicles for privacy, freedom, and convenience remains strong. This suggests that shared and personal mobility will coexist in the Indian market, reflecting a balanced approach to transportation needs.

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Demand Drivers – CV

The key drivers of commercial vehicle (CV) sales in India include economic growth, infrastructure development, industrial and agricultural output, and the expansion of the logistics and e-commerce sectors. Key industry sectors that use CVs, such as logistics and transportation,

state transports, interstate bus service firms, manufacturing, construction, mining, and agriculture, significantly influence demand. Government regulations, such as BS-VI emission norms and scrappage policies, also play a significant role. Additionally, financing options and favorable interest rates make it easier for businesses to invest in commercial vehicles. Fuel prices, technological advancements, urbanization, and urban mobility solutions further impact demand. Lastly, government policies and incentives, such as subsidies, contribute to the growth in CV sales, collectively shaping the market dynamics.



Electric Vehicles

The India Electric Vehicle Market size is estimated at \$34.80 billion in 2024, and is expected to reach \$110.74 billion by 2029, growing at a CAGR of 26.05% during the forecast period (2024-2029). The 2W segment demonstrated resilience and adaptability, with electric vehicle (EV) sales surging due to the expiration of the FAME 2 subsidy on March 31st. This led to a notable boost in the 2W-EV market share to 9.12%. Positive market sentiment was supported by seasonal events, improved vehicle supply, and financial incentives.

\$34.80
billion India Electric
Vehicle Market size
in 2024

\$110.74
billion growing
by 2029



Diversification

De-risking Revenue Model:

Popular Vehicles & Services is diversifying its business model to mitigate risks and ensure stable revenue streams. This strategy involves expanding into new business areas and reducing dependency on any single revenue source.

New Dealerships:

Establishing new dealerships will broaden the company's geographical footprint and tap into new customer bases, driving sales growth across various regions.

Increase Product Offerings:

By introducing a wider range of products, Popular Vehicles & Services aims to meet diverse customer needs and preferences, thus enhancing customer satisfaction and loyalty.

Focus on High Margin Business

Increase Automotive Distribution Business:

Expanding the automotive distribution network is a key focus for capitalising on high-margin opportunities within the automotive retail industry. This will enable the company to deliver value-added services and maintain a competitive edge.

Increase Sale of Services & Repairs Business:

Boosting service and repair sales ensures a steady stream of high-margin revenue, leveraging the company's expertise and infrastructure in the after-sales market.

Increase Sale of Premium Vehicles:

Targeting the premium vehicle segment allows the company to cater to a lucrative market, offering high-end products with better profit margins.

Deeper Penetration

Inorganic Growth Opportunities:

Pursuing mergers, acquisitions, and strategic partnerships will enable Popular Vehicles & Services to expand its market presence and enhance its competitive capabilities rapidly.

Organic Growth Opportunities:

Investing in organic growth through enhanced operational efficiencies, improved customer experiences, and innovative product offerings will solidify the company's market position.

Digital Growth:

Embracing digital transformation is crucial for staying ahead in today's technology-driven market. Popular Vehicles & Services aims to streamline operations, enhance customer engagement, and drive digital sales by leveraging digital tools and platforms.



STRATEGIES AND OUTCOMES

Strategy	Description & Actions Taken
Diversification	Expanding business areas to reduce dependency on a single revenue source. Actions include launching new product lines, entering new markets, and establishing new dealerships to reach diverse customer bases.
Focus on High Margin Business	Targeting high-margin segments for increased profitability. Actions involve boosting sales of premium vehicles, expanding the automotive distribution network, and enhancing after-sales service and repair offerings.
Deeper Penetration	Expanding market presence through strategic initiatives. Actions include pursuing inorganic growth through M&A, investing in organic growth, and leveraging digital tools to increase market reach and engagement.

Customer Service

We prioritise customer experience and retention, employing numerous strategies to ensure high satisfaction and loyalty. Our efforts have resulted in our highest retention rates across multiple OEMs, with significantly higher numbers of vehicles serviced compared to industry averages.



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Customer Feedback and Helplines:

Each dealership has dedicated customer care managers responsible for collecting customer feedback at various stages, from booking to delivery and post-sales. We also maintain dedicated helplines at each dealership to address customer grievances. Our centralised customer call centres for Maruti Suzuki and Honda dealerships and Ather, Tata Motors (Commercial), and JLR dealerships ensure that we promptly and effectively address customer concerns.

Customer Call Centers:

We operate six call centres for Maruti Suzuki with 262 customer service personnel and three call centres for Honda, Ather, Tata Motors (Commercial), and JLR with their respective customer service personnel. These call centres handle queries related to post-booking, sales, post-sales, insurance, referrals, and more. Our centralised call centres ensure standardised customer care protocols and promote various revenue-generating services by tapping into external customer databases.



Service and Repair Initiatives:

Our maintenance and repair services include warranty, customer-paid, running, and collision repairs. We offer extended warranty contracts and periodic maintenance packages. Several of our authorised service centres provide extended evening and weekend service hours for the convenience of our customers. Additionally, we offer services such as vehicle pick-up and drop, paint-less dent removal, plastic repair, headlight reconditioning, and quick body repair. We also provide 24-hour breakdown and accident assistance to our customers.

Service Centres and Body Shops:

As of July 31, 2023, we operate 60 body shops across Kerala and Tamil Nadu that provide collision repair services, both covered under vehicle insurance claims and paid by customers. These body shops are integral to our service offerings, ensuring our customers receive comprehensive vehicle support.

Digital Engagement:

We have dedicated online portals where customers can browse our offerings, make bookings, and book test drives. Our digital marketing activities include maintaining websites, running social media campaigns, operating the 'My Popular App,' conducting in-house campaigns for lead generation, organising hyper-local OEM-specific campaigns, and advertising on third-party lead aggregator websites. We use online video conferencing platforms to stay in touch with customers, organise awareness sessions, and host customer meets.

Training and Development:

Our staff undergo extensive sales and service training programs, with specific sessions organised during introducing new models or sales schemes. Senior team members attend management development programs at various educational institutions. We also conduct regular training sessions required by OEMs per our dealership agreements to ensure our team remains highly skilled and knowledgeable.

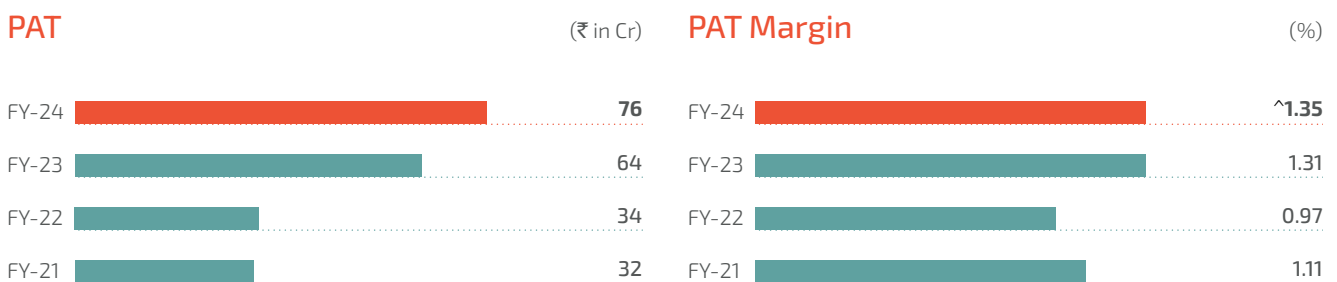
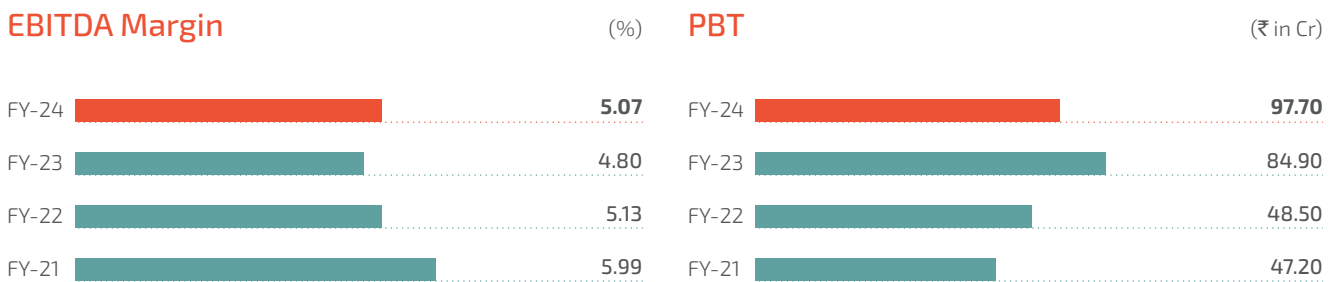
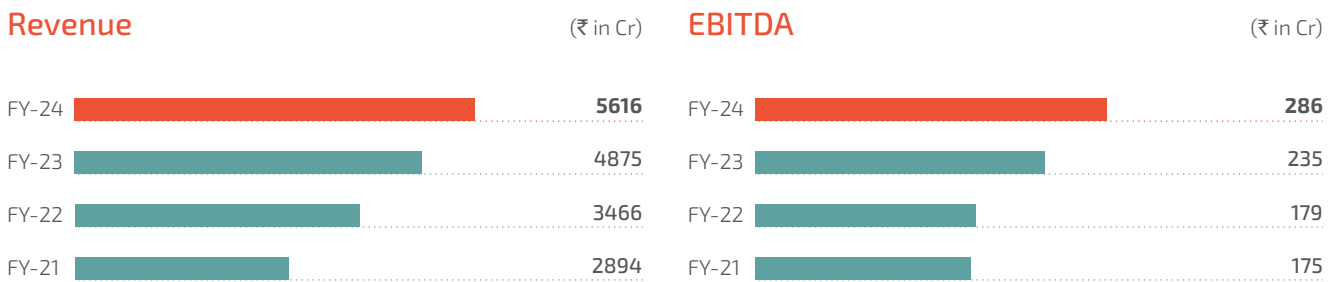
Technological Tools:

We leverage various technological tools to enhance our productivity and results, including Google Workspaces, Wings ERP Software, BI and Analytical Reporting Software, Customized CRM Software, Voyon HRMS Software, GRC and Procurement Solutions, e-commerce enabled company website, Used Car website, FortiGate Firewalls, SDWAN, and Cloud Services. These tools help us streamline operations, improve customer interactions, and maintain a competitive edge in the industry.

Financial Highlights

Our financial performance over the past fiscal years reflects significant growth and resilience, with a notable revenue increase reinforcing our strong market position and strategic initiatives. Despite navigating through margin fluctuations, our EBITDA has consistently improved, demonstrating operational efficiency. Our Profit Before Tax (PBT) has maintained a positive trajectory, showcasing our ability to remain profitable amid challenges, while the consistent improvement in Profit After Tax (PAT) has ensured a stable PAT margin. These metrics underscore our commitment to sustained growth and profitability in a dynamic market environment.

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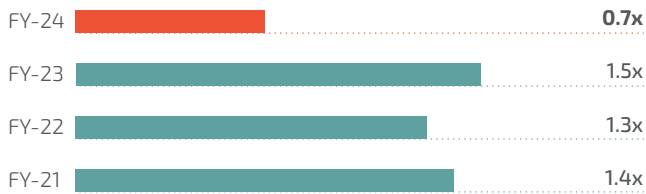


Ratios

The company has shown a positive trend in debt management and operational efficiency, particularly in FY 2024, as indicated by lower Debt-equity and net debt-to-equity ratios. Improving Net Debt to EBITDA results from better earnings and debt management. The decline in ROE is an outcome of the impact of Net IPO Proceeds of ₹229 crore raised.

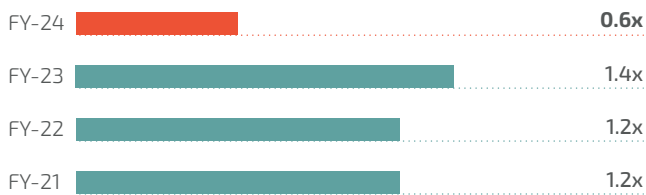
Debt to Equity

(%)



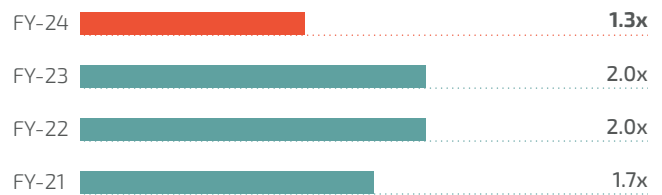
Net Debt / Equity

(%)



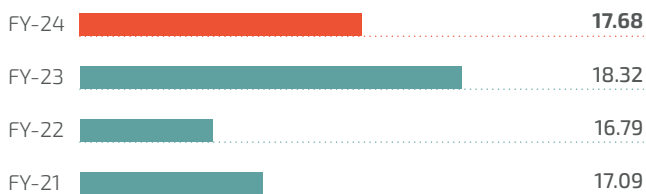
Net Debt / EBITDA

(%)



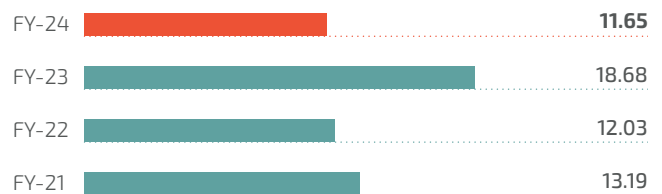
ROCE

(%)



ROE

(%)



Directors' Report

To,
The Members,
Popular Vehicles and Services Limited

Your Directors are pleased to present the Company's 40th Annual Report together with the report of the statutory auditors and the audited financial statements of the Company for the financial year ended 31st March, 2024.

Business Operational Review

1. FINANCIAL STATEMENTS & RESULTS

Financial Results

a) Standalone Performance

During the year under review, the revenue from operation were at ₹26,438.22 million as against ₹25,135.66 million in the previous year, recording an increase of 5.18 %. The Profit before Tax was recorded at ₹307.79 million in the current year as against ₹390.05 million in the previous year, recording a decrease of 21.09%.

b) Consolidated Performance

During the year under review on a consolidated basis, the revenue from operation were at ₹56,155.28 million as against ₹48,750.02 million in the previous year, recording an increase of 15.19 %. The Profit before Tax was recorded at Rs.977.16 million in the current year as against ₹848.67 million in the previous year, recording an increase of 15.14%.

(In INR millions, except earnings per share data)

Particulars	Standalone		Consolidated	
	For the financial year ended March 31, 2023	For the financial year ended March 31, 2024	For the financial year ended March 31, 2023	For the financial year ended March 31, 2024
Revenue from Operations	25,135.66	26,438.22	48,750.02	56,155.28
Other Income	121.42	177.74	176.26	311.52
Total Revenue	25,257.08	26,615.96	48,926.28	56,466.80
Employee Benefits expense	1,998.99	2,246.06	3,082.06	3,664.59
Finance costs	432.07	552.52	705.34	980.23
Depreciation and amortization expense	455.31	484.99	794.45	919.31
All other expenses	21,980.66	23,040.65	43,495.76	49,941.56
Total Expenses	24,867.03	26,324.22	48,077.61	55,505.69
Profit / (Loss) Before Tax and exceptional item	390.05	291.74	848.67	961.11
Exceptional item	0	16.05	0	16.05
Profit / (Loss) Before Tax	390.05	307.79	848.67	977.16
Tax Expense:				
Current Tax	129.32	57.73	240.10	248.58
Deferred Tax	(32.62)	(8.13)	(32.17)	(32.19)
Profit after tax for the year	293.35	258.19	640.74	760.77
Earnings per equity share(in Rs)				
Basic	4.68	4.09	10.22	12.05
Diluted	4.68	4.09	10.22	12.05

2. TRANSFER TO RESERVES

The Board of Directors of your company, has decided not to transfer any amount to the Reserves for the year under review.

3. DIVIDEND

Pursuant to the provisions of Regulation 43A of the Listing Regulations, the Board of Directors of the Company has adopted a Dividend Distribution Policy which details the dividend philosophy of the Company, the factors which are considered by the Board while recommending / declaring dividend, suggested band for proposing dividend pay-out, periodicity of dividend, circumstances in which dividend is considered, etc. The said policy is placed on the website of the Company at <https://www.popularmaruti.com/investor-relations/wp-content/uploads/2024/01/Dividend-Distribution-Policy-.pdf>

The Board of Directors of your company is pleased to recommend a dividend of ₹ 0.50 per equity shares of face value of ₹ 2/- each aggregating to ₹ 35.6 million, payable to those shareholders whose name appear in the register of members as on the record date i.e., 17th September, 2024.

4. CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the year under review.

5. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER THE END OF THE FINANCIAL YEAR.

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

6. CAPITAL & DEBT STRUCTURE

(i) Authorised Share Capital:

During the year under review, there is no change in the Authorised Share Capital of the Company.

However, the Board of Directors at their meeting held on 31st August, 2023 had considered, approved and recommended for the subdivision of Ordinary (equity) Share of the Company. Accordingly, the shareholders at the Extra Ordinary General Meeting (EGM) held on 08th September, 2023 had approved to sub-divide 1 (One) fully paid-up Ordinary (equity) Share of the Company having face value of ₹ 10/- (Rupees Ten) each, into 5 (Five) fully paid-up Ordinary (equity) Shares, having face value of ₹ 2/- (Rupees two) each with effect from the record date being 08th September, 2023.

After the subdivision, the authorized share capital as on 31st March 2024 stood as follows:

PARTICULARS	NO OF EQUITY SHARES AND PER VALUE	AMOUNT
Authorized Share Capital Prior to Sub division	1,50,00,000 (One Crores Fifty Lakhs) equity shares of ₹ 10 (Rupees Ten Only) each	₹ 150 million
Authorized Share Capital Post Sub division	7,50,00,000 (Seven Crores Fifty Lakhs) Equity Shares of ₹ 2/- (Rupees Two Only) each	₹ 150 million

(ii) Issued, Subscribed and Paid up share Capital

Initial Public Offer of Equity shares, Allotment and Listing

In compliance with the applicable provisions of the SEBI Rules and Regulations, Companies Act, 2013 and Rules made thereunder and other applicable laws in this regard, the Company made an Initial Public Offering (IPO) of 20,395,205 Equity Shares of Face Value ₹2/- each ("Equity Shares") for cash at a price of ₹ 295/- per equity share (including a share premium of ₹293/- per equity share) aggregating to ₹ 6015.54 million comprising of a fresh issue of 8,478,130 Equity Shares aggregating to ₹ 2,500.00 million ("Fresh Issue") and an offer for sale of 11,917,075 Equity Shares aggregating to ₹ 3515.54 million by M/s Banyan Tree Growth Capital II, LLC (Investor Selling Shareholder) vide

prospectus dated 14th March, 2024 pursuant to Section 32 of the Companies Act, 2013. The offer was a 100% Book Built Offer under the SEBI ICDR Regulations. The IPO opened for subscription on 12th March, 2024 and closed on 14th March, 2024 (for Anchor Investors offer was opened and closed on 11th March, 2024). The offer price was fixed at ₹ 295/- per equity share of Face Value ₹ 2/- each. Pursuant to the offer, (i) 84,76,753 Equity shares were allotted at the offer price of ₹ 295/- per share including share premium of ₹ 293/- per Equity Share under the fresh issue portion of the offer. Out of the aforesaid 84,76,753 Equity Shares, 22,950 Equity Shares were allotted to eligible employees at a discount of ₹28 per Equity Share on the offer price and (ii) 11,917,075 Equity shares offered under the Offer For Sale by M/s Banyan Tree Growth Capital II, LLC (Investor

Selling Shareholder) were transferred at the same offer price of ₹295/- per Equity share including a share premium of ₹293/- per Equity share to the respective applicants in various categories, in terms of the basis of allotment approved in consultation with the authorised representative of National Stock Exchange Limited ("NSE"), the designated stock exchange. The broad details of allotment or transfer and delivery of the aforesaid 20,393,828 Equity Shares under the Offer as per the basis of allotment approved by NSE is as under:

Category	Number of Equity shares Allotted
Anchor Investors	61,07,325
Qualified Institutional Bidders (except Anchor Investors)	49,35,603
Non-Institutional Investors	20,18,050
Retail Individual Bidders	73,09,900
Eligible Employees	22,950
TOTAL	20,393,828

Therefore, as on 31st March, 2024, the issued subscribed and paid up Share Capital of your Company stood at ₹ 142.4 million - consisting of 7,11,98,198 Equity shares of ₹ 2/- each.

The entire Issued, Subscribed & Paid-up capital of the Company consisting of 7,11,98,198 Equity Shares of the Company with distinctive Numbers 1 to 7,11,98,198 [consisting of IPO Fresh Issue 84,76,753 equity shares plus Prelisting 6,27,21,445 equity shares] were duly listed in the National Stock Exchange Limited ("NSE") and Bombay Stock Exchange Limited ("BSE") and admitted to dealings in the said stock exchanges on 19th March, 2024 and also communicated to the Company by NSE (Symbol: PVSL) & BSE (Scrip Code: 544144).

Utilization of issue proceeds

The objects of the offer for fresh issue portion excluding general corporate purposes was repayment/pre-payment of certain borrowings availed by the Company and the subsidiaries namely Popular Auto works Private Limited, Popular Mega Motors (India) Private Limited, Kuttukaran Green Private Limited, Kuttukaran Cars Private Limited and Prabal Motors Private Limited.

The subsidiaries received funds from the Company as Inter Corporate Loan with an option to convert it to equity shares under

section 62(3) of the Companies Act, 2013 on the terms as agreed by execution of a Loan Agreement.

Ranking as per Market Capitalization as on 31st March, 2024

As per the market capitalization of listed companies as at the end of 31st March 2024, your Company has been ranked 993rd in the top 1000 category.

Payment of Listing Fee:

Your Company has paid the listing fee for the Financial Year 2023- 24 to both the Stock Exchanges BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

7. UNPAID DIVIDEND & IEPF

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF; established by the Government of India, after completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

However, your Company did not have any funds lying unpaid or unclaimed for a period of seven years in Unpaid Dividend Account. Therefore, there were no funds which were required to be transferred to Investor Education and Protection fund (IEPF) and no amount is lying in Unpaid Dividend Account of the Company.

8. CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

The Board has formulated the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Fair Disclosure Code) for fair disclosure of events and occurrences that could impact price discovery in the market for the Company's securities and to maintain the uniformity, transparency and fairness in dealings with all stakeholders and ensure adherence to applicable laws and regulations. The same is available on the website of the Company at <https://www.popularmaruti.com/investor-relations/wp-content/uploads/2024/01/Code-of-practices-and-procedures-for-fair-disclosure-of-UPSI.pdf>

9. PREVENTION OF INSIDER TRADING

The Board has formulated a code of conduct for regulating, monitoring and reporting of trading of shares by Insiders. This code lays down guidelines procedures to be followed and disclosures to be

made by the insiders while dealing with shares of the Company and cautioning them on consequences of non-compliances. The same is available on the website of the Company at <https://www.popularmaruti.com/investor-relations/wp-content/uploads/2024/01/Insider-Trading-Policy.pdf>

10. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Board of Directors

As on 31st March, 2024, the Board of your Company comprised of Seven Directors with Three Executive Directors, one Nominee Director and Three Non- Executive Independent Directors. The composition of the Board of Directors meets the requirement of provisions of Regulation 17 of the Listing Regulations and Section 149 of the Act.

The Board of Directors of the Company as on 31st March, 2024 are as follows:

Name of the director	Designation	DIN
Mr. Naveen Philip	Managing Director	00018827
Mr. John K. Paul	Whole Time Director	00016513
Mr. Francis K. Paul	Whole Time Director	00018825
Mr. Jacob Kurian	Independent Director	00213259
Mr. George Joseph	Independent Director	00253754
Ms. Preeti Reddy	Independent Director	07248280
Mr. Rakesh Kumar Bhutoria	Nominee Director	08449728

None of the Directors of the Company are disqualified under the provisions of the Act.

During the year under review, there was no changes on the Board of Directors ('Board') except as mentioned below;

i) Appointment:

- a. Mr. Rakesh Kumar Bhutoria has been appointed as the Nominee Director of the company with effect from 14th August, 2023 and the appointment was regularized as Director in the Extra Ordinary General Meeting (EGM) held on 21st August, 2023 to hold office for a period of five years.
- b. The Company in the Annual General Meeting held on 18th August, 2023 reappointed Mr. Francis K. Paul (DIN: 00018825), by a Special Resolution, as Whole time Director of the Company, for a period from 01st April, 2024 to 31st March, 2026.
- c. Mr. Francis K. Paul (DIN:00018825), 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 39th Annual General Meeting held on 18th August, 2023.
- d. The Shareholders at the 39th Annual General Meeting held on 18th August, 2023 re-appointed Mr. John K. Paul as the Whole Time Director of the Company for a period commencing from 01st April, 2024 till 31st March, 2026.
- e. The Nomination and Remuneration Committee and the Board of Directors

at their meeting held on 11th January, 2024 considered, approved and recommended for the re-appointment of Mr. Jacob Kurian and Ms. Preeti Reddy, as Independent Directors of the Company. The Company in the Extra Ordinary General Meeting held on 07th February, 2024, had reappointed Mr. Jacob Kurian (DIN: 00213259) and Ms. Preeti Reddy (DIN: 07248280) as Independent Directors of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) years on the Board of the Company commencing from 16th January, 2024 upto 15th January, 2029 (both days inclusive).

ii) Resignation:

Mr. Abhishek G Poddar (DIN: 07143528) the representative/ nominee of M/s BanyanTree Growth Capital II LLC, the private equity investor, had resigned from the Board with effect from 19th June, 2023.

iii) Retirement by rotation:

In accordance with the Articles of Association, Mr. Naveen Philip, Managing Director (DIN: 00018827) retires by rotation at the ensuing Annual General Meeting. Mr. Naveen Philip, being eligible seeks re-appointment at the ensuing Annual General Meeting. A brief profile and the details as per Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation is produced below:

DETAILS OF DIRECTORS RECOMMENDED FOR RE-APPOINTMENT AS REQUIRED UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA.

Name of the Director	Mr. Naveen Philip
Brief Profile	Mr. Naveen Philip, Managing Director of the Company has over 27 years of experience in the automobile industry. He is the member of the Federation of Automobile Dealers Association's Governing Council. Previously he held the position of a manager at Godrej Telecom Limited.
Age	54
Date of First Appointment on the Board	01 st April, 2018
Qualifications	Post Graduate Diploma in Management from the Xavier Institute of Management, Bhubaneswar and Bachelor's Degree in Mechanical Engineering from the University of Calicut.
Nature of expertise, experience in specific functional areas.	Over 27 years of experience in Automobile Industry.
Past Remuneration	Details have been provided in the Corporate Governance Report which forms part of the Annual Report 2023-24.
Terms and conditions of appointment/ re-appointment including Remuneration to be paid.	Re-appointment as a Director, liable to retire by rotation.
Number of shares held in the Company including shares held as a Beneficial Owner as on March 31, 2024.	1,45,19,362
Relationship with other Directors / KMPs.	Relative (Nephew) of Mr. Francis K. Paul, Whole Time Director and Mr. John K. Paul Whole Time Director.
Directorships / Committee Membership and Chairmanship held in other Companies.	Managing Director at Popular Mega Motors (India) Private Limited. Director at Vision Motors Private Limited, Popular Auto Dealers Private Limited, Popular Autoworks Private Limited, Kuttukaran Cars Private Limited, Kuttukaran Green Private Limited, Memorytrain Creatives Private Limited, Bluetimbre Music Private Limited, Keracon Equipments Private Limited, Regiis Insurance Brokers Private Limited and Haeal Enterprises Private Limited.

iv) Appointments post the close of financial year:

a. Re-appointment of Mr. George Joseph:

Mr. George Joseph (DIN: 00253754) was initially appointed as Independent Director for a term of five consecutive years from 01st July, 2021 till 30th June, 2026 under the provisions of Sections 149(4), 150, 152 read with Schedule IV of the Companies Act, 2013 ("the Act") and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The initial appointment happened when the Company was an Unlisted Public Company. Subsequent to listing, as the term of Mr. George Joseph was continuing, it was noticed that Mr. George Joseph would attain the age

of 75 years on 26th April, 2024 and in order to comply with the provisions of Regulation 17(1A) of SEBI (LODR), 2015, Mr. George Joseph vacated the office of Independent Director w.e.f., 26th April, 2024.

Considering the contributions of Mr. George Joseph during his first term, the Nomination and Remuneration Committee and the Board of Directors in its meeting held on 28th May, 2024 recommended for appointment for a term of 5 consecutive years from the date of approval of the resolution by members of the Company. The approval of the shareholders was obtained via postal ballot on 11th July, 2024.

b. Re-appointment of Mr. John K. Paul:

Our Whole Time Director, Mr. John K. Paul was also one of the Directors of Kerala Chamber of Commerce and Industries (KCCI) during the financial years 2012-13, 2013-14 and 2014-15 when KCCI was found in violation of Sections 209(1) and 217(3) of the Companies Act, 1956. He remitted a fine of ₹ 0.01 million in ST 43/19 and ₹ 0.005 million in ST 42/19 before the Chief Judicial Magistrate (Economic Offences) Court at Ernakulam for the said violations. However, in terms of Part I of Schedule V to the Companies Act, 2013, the Company had sought the approval of the Central Government for his re-appointment.

However, the applications for his previous appointments were not considered and disposed-off by the Ministry of Corporate Affairs (MCA) vide Letter No E-File No.1/2/2022- DS(CL-VII) MCA dated 29th April, 2024.

Consequent to the above, the Board in its meeting held on 28th May, 2024, based on the recommendation of the Nomination and Remuneration Committee, proposed reappointment of Mr. John K. Paul as Whole-time Director for a further term commencing from 29th April, 2024 to 31st March, 2026. Accordingly, the shareholders' approval by passing special resolution via postal ballot was sought and the same was approved on 11th July, 2024.

Fresh application for approval in form MR-2 is filed via SRN: AA9448579 dated 25th July, 2024 which is under the consideration of the Ministry of Corporate Affairs.

b) Key Managerial Personnel

The Key Managerial Personnel of the Company in accordance with Regulation 2(1)(bb) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations and Section 2(51) of the Companies Act, 2013 are as follows:

Name	Designation
1. Mr. Naveen Philip	Managing Director
2. Mr. John K. Paul	Whole Time Director
3. Mr. Francis K. Paul	Whole Time Director
4. Mr. Raj Narayan	Chief Executive Officer
5. Mr. John Verghese	Group Chief Financial Officer
6. Mr. Varun T.V.	Company Secretary and Compliance Officer

Mr. John Verghese has been designated as Group CFO with effect from 1st April, 2022, in the meeting of the Board of Directors held on 31st August, 2023.

There is no change in the Key Managerial Personnel (KMP) during the year under review.

In addition, our following Key Managerial Personnel's of the Company also holds position of Key Managerial Personnel in the Wholly Owned Subsidiary Companies as under:

Sl.No	Name	Designation in Subsidiary	Name of Subsidiary
1.	Mr. Naveen Philip	Managing Director	Popular Mega Motors (India) Private Limited
2.	Mr. Raj Narayan*	Chief Executive Officer	Vision Motors Private Limited
3.	Mr. John Verghese	Chief Financial Officer	Popular Autoworks Private Limited
4.	Mr. Varun T.V.	Company Secretary	Popular Autoworks Private Limited

* Mr. Raj Narayan has resigned from the post of Chief Executive Officer of Vision Motors Private Limited on 01st May, 2024.

c) Criteria for Determining Qualifications, Positive Attributes and Independence of a Director.

The Nomination and Remuneration Committee has formulated Nomination, Remuneration and Evaluation Policy, which details the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and the Listing Regulations. The Nomination, Remuneration and Evaluation Policy is available on the website of the Company at the link <https://www.popularmaruti.com/investor-relations/wp-content/uploads/2024/01/Nomination-and-Remuneration-Policy.pdf>

d) Declaration by Independent Directors.

In terms of Section 149 of the Act and other applicable regulations if any (i) Mr. Jacob Kurian (ii) Ms. Preeti Reddy (ii) Mr. George Joseph are the Independent Directors of the Company as on date of this report. As required under Section 149(7) of the Companies Act, 2013, read with SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, the Independent Directors have given the necessary declaration that they meet the criteria of independence laid down under Section 149(6) of the Companies Act, 2013 and do not suffer from any disqualifications specified under the Act. Such declarations include the confirmation to the effect that the Independent Directors have included their names in the Database maintained by the Indian Institute of Corporate Affairs, the status of the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs and a confirmation regarding the payment of fees for the said registration and the timely renewal of registration.

Also, the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013 and the Code of Conduct for Directors and Senior Management Personnel formulated by the Company.

e) Women Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1) (a) of Listing Regulations, the Company has appointed Ms. Preeti Reddy (DIN: 07248280) as Independent Woman Director of the Company.

f) Certificate from Practicing Company Secretary

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Listing Regulations, Mr. M. C. Sajumon, Practicing Company Secretary, Cochin, has certified that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority and the certificate forms part of the Report of Corporate Governance forming part of this Annual Report.

g) Performance Evaluation

As per Part D of Schedule II SEBI (LODR) Regulations, 2015 read with Regulation 16 of

SEBI (LODR) and as prescribed u/s 149(6) of the Companies Act, 2013, annual evaluation of the performance of the Board, the Directors and its committees was evaluated through an external agency.

The Nomination and Remuneration Committee of the Company had engaged an external agency to carry out the performance evaluation of each individual Director, Committee and Board as a whole. Performance evaluation was carried out through a digital platform, based on a structured questionnaire, formulated taking into consideration the criteria approved by the Nomination and Remuneration Committee.

Evaluation criteria of the Board was made based on the role played by the Board in the governance, overall functioning, evaluating strategic proposals, financial reporting process, internal controls and its effectiveness and review of risk management process. The evaluation of individual Director was carried out based on various parameters such as participation in the Board and its Committee meetings, contribution towards strategic proposals, suggesting risk mitigation measures, putting in place internal controls, governance, leadership and talent development and managing external stakeholders. Performance evaluation of various committees of the Board was carried out based on the criteria such as constitution, effective functioning of the committees as per the terms of reference, periodical suggestions and recommendations given by the committees to the Board etc.

h) Familiarization Programme

In terms of Regulation 25(7) of the Listing Regulations, the Company familiarizes its Independent Directors about their roles and responsibilities at the time of their appointment through a formal letter of appointment. The draft letter of appointment / re-appointment is available on the website of the Company at www.popularmaruti.com.

11. NUMBER OF MEETINGS OF THE BOARD & ITS COMMITTEES**a) Board meetings**

During the financial year ended 31st March, 2024, the Board of Directors met 9(nine) times on 20th June, 2023, 14th August, 2023, 31st August, 2023, 28th September, 2023, 11th January, 2024, 05th February, 2024, 04th March, 2024, 14th March, 2024 and 15th March, 2024. Requisite quorum was present in all the meetings and the

intervening gap between the meetings is within the period as prescribed under Section 173 (1) of the Companies Act, 2013 and the Listing Regulations. The details of the Board meetings are given in the Report on Corporate Governance which forms part of this Report. The Company provides all the Board members the facility to participate in the meetings of Board and its committees through Video Conferencing/ Other Audio-Visual Means.

Pursuant to the requirements of Schedule IV to the Act and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on 27th March, 2024, and the Directors reviewed the matters enumerated under Schedule IV(VII)(3) to the Act and Regulation 25(4) of the SEBI (LODR) Regulations, 2015. All the Independent Directors attended the said meeting.

b) Board Committees

Pursuant to the requirements under the Act and the Listing Regulations, the Board of Directors have constituted various Committees such as Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The composition and terms of reference of the Committees, number of meetings held during the year under review and attendance of Directors at the Committee meetings are given in the Report on Corporate Governance forming part of this Annual Report. All the recommendations made by the Committees of the Board including the Audit Committee were accepted by the Board.

12. PARTICULARS OF REMUNERATION DETAILS OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

The remuneration details of Directors and Key Managerial Personnel and ratio of remuneration of each Director to the median of employees' remuneration as per Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure A**.

In terms of the provisions of Section 197(12) of the

Act read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing names of the employees drawing remuneration and other particulars, as prescribed in the said Rules is provided in a separate annexure forming part of this report.

Further, the report and the accounts are being sent to the Members excluding the aforesaid **Annexure G**. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary at cs@popularv.com.

Remuneration received by Managing Director/ Whole Time Director from the holding or Subsidiary Company.

Mr. Naveen Philip, Managing Director (DIN: 00018827) of the company is receiving remuneration including performance incentive from Popular Mega Motors (India) Private Limited, the wholly owned subsidiary of the company.

Waiver of Performance Incentives

The remuneration of the Executive Directors includes payment of performance incentive apart from Salary and Perquisites. The payment of performance incentive to Mr. Naveen Philip, Managing Director, is paid by the wholly owned subsidiary Popular Mega Motors (India) Private Limited. However, the performance incentive for the Financial Year 2023-24 was voluntarily waived by Mr. Naveen Philip, Mr. John K. Paul and Mr. Francis K. Paul vide their letters dated 01st April, 2024.

Refund made by Executive Directors

The provisions of Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015, relating to the fees or compensation payable to Executive Directors who are Promoters or members of the Promoter Group, if the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the listed entity (in case of more than 1 Executive Director) triggered, post listing of the shares of the Company at stock exchange on 19th March, 2024.

The excess remuneration paid to the said Directors during the remaining days in the Financial Year 2023-24 (i.e., from 19th March, 2024-31st March, 2024) after the Company's shares were listed on Stock Exchange has been refunded by the Directors as mentioned below:

Executive Directors	Refunded To	Amount (₹ in Millions)
Mr. John K. Paul	Company	0.065
Mr. Francis K. Paul	Company	0.065
Mr. Naveen Philip	Popular Mega Motors (India) Private Limited (Wholly Owned Subsidiary)	0.065

The Board in its meeting held on 13th August, 2024 has recommended for approval of members in the ensuing 40th Annual General Meeting of the Company for payment of remuneration to Executive Directors (who are also Promoters of the company) in excess of the limits specified in Regulation 17 (6) (e) (ii) of SEBI (LODR), 2015 for each of the financial years during their respective tenure of service.

13. 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—

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- Such accounting policies have been selected and applied consistently and the Directors 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 as at 31st March, 2024 and of the profit of the company for that year;
- Proper and sufficient care was taken 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;

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- The Annual Accounts of the Company have been prepared on a going concern basis.
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- Internal financial controls were followed by the company and such internal financial controls are adequate and operating effectively.

14. ADEQUACY OF INTERNAL FINANCIAL CONTROLS (IFC)

The Company's Internal Control Systems are commensurate with the nature of its business and the size and complexity of its operations. The Audit Committee reviews the adequacy and effectiveness of the internal control system and monitors the implementation of audit recommendations. These are routinely tested by Internal Auditors. No significant deficiencies were reported during the test of IFC.

Further, the Statutory Auditors of the Company also reviewed Internal Controls over Financial Reporting of the Company as on 31st March, 2024, and issued their report which forms part of the Independent Auditor's report.

15. REPORTING OF FRAUD BY AUDITORS

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

16. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

Sl. No.	Name of the Company	Holding/ Subsidiary/ Associate	Applicable Section
1	Popular Mega Motors(India) Private Limited	Wholly owned Subsidiary	2 (87)
2	Popular Autoworks Private Limited	Wholly owned Subsidiary	2 (87)
3	*Vision Motors Private Limited	Wholly owned Subsidiary	2 (87)
4	Popular Auto Dealers Private limited	Wholly owned Subsidiary	2 (87)
5	Kuttukaran Cars Private Limited	Wholly owned Subsidiary	2 (87)
6	Kuttukaran Green Private Limited	Wholly owned Subsidiary	2 (87)
7	Keracon Equipments Private Limited	Wholly owned Subsidiary	2 (87)
8	*Prabal Motors Private Limited	Wholly owned Subsidiary	2 (87)

*Step Down Wholly Owned Subsidiaries of the Company

Material subsidiaries: (i) Popular Mega Motors (India) Private Limited
(ii) Vision Motors Private Limited

Financial Position and Performance of Subsidiaries, Joint Ventures and Associates

The consolidated financial statements of the Companies are prepared in accordance with Indian Accounting

Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Act, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements and the same forms an integral part of this Report. Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries, for the Financial Year 2023-24 is given in Form AOC-1 which forms an integral part of this Annual Report as **Annexure F**. In accordance with Section 136(1) of the Act, the Annual Report of your Company containing inter alia, financial statements including consolidated financial statements, has been placed on the Company's website at <https://www.popularmaruti.com/investor-relations/financials/annual-reports/annual-returns/annual-reports/>

Further, the financial statements of the Subsidiaries are also placed on the Company's website at <https://www.popularmaruti.com/investor-relations/financials/annual-reports/annual-returns/annual-reports/>. Any member desirous of inspecting or obtaining copies of the audited financial statements, including the consolidated financial statements of the Company, audited financial statements in respect of the Subsidiary companies may write to the Company Secretary at cs@popularv.com.

ANY REVISION MADE IN FINANCIAL STATEMENTS OR BOARD'S REPORT

The Company has not revised the Financial Statements or Board's Report in respect of any of the three preceding Financial Years.

17. MAINTENANCE OF COST RECORDS

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is not required to maintain Cost Records under said Rules.

18. 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.

19. PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES

During the reporting period, the Company had granted Inter-Company Loan to its wholly owned subsidiary Companies Popular Mega Motors (India) Private Limited (₹ 500 million), Popular Autoworks Private Limited (₹ 60 million), Kuttukaran Green

Private Limited (₹ 30 million), Kuttukaran Cars Private Limited (₹ 70 million) and Prabal Motors Private Limited (₹ 500 million). The Board of Directors at its meeting held on 15th March, 2024 agreed to grant inter-corporate loan to the subsidiaries and the Board and Shareholders of the subsidiary Companies at their meeting held on 16th March, 2024 considered and approved the proposal to avail Inter-Company Loan as aforesaid.

Pursuant to the Letter of Offer dated 22nd November, 2023 received from the wholly owned Subsidiary Kuttukaran Green Private Limited and subsequent approval of the Finance and Authorization Committee at their meeting held on 27th November, 2023, the Company had made an investment of ₹ 5 million by subscribing on rights basis 4,99,950 Equity shares of ₹ 10/- each of Kuttukaran Green Private Limited, in compliance of Section 186 of the Companies Act 2013.

During the reporting period, the company had given Corporate Guarantee to Banks/Financial Institutions against loans taken by its subsidiary companies viz. Popular Auto Dealers Private Limited, Popular Autoworks Private Limited, Kuttukaran Green Private Limited, Popular Mega Motors (India) Private Limited and Kuttukaran Cars Private Limited and complied with applicable provisions of Section 186 of the Act and has disclosed the details thereof in the financial statements as provided under Section 186(4) of the Act.

After the close of the financial year, pursuant to the Letter of Offer dated 18th May, 2024 the Company had made an investment of ₹ 5 millions in its wholly owned Subsidiary Kuttukaran Cars Private Limited by subscribing on rights basis 4,99,999 Equity shares of ₹ 10/- each in compliance of Section 186 of the Companies Act 2013.

The details of Investments, Loans, Guarantees and Securities have been disclosed in the Financial Statements under Schedule 6 and Schedule 36 of Standalone Financials.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

In accordance with the requirements of the Listing Regulations, the Company has also adopted Policy on Materiality and dealing with Related

Party Transactions and the same has been placed on the website of the Company at <https://www.popularmaruti.com/investor-relations/wp-content/uploads/2024/01/Policy-on-Related-Party-Transactions.pdf>

21. CORPORATE SOCIAL RESPONSIBILITY.

As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has a Corporate Social Responsibility Committee during the year under review.

The Committee was reconstituted with the following members on 14th August, 2023 by inducting Mr. Rakesh Kumar Bhutoria, Nominee Director due to the resignation of Nominee Director, Mr. Abhishek G. Poddar,

1. Mr. Francis K. Paul, Chairperson
2. Mr. John K. Paul, Member
3. Mr. Jacob Kurian, Member
4. Mr. Rakesh Kumar Bhutoria, Member

The CSR Policy of the Company is available on the Company's web-site and can be accessed in the link <https://www.popularmaruti.com/investor-relations/wp-content/uploads/2024/01/Corporate-Social-Responsibility-Policy.pdf>

The CSR Committee met once on 27th March, 2024 during the financial year under review.

The Company has initiated activities in accordance with the said Policy, the details of which have been mentioned in **Annexure C** which forms part of this Report.

22. CONSERVATION OF ENERGY/ TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO (As required under section 134(3)(m) of Companies Act 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014)

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.

23. RISK MANAGEMENT

The Company has formulated Risk Management Policy in accordance with the guidelines provided under the Charter of the Risk Management Committee of the Board of Directors, and pursuant to Regulation 21 of the SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015. The Risk Management Charter and Policy institutionalize a formal risk management function and framework consisting of risk management process, risk governance and communication structure. The Risk Management policy provides a structured, consistent, and continuous process across the whole organization for identifying and assessing risk, deciding on mitigations, and reporting on the opportunities and threats that may affect the achievement of its strategic objectives. 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.

24. VIGIL MECHANISM

Your Company, as required under Section 177 (9) & (10) of the Companies Act 2013 and Regulation 22 of the Listing Regulations, has established a Whistle Blower Policy, which enables the Directors and Employees to report instances of unethical behaviour, fraud or violation of Company's Code of Conduct. The policy provides for direct access to the Chairperson of the Audit Committee and for safeguarding the employees and Directors who raises grievances against victimization. The policy has been circulated amongst the employees of the Company working at various locations, divisions/ units. The policy formulated in line with the provisions of the Act and the Listing Regulations is available on the website of the Company <https://www.popularmaruti.com/investor-relations/wp-content/uploads/2024/01/Whistle-Blower-Policy-.pdf>

25. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Report on Corporate Governance as required under Regulation 34(3) read with Schedule V of the Listing Regulations forms part of this Annual Report. Further as required under Regulation 17(8) of the Listing Regulations, a certificate from the Chief Executive Officer and Chief Financial Officer is annexed with the Corporate Governance Report.

A certificate of Corporate Governance as per Schedule V of SEBI (LODR) Regulations 2015 as required under Regulation 15(2) of SEBI (LODR) Regulations 2015 from, Mr. M.C. Sajumon, Practicing Company Secretary, confirming the compliance of the Company with the conditions of Corporate Governance, as stipulated under the Listing Regulations, is attached to the Report of Corporate Governance.

26. MATERIAL ORDERS OF JUDICIAL BODIES/REGULATORS

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

27. STATUTORY AUDITORS

The members in the 37th Annual General Meeting of the Company had approved the appointment of M/s BSR & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024) (Peer Review Number: 014196) as the Statutory Auditors of the Company, for a term of 5 (five) years to hold office from the conclusion of the 37th Annual General Meeting until the conclusion of the 42nd Annual General Meeting of the Company to be held in the calendar year 2026.

28. STATUTORY AUDITOR'S REPORT

The Statutory Auditors' in their Report (Standalone and Consolidated) for the financial year ending 31st March, 2024 does not contain any qualification, reservation or adverse remark.

29. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204(1) of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 24A of the Listing Regulations, the Board had appointed Mr. M.C. Sajumon, Practising Company Secretary, Kochi as Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year ending 31st March, 2024. The Secretarial Auditor's report does not contain any qualifications, reservations or adverse remarks or disclaimer.

The Secretarial Audit Report in form MR-3 is annexed to the Director's Report as **Annexure D**.

30. INTERNAL AUDIT

Company has established a full-fledged internal audit team headed by Mr. Sojan Chacko, a qualified Chartered Accountant appointed for a period of three years w.e.f., 01st April, 2023 to 31st March, 2026 pursuant to section 138 of the Companies Act, 2013. 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.

31. COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD 1 AND SECRETARIAL STANDARD 2

In terms of Section 118(10) of the Act, the Company

is complying with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) with respect to Meetings of Board of Directors and General Meetings and such systems were adequate and operating effectively.

32. ANNUAL RETURN

Pursuant to Section 134 and Section 92(3) of the Act read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the details forming part of the Annual Return of the Company containing the particulars prescribed, in Form MGT-7, as on 31st March, 2023, is made available on the Company's website https://www.popularmaruti.com/investor-relations/wp-content/uploads/2024/03/Form-MGT_7_2022-23.pdf.

The draft of Form MGT-7, as on 31st March, 2024, is made available on the Company's website at www.popularmaruti.com.

33. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34(2)(e) of the Listing Regulations, a detailed Management Discussion and Analysis Report for the Financial Year under review is presented in a separate section, forming part of the Annual Report. The state of the affairs of the business along with the financial and operational developments has been discussed in detail in the Management Discussion and Analysis Report.

34. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the initiatives taken by the Company from an environmental, social and governance perspective for the Financial Year 2023-24 has been given in the Business Responsibility and Sustainability Report (BRSR) as per the format specified by SEBI Circular no. SEBI/HO/CFD/CMD2/P/CIR/2021/562 dated 10th May, 2021 which forms part of this report as **Annexure E**.

35. CREDIT RATING

The Company has obtained Credit Ratings for outstanding Debt Instruments / facilities amounting to ₹4364 Millions. The CRISIL Rating on the Bank Facilities of the Company for the financial year ended 31st March, 2024 is provided below:

Long Term Rating	CRISIL BBB+/Stable
Short Term Rating	CRISIL A2

After the closure of the reporting period, the long term rating awarded to the Company was upgraded to **CRISIL A/Stable** and the short-term rating was upgraded to **CRISIL A1** on ₹ 4680 Million bank loan facilities of the company as per the letter dated 01st April, 2024.

36. 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 31st March, 2024, the Company had a head count of 6187 employees, a decrease of 220 people over previous year.

37. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 (POSH Act).

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. Summary of sexual harassment complaints received and disposed of during the financial year 2023-24 are as follows:

No of complaints received : 1

No of complaints disposed off : 1

The Committee has submitted the Annual Report on POSH to the Company and the Board of Directors

took note of the same at their meeting dated 11th January, 2024. The report has also been submitted to the District Officer, pursuant to Section 21 of the POSH Act, 2013.

38. 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.

39. 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

40. 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 THERE OF.

Not applicable

41. ACKNOWLEDGEMENTS

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

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

Place: Kochi-25
Date: 13th August, 2024

Naveen Philip
Managing Director
(DIN: 00018827)

Francis K. Paul
Whole Time Director
(DIN: 00018825)

ANNEXURE A

INFORMATION REQUIRED UNDER SECTION 197 OF THE ACT READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

1. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY24 and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the FY 2023-2024:

Name of the Director and Key Managerial Personnel	Designation	Ratio to median remuneration of the employees	% increase in remuneration
*Mr. Naveen Philip	Managing Director	NA	NA
Mr. John K Paul	Whole Time Director	70.03	1
Mr. Francis K Paul	Whole Time Director	56.84	(29.7)
Mr. Rakesh Kumar Bhutoria	Nominee Director	NIL	NIL
Mr. Jacob Kurian	Independent Director	18.39	15.8
Ms. Preeti Reddy	Independent Director	14.86	1.1
Mr. George Joseph	Independent Director	18.39	15.8
Mr. Raj Narayan	Chief Executive Officer	NA	5
Mr. John Verghese	Group Chief Financial Officer	NA	5
Mr. Varun T.V	Company Secretary and Compliance Officer	NA	6

2. The percentage increase in the median remuneration of employees in the financial year 2023-24: 6%
3. The number of permanent employees on the rolls of the Company as on 31st March, 2024: 5267
4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The percentage increase in the salaries of employees other than Managerial Personnel in Financial Year 2023-2024 was 6%. The increments given to employees are based on their potential, performance, and contribution, which are benchmarked against applicable Industry norms.
5. Affirmation that the remuneration is as per the remuneration policy of the company: It is affirmed that the remuneration paid is as per the Remuneration Policy, applicable for Directors, Key Managerial Personnel and other employees, adopted by the Company.

Note:

* Mr. Naveen Philip, Managing Director is drawing remuneration from the wholly owned subsidiary Popular Mega Motors (India) Private Limited hence, increase in remuneration and the ratio of his remuneration to median remuneration of the employees is not comparable and hence not stated.

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

Place: Kochi-25
Date: 13th August, 2024

Naveen Philip
Managing Director
(DIN: 00018827)

Francis K. Paul
Whole Time Director
(DIN: 00018825)

ANNEXURE B TO THE DIRECTORS' REPORT

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

Form for disclosure of particulars of material 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 material contracts or arrangements or transactions not at Arm's length basis –

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

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

SI. No.	Particulars	Details
A	Name (s) of the related party & nature of relationship	
B	Nature of contracts/ arrangements/ transaction	
C	Duration of the contracts /arrangements/ transaction	
D	Salient terms of the contracts or arrangements or transaction including the value, if any	NOT APPLICABLE
E	Dates of approval by the Board, if any	
F	Amount paid as advance, if any	

3. Details of material contracts or arrangements or transactions not in the ordinary course of business.

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

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

Place: Kochi-25
Date: 13th August, 2024

Naveen Philip
Managing Director
(DIN: 00018827)

Francis K. Paul
Whole Time Director
(DIN: 00018825)

ANNEXURE C

Annual Report on Corporate Social Responsibility (CSR)

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

1. Brief outline on CSR Policy of the Company:

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

2. Composition of CSR Committee:

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

During the Financial Year ended 31st March, 2024 the CSR Committee has met once, on 27th March, 2024.

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

The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of the Directors, is available on the Company's website at <https://www.popularmaruti.com/investor-relations/wp-content/uploads/2024/01/Corporate-Social-Responsibility-Policy.pdf>

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

N/A

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

₹ 249.84 million

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

₹ 4.997 million

(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.

₹ 0.004 million

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

₹ 4.993 million

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

₹ 5 million

(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)].

₹ 5 million

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	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.
₹ 5 million	NIL	NA	NA	NIL	NA

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

Sl.No	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 4.997 million
(ii)	Total amount required to be set off for the financial year, if any	₹ 0.004 million
(iii)	Total CSR obligation for the financial year (i)- (ii)	₹ 4.993 million
(iv)	Total amount spent for the Financial Year	₹ 5.000 million
(v)	Excess amount spent for the Financial Year [(iv)-(iii)]	₹ 0.007 million
(vi)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(vii)	Amount available for set off in succeeding Financial Years [(iv)-(iii)]	₹ 0.007 million

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 ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	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 ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY-1	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	FY-2	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	FY-3	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

No

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

Nil

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

Francis K Paul

(Chairman of CSR committee)

(DIN: 00018825)

Place: Kochi-25
Date: 13th August, 2024

ANNEXURE D

SECRETARIAL AUDIT REPORT For the financial year ended on 31st March, 2024

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

To
The Members
Popular Vehicles and Services Limited
(CIN: U50102KL1983PLC003741)
Kuttukaran Centre
Mamangalam Cochin
Ernakulam Kerala 682025

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Popular Vehicles and Services Limited (CIN: U50102KL1983PLC003741) (hereinafter called the Company). During the Financial Year 2023-24, w.e.f 19.03.2024 the equity shares of the company were listed with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) vide approval letters dated 18.03.2024 received from the said Stock Exchanges. The company has six subsidiaries and two step down subsidiaries. Secretarial Audit of M/s Popular Vehicles and Services Limited for the financial year ending on 31.03.2024 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 31.03.2024, 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 31.03.2024 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;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;-
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; -

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent they were applicable during the Audit Period:-

- a) The Securities and Exchange Board of India (LODR) Regulations, 2015;
- b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Memorandum of Association of the company and
- (iii) The Listing Agreements entered into by the Company with Stock Exchanges

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

VI. The Company has identified and informed me that

the industry/sector specific laws, applicable to the company under Central and/or State legislations, are:

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

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

For the purpose of examining the adequacy of compliances with industry/sector specific laws and Environmental laws, reliance has been placed on information/records produced by the Company during the course of audit and the Compliance Certificate issued by the Compliance Officer 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 tax laws, general laws like labour laws, Competition law, environmental laws, rules, regulations and guidelines.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Company has appointed whole time Key Managerial Personnel viz; Managing

Director, Company Secretary, Chief financial Officer and Chief Executive Officer. The following changes in the composition of the Board of directors took place during the audit period were carried out in compliance with the provisions of the Act:

- a) Mr. Abhishek Girdharilal Poddar (DIN: 07143528), the representative/ nominee of M/s BanyanTree Growth Capital II LLC, the private equity investor had ceased to be Nominee Director of the Company with effect from 19.06.2023.
- b) Mr. Rakesh Kumar Bhutoria (DIN: 08449728), the nominee of M/s BanyanTree Growth Capital II LLC, the private equity investor, was appointed as Nominee Director of the Company w.e.f. 14th August 2023 to hold office for a period of five years.
- c) The Company in the Annual General Meeting held on 18.08.2023 reappointed Mr. Francis K Paul (DIN: 00018825), by a Special Resolution, as Wholetime Director of the Company, for a period from 01st April 2024 to 31st March 2026.
- d) The Company in the Annual General Meeting held on 18.08.2023 reappointed Mr. John K Paul (DIN: 00016513), by a Special Resolution, as Wholetime Director of the Company, for a period from 01st April 2024 to 31st March 2026. The Company has filed eForm MGT-14 and MR-1 for the said appointment and approved. However the Company has informed me that the Company had earlier filed two Applications for the approval of the Central Government for the appointment of Mr. John K Paul as Managing Director and after that for appointment as Wholetime Director as Kerala Chamber of Commerce and Industries (KCCI) where he was a Director was found in violation of Sections 209(1) and 217(3) of the Companies Act, 1956, for the financial years 2012-13, 2013-14 and 2014-15 and he had remitted fine. But the Applications were not considered and dropped by the Central Government and so the Company proposes to approach the Central Government for approval with fresh approval of the Nomination and Remuneration Committee, Board as well as the shareholders, for his appointment for the period from 01st April 2024 to 31st March 2026.
- e) Mr. Francis K. Paul (DIN: 00018825), 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 39th Annual General Meeting held on 18.08.2023.
- f) The Company in the Extra Ordinary General Meeting held on 07.02.2024, had reappointed Mr. Jacob Kurian (DIN: 00213259) and Ms. Preeti Reddy (DIN: 07248280) as Independent Directors of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) years on the Board of the Company commencing from 16.01.2024 upto 15.01.2029 (both days inclusive).

I further report that the company has held Nine (9) Board meetings during the period under report, respectively on 20.06.2023, 14.08.2023, 31.08.2023, 28.09.2023, 11.01.2024, 05.02.2024, 04.03.2024, 14.03.2024 and 15.03.2024. Adequate notice was given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent in advance duly complying with the time limits specified and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The proceedings of the meetings have been recorded and signed by the Chairman. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

During the period under report, the Company has related party transactions with Wholly owned Subsidiary/step down Subsidiary Companies in the nature of purchase and sale of goods, fixed assets, availing or rendering of services, receipt of Corporate Guarantee Commission etc. and in respect of which the Company has complied with provisions of Sections 188/186 of the Companies Act, 2013, as the case may be. Approval for entering into related party transactions during the financial year 2023-24 was accorded at the Board Meeting held on 29.03.2023.

The Committees of the Board consists of Audit committee, Nomination and Remuneration Committee and Finance and Authorisation Committee (subcommittee), CSR Committee, Stakeholders Relationship Committee, IPO Committee, Committee of Independent Directors and Risk Management Committee. The proceedings of the above committee meetings were duly recorded and signed by the Chairman

During the financial year 2023-24, the CSR Committee was reconstituted by the Board of Directors at their meeting held on 14.08.2023. The CSR Policy of the Company, which was amended by the Board of Directors at their meeting held on 14.08.2023 is disclosed on the website of the Company (www.popularmaruti.com). CSR Committee Meeting held on 27.03.2024 reviewed the CSR activities undertaken during the financial year 2023-24 and noted the amount spent towards it. The specified CSR amount to be spent for the financial year 2023-24 was Rs.4.9 Million. However, the Company had spent Rs.5 Million towards CSR through an implementation Agency K P Paul Foundation bearing CSR Registration Number CSR00015233. The proceedings of the CSR Committee meeting was duly recorded and signed by the Chairman.

39th Annual General Meeting of the company for the financial year ended 31.03.2023 was held on 18.08.2023 through Video Conference, adhering to the provisions of MCA Circulars 10/2022 dated 28th December 2022, 02/2022 dated 05th May, 2022, 02/2021 dated 13th January 2021 and 20/2020 dated 5th May, 2020

read with circulars 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020. Apart from this Extra Ordinary General Meeting of the Company was held on 21.08.2023, 08.09.2023, 02.02.2024 and 07.02.2024. The proceedings of the above General Meetings were recorded and signed by the Chairman.

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

I further report that during the audit period the Company has the following specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc; -

(1) Subdivision of equity share and alteration of Memorandum of Association:

As decided by the shareholders at the EGM held on 08.09.2023, the Company had sub-divided 1 (One) fully paid-up Ordinary (equity) Share of the Company having face value of ₹10/- (Rupees Ten) each, into 5 (Five) fully paid-up Ordinary (equity) Shares, having face value of ₹2/- (Rupees two) each with effect from the record date being September 8, 2023 and also altered Clause V relating to the Capital clause of its Memorandum of Association as a consequence. The Board of Directors at their meeting held on 31.08.2023 had considered, approved and recommended for the said subdivision of Ordinary (equity) Share of the Company as aforesaid. After the above alteration the Authorized share Capital of the Company is ₹15,00,00,000/- (Rupees Fifteen Crores Only) divided into 7,50,00,000 (Seven Crores Fifty Lakhs) Equity Shares of ₹2/- (Rupees Two Only) each.

(2) Alteration of Articles of Association by adoption of new set of Articles of Association :

In order to align the Articles of Association with the requirements of SEBI Listing Regulations and directions provided by SEBI and Stock Exchanges, the shareholders had approved and adopted a new set of Articles of Association in total exclusion and substitution of the existing Articles of Association by passing the requisite Special Resolutions at the meeting of the shareholders of the Company held respectively on 21.08.2023, 08.09.2023 and 02.02.2024 pursuant to the provisions of Section 14 of the Companies Act, 2013 and as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(3) Investment in the wholly owned subsidiary under section 186 of the Companies Act 2013:

Pursuant to the Letter of Offer dated 22.11.2023 received from the wholly owned Subsidiary M/s Kuttukaran Green Private Limited and subsequent approval of the Finance and Authorisation Committee at their meeting held on 27.11.2023, the Company had made an investment of ₹49,99,500/- by subscribing 4,99,950 Equity shares of ₹10/- each of M/s Kuttukaran Green Private Limited, in compliance of Section 186 of the Companies Act 2013.

(4) Inter corporate loan to the wholly owned subsidiary under Section 186 of the Companies Act 2013:

The Company had granted Intercorporate Loan to its wholly owned subsidiary Companies M/s Popular Mega Motors (India) Private Limited (₹50 Crore), M/s Popular Autoworks Private Limited (₹6 Crore), M/s Kuttukaran Green Private Limited (₹3 Crore), M/s Kuttukaran Cars Private Limited (₹7 Crore) and M/s Prabal Motors Private Limited (₹50 Crore). The Board of Directors and Shareholders of the Company at their meeting held on 16.03.2024 considered and approved the proposal to grant Intercorporate Loan as aforesaid.

(5) Initial Public Offer of Equity shares and Listing

In compliance with the applicable provisions of the SEBI Rules and Regulations, Companies Act, 2013 and Rules made thereunder and other applicable laws in this regard, the Company made an Initial Public Offering (IPO) of 20,395,205 Equity Shares of Face Value ₹2/- each ("Equity Shares") for cash at a price of ₹ 295/- per equity share (including a share premium of ₹293/- per equity share) aggregating to ₹6015.54 million comprising of a fresh issue of 8,478,130 Equity Shares aggregating to ₹2,500.00 million ("Fresh Issue") and an offer for sale of 11,917,075 Equity Shares aggregating to ₹ 3515.54 million by M/s Banyan Tree Growth Capital II, LLC (Investor Selling Shareholder) vide prospectus dated March 14.03.2024 pursuant to Section 32 of the Companies Act, 2013. The offer was a 100% Book Built Offer under the SEBI ICDR Regulations. The IPO opened for subscription on March 12th 2024 and closed on March 14th 2024 (for Anchor Investors offer was opened and closed on March 11th 2024). The offer price was fixed at ₹295/- per equity share of Face Value ₹2/- each. Pursuant to the offer, (i) 84,76,753 Equity shares were allotted at the offer price of ₹ 295/-

per share including share premium of ₹ 293/- per Equity Share under the fresh issue portion of the offer. Out of the aforesaid 84,76,753 Equity Shares, 22,950 Equity Shares were allotted to eligible employees at a discount of ₹28 per Equity Share on the offer price and (ii) 11,917,075 Equity shares offered under the Offer For Sale by M/s Banyan Tree Growth Capital II, LLC (Investor Selling Shareholder) were transferred at the same offer price of ₹295/- per Equity share including a share premium of ₹293/- per Equity share to the respective applicants in various categories, in terms of the basis of allotment approved in consultation with the authorised representative of National Stock Exchange Limited ("NSE"), the designated stock exchange. The broad details of allotment or transfer and delivery of the aforesaid 20,393,828 Equity Shares under the Offer as per the basis of allotment approved by NSE is as under:

Category	Number of Equity Shares allotted
Anchor Investors	61,07,325
Qualified Institutional Bidders (except Anchor Investors)	49,35,603
Non-Institutional Investors	20,18,050
Retail Individual Bidders	73,09,900
Eligible Employees	22,950
TOTAL	20,393,828

The entire Issued, Subscribed & Paid-up capital of the Company consisting of 7,11,98,198 Equity Shares of the Company with distinctive Numbers 1 to 7,11,98,198 [consisting of IPO Fresh Issue 84,76,753 equity shares plus Prelisting 6,27,21,445 equity shares] were duly listed in the National Stock Exchange Limited ("NSE") and Bombay Stock Exchange Limited ("BSE") and admitted to dealings in the said stock exchanges on March 19,2024 and also communicated to the Company by NSE (Symbol: PVSL& BSE (Scrip Code: 544144).

(6) Policies: The Company has adopted and has in place the required policies as necessary/applicable for a listed company and has hoisted the same in its web site.

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.

M.C SAJUMON

Practising Company Secretary
ACS No: 9868, C P. No.: 2385
ICSI Unique Code: 11995KE067800
Peer Review Cert. No. 713/202

Place: Kochi-18
Date: 28.05.2024
UDIN: **A009868F000431322**

'Annexure A'

Annexure to **Secretarial Audit Report****(For the financial year ended on 31.03.2024)**

To
The Members
Popular Vehicles And Services Limited
(CIN: U50102KL1983PLC003741)
Kuttukaran Centre
Mamangalam Cochin
Ernakulam Kerala 682025

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

1. Maintenance of Secretarial or other statutory records is the responsibility of the management of the company. My responsibility is to express an opinion on these records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the Secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
5. Whereever 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.

Place: Kochi-18
Date: 28.05.2024
UDIN: **A009868F000431322**

M.C SAJUMON

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

ANNEXURE E

Business Responsibility & Sustainability Report

Section A) General Disclosures

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L50102KL1983PLC003741
2.	Name of the Listed Entity	Popular Vehicles and Services Limited
3.	Year of incorporation	05-07-1983
4.	Registered office address	KUTTUKARAN CENTRE, MAMANGALAM, COCHIN, ERNAKULAM, KERALA, INDIA, 682025
5.	Corporate address	KUTTUKARAN CENTRE, MAMANGALAM COCHIN, ERNAKULAM, KERALA, INDIA, 682025
6.	E-mail	cs@popularv.com
7.	Telephone	0484-2341134, 2340143
8.	Website	www.popularmaruti.com
9.	Financial year for which reporting is being done	2023-2024
10.	Name of the Stock Exchange(s) where shares are listed	NSE and BSE
11.	Paid-up Capital	142396396
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Benny K.J., Vice President-Human Resource Contact Details: Phone: 0484 2341134 Email: benny.kj@popularv.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures under this report are made on a standalone basis.
14.	Name of the assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

II. Product & Services

16. Details of business activities (accounting for 90% of the turnover):

S No	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1	Trade	Retail Trading	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover)

S No	Product /Service	NIC Code	% of the total turnover contributed
1	Wholesale and retail sale of new vehicles (passenger motor vehicles, ambulances, minibuses, jeeps, trucks, trailers and semi-trailers)	45101	71%
2	Wholesale and retail sale of used motor vehicles	45102	11%
3	Maintenance and repair of motor vehicles	45200	9%
4	Sale of motor vehicle parts and accessories	45300	9%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of Plants	Number of Offices	Total
National	0	207	207
International	0	0	0

19. Markets served by the entity:

a. Number of Locations

Locations	Number
National (No. of States)	2
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0

c. A brief on types of customers:

- New Vehicle Buyers:** PVSL is often chosen for purchasing cars due to their convenient locations and efficient services.
- Periodic Maintenance:** PVSL offer periodic maintenance services including a thorough check up of all critical components of vehicle.
- Vehicle Repair Services:** PVSL offers the service of certified technicians with the ability to repair everything from major vehicle damage to finer cosmetic issues including accident repairs.
- Pre-owned Vehicles Customers:** Customers preferring to own or sell any pre-owned vehicle is catered to by Maruti True Value Division.
- Driving Learners:** PVSL offers meticulously designed courses that help transform beginners into skilled and confident drivers.
- Insurance Renewals:** PVSL offers Insurance renewal services to Customers throughout the life of the vehicle.

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IV. Employees

20. Details at the end of Financial Year

a. Employees and workers (including differently abled):

SL No.	Particulars	Total	Male		Female	
		(A)	No.(B)	%(B/A)	No.(C)	%(C/A)
Employees						
1	Permanent(D)	1723	1541	89.44%	182	10.56%
2	Other than permanent(E)	133	130	97.74%	3	2.26%
3	Total Employees (D+E)	1856	1671	90.03%	185	9.97%
Workers						
4	Permanent(F)	3544	2660	75.06%	884	24.94%
5	Other than permanent(G)	787	567	72.05%	220	27.95%
6	Total Employees(F+G)	4331	3227	74.51%	1104	25.49%

20. b Differently Abled Employees & Workers

SL No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently Abled Employees						
1	Permanent(D)		Currently we do not have a structured tracking, however we have a few differently abled employees working with us. We also do not discriminate such candidates for employment with us.			
2	Other than permanent(E)					
3	Total Employees(D+E)					
Differently Abled Workers						
4	Permanent(F)		Currently we do not have a structured tracking, however we have a few differently abled employees working with us. We also do not discriminate such candidates for employment with us			
5	Other than permanent(G)					
6	Total Employees(F+G)					

21. Participation/Inclusion/Representation of Women

Particulars	Total (A)	No. and percentage of Females	
		No.(B)	% (B/A)
Board of directors	7	1	14%
Key Management Personnel	3	0	0%

22. Turnover rate for permanent employees and workers.

(Disclose trends for the past 3 years)

	FY 2023-24			FY 2022-23			FY 2021-22		
	(Turnover Rate in current FY)			(Turnover Rate in previous FY)			(Turnover Rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	24.78%	19.40%	24.23%	25.31%	19.53%	24.71%	17.41%	13.61%	17.04%
Permanent Workers	38.22%	34.06%	37.20%	34.01%	28.32%	32.70%	24.65%	18.37%	23.22%

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0%

c. A brief on types of customers

The company serves a diverse customer base across Kerala and in Bangalore, and Chennai. The company caters primarily to individuals and families seeking reliable and affordable vehicles, with a focus on Maruti Suzuki cars. Their customers include first-time car buyers, professionals, and small businesses, particularly those interested in hatchbacks, sedans, and SUVs. The company also offers specialized services for commercial customers, including cargo vehicles and financing options, reflecting a broad customer profile ranging from private car owners to commercial enterprises.

V. Holding, Subsidiary and Associate Companies (Including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Popular Mega Motors (India) Private Limited	Wholly Owned Subsidiary	100%	No
2	Popular Autoworks Private Limited	Wholly Owned Subsidiary	100%	No
3	Popular Auto Dealers Private Limited	Wholly Owned Subsidiary	100%	No
4	Kuttukaran Cars Private Limited	Wholly Owned Subsidiary	100%	No
5	Kuttukaran Green Private Limited (former Kuttukaran Pre Owned Cars Private Limited)	Wholly Owned Subsidiary	100%	No
6	Keracon Equipments Private Limited	Wholly Owned Subsidiary	100%	No
7	Prabal Motors Private Limited	Wholly Owned Subsidiary	100%	No
8	Vision Motors Private Limited	Wholly Owned Subsidiary	100%	No

VI. CSR Details

24.

- (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)
- (ii) Turnover (in Rs.): ₹ 26,615.96 Millions
- (iii) Net worth (in Rs.): ₹ 4,924.28 Millions

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VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place. Yes/No (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities Investors (Other than Shareholders) Shareholders Employees & Workers	YES https://www.popularmaruti.com/investor-relations/wp-content/uploads/2024/01/Whistle-Blower-Policy.pdf						
Customers	YES https://www.popularmaruti.com/investor-relations/wp-content/uploads/2024/01/Whistle-Blower-Policy-.pdf	85099		7% - Reported unjustified complaints which is reported to OEM Level and force closed	82265		12% - Reported unjustified complaints which are reported to OEM Level and force closed
Value Chain Partners Other (Please specify)							No complaints or grievances were received from communities, value chain partners or any other stakeholders

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26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, the rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	The rationale for Identifying Risk or Opportunity	Approach to Adapt or Mitigate (In case of risk)	Financial Implication of Risk or Opportunity (Indicate positive or negative implications)
1	Emission Regulations	Risk	Increasing regulatory pressure on vehicle emissions	Develop and promote the sale of electric vehicles (EVs) and invest in emission control technologies	Negative: Increased costs for compliance and technology upgrades. Positive: Potential market for EVs
2	Renewable Energy Adoption	Opportunity	Shift towards sustainable energy sources	Invest in renewable energy sources for dealership operations and promote EVs	Positive: Reduced operational costs and enhanced brand reputation
3	Waste Management	Risk	Regulatory requirements for proper disposal of automotive waste	Implement comprehensive waste management systems and recycling programs	Negative: Initial investment in waste management systems. Positive: Long-term cost savings and regulatory compliance
4	Customer Demand for EVs	Opportunity	Increasing consumer preference for environmentally friendly vehicles	Expand the EV product range and provide incentives for EV purchases	Positive: Increased sales and market share in the EV segment
5	Labor Practices	Risk	Ensuring fair labour practices and inclusivity	Develop policies and training programs to ensure compliance with labour laws and promote inclusivity.	Negative: Initial costs for policy development and training programs. Positive: Improved employee morale and retention
6	Energy Efficiency in Operations	Opportunity	Need to reduce operational costs and carbon footprint	Implement energy-efficient practices and technologies in dealership operations	Positive: Reduced energy costs and lower carbon footprint
7	Community Engagement and Development	Opportunity	Building strong relationships with the local community	Engage in corporate social responsibility (CSR) activities and community development projects	Positive: Enhanced brand reputation and customer loyalty
8	Water Use and Conservation	Risk	Regulatory and community pressure to manage water resources sustainably	Implement water-saving technologies and practices in dealership operations	Negative: Costs associated with implementing water conservation measures. Positive: Long-term savings and improved community relations
9	Climate Change Impact	Risk	Potential disruption to supply chain and operations due to climate events	Develop and implement a climate resilience plan for operations and supply chain	Negative: Costs for developing and implementing resilience measures. Positive: Increased resilience and reduced operational disruptions

SECTION B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	No, our company has not formulated its corporate governance policies specifically in line with the NGRBCs (National Guidelines on Responsible Business Conduct) 9 principles. However, we have developed several policies, including CSR (Corporate Social Responsibility), Code of Conduct, and other relevant policies aimed at protecting the interests of our stakeholders and upholding human rights. While these policies do address some aspects of the NGRBC principles, a comprehensive alignment with all nine principles has not yet been achieved. Going forward, the company is planning to expand its corporate governance policies to cover the NGRBC principles. Hence response to the following disclosure are based on the existing policies								
b. Has the policy been approved by the Board? (Yes/No) (Existing Policies)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.popularmaruti.com/investor-relations/governance/policies/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
78 3. Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	N	N	N	N	N	N	N	N
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Nil								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure): Statement of the ESG is included in the Chairman's Address to the shareholders on page No. 14									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Naveen Philip Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No).	Yes. CSR and Stakeholders Relationship Committee addresses key aspects of the Sustainability related issues.								
If yes, details.									

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes, our adherence to statutory principles and requirements substantially covers the principles, ensuring comprehensive compliance.									Our adherence to statutory principles, requirements, and other applicable laws ensures that the company's management conducts meetings based on the requirements. These meetings are scheduled as necessary, rather than on a fixed yearly, half-yearly, or other periodic basis.								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, Name of the agency.										P1	P2	P3	P4	P5	P6	P7	P8	P9
										N	N	N	N	N	N	N	N	N

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Questions

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	N	N	N	N	N	N	N	N	N
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	N	N	N	N	N	N	N	N	N
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	N	N	N	N	N	N	N	N	N
It is planned to be done in the next financial year (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
Any other reason (please specify)	Nil								

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Section C) PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1. Businesses should Conduct and Govern themselves with integrity and in a manner that is ethical, transparent and accountable.

Essential Indicators:

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	0	0	0
Key Managerial Personnel	0	0	0
Employees other than BoD and KMPs	0	0	0
Workers	0	0	0

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

A. Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/judicial institutions	Amount (In Rs.)	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Penalty/Fine	NIL	NIL	NIL	NIL	NIL
Settlement	P1	Deputy Labour Commissioner, Kozhikode.	₹ 2,33,690	<p>During a routine inspection on 18th January 2014 at the Company's Vadakara Service Centre, Kozhikode, the Assistant Labour Officer (ALO) Vadakara found that the Company has paid lesser wages than the wages fixed under the Minimum Wages Act 1948, in the respective categories to 14 employees of the Service Centre. The ALO has further entered into a finding that a total amount of ₹2,33,690/- payable to aforesaid employees are due and hence filed the petition, MCP No. 12/2014, against the then MD - Mr. Francis K. Paul, before the Court of Authority for Minimum Wages, Kozhikode.</p> <p>The above MCP No. 12/2014 was finally disposed of vide order dated 17th August 2023 by the Deputy Labour Commissioner, Kozhikode, directing PVSL to pay a total amount of Rs.2,33,690/- being the minimum wages arrears under Section 20(3) of the Minimum Wages Act, 1948, for the period from July 2013 to December 2013. The order was complied with and settled by depositing an amount of Rs. 2,33,690 via cheque/ DD No. 469654 before the Deputy Labour Commissioner, Kozhikode on October 12, 2023.</p>	NO

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/judicial institutions	Amount (In Rs.)	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Settlement	P1	Deputy Labour Commissioner, Kozhikode.	₹ 1,12,875	<p>During a routine inspection on 15th September 2018 at the Company's Kozhikode Service Centre, the Assistant Labour Officer of Kozhikode 2nd Circle, found that the Company has paid lesser wages than the wages fixed under the Minimum Wages Act 1948, in the respective categories to 12 employees of the Service Centre. The ALO has further entered into a finding that a total amount of Rs.1,12,875 /-payable to aforesaid employees are due and hence filed a petition, MCP No.36/2019 against the then MD- Mr. John K. Paul before the Court of Authority for Minimum Wages, Kozhikode.</p> <p>The above MCP No. 36/2019 was finally disposed of vide order dated 26th August 2023 by the Deputy Labour Commissioner, directing PVSL to pay a total sum of ₹1,02,614/- to the opposite parties being the minimum wages arrears under Section 20(3) of the Minimum Wages Act, 1948, for the period from March 2018 to August 2018, along with a compensation of ₹10,261. The order was complied with and settled by depositing an amount of ₹1,12,875/- via cheque/ DD No. 469653 before the Deputy Labour Commissioner, Kozhikode on October 12, 2023.</p>	
Compounding Fee	0	0	0	0	0

B. Non Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred ? Yes/No
Imprisonment	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory /enforcement agencies/judicial institutions
NIL	NIL

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide the details in brief and if available, provide a web-link to the policy. NIL
5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

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6. Details of complaints with regard to conflict of interest

Particulars	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. NIL
8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	19	7

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses.	0	0
Concentration of Sales	a. Sales to dealers /distributors as % of total sales	0	0
	b. Number of dealers/ distributors to whom sales are made	51	42
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	79%	80%
Share of RPTS in	a. Purchases (purchases with related parties/Total purchases)	0.53%	0.92%
	b. Sales (Sales to related parties/Total Sales)	0.05%	0.03%
	c. Loans and advances(Loans and advances given to related parties/Total loans and advances)	100%	100%
	d. Investments (Investments in related parties/Total investments made)	83.79%	99.75%

Principle 2. Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators:

- Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	Current Financial Year FY 2023-24	Previous Financial Year FY 2022-23	Details of improvements in environmental and social impacts
R&D	0	0	0
Capex	0	0	0

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.

The company is a dealer for a leading automobile brand, and the vehicles we sell are manufactured in green manufacturing facilities. These products undergo continuous technological improvements through our OEM's R&D efforts, enhancing both safety and fuel efficiency.

- Sustainable Sourcing

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)
- If yes, what percentage of inputs were sourced sustainably?

We source vehicles from OEMs and auto parts manufacturers, all of which have well-laid-out sustainable practices. Hence, our main source partners are committed to sustainability.

3. Describe the processes in place to reclaim products for reusing, recycling, and disposing at the end of life for:
 - a. Plastics (Including Packaging)
 - b. E-Waste
 - c. Hazardous waste
 - d. other waste
Nil

4. Extended Producer Responsibility (EPR)

Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, steps taken to address the same.

Not applicable

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

1. a. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total A	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent Employees											
Male	1541	1541	100%	1541	100%	0	0	1186	76.96%	0	0
Female	182	182	100%	182	100%	182	100%	0	0	0	0
Total	1723	1723	100%	1723	100%	182	10.56%	1186	68.83%	0	0
Other than permanent employees											
Male	130	0	0%	130	100%	0	0	0	0	0	0
Female	3	0	0%	3	100%	3	100%	0	0	0	0
Total	133	0	0%	133	100%	3	2.26%	0	0	0	0

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.

b. Details of measures for the well-being of Workers

Category	% of workers covered by										
	Total A	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent workers											
Male	2660	2660	100%	2660	100%	0	0	1477	56%	0	0
Female	884	884	100%	884	100%	884	100%	0	0	0	0
Total	3544	3544	100%	3544	100%	884	24.94%	1477	41.68%	0	0
Other than permanent workers											
Male	567	0	0%	567	100%	0	0	0	0	0	0
Female	220	0	0%	220	100%	220	100%	0	0	0	0
Total	787	0	0%	787	100%	220	27.95%	0	0	0	0

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.06%	0.04%

2. Details of retirement benefits, for current FY and previous financial year

Benefits	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)
PF	91.70%	82.31%	Y	88.28%	63.57%	Y
Gratuity	91.65%	82.31%	Y	88.22%	63.46%	Y
ESI	49.14%	80.10%	Y	50.26%	62.29%	Y
Others – specify	42.56%	2.22%	Y	38.01%	1.29%	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Not all our premises are accessible for differently abled

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4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Currently we do not have a documented policy on the subject, however we don't discriminate differently abled people for employment

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate	Retention Rate	Return to work Rate	Retention rate
Male	Currently, we do not have a mechanism in place to monitor the return to work and retention rates of permanent employees and workers who have taken parental leave. However, we acknowledge the importance of this aspect and are exploring ways to implement a monitoring system to better support our employees in the future.			
Female				
Total				

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes/No (if yes then give details of the mechanism in brief)
Permanent Workers	Yes, in the event of a work-related grievance, all our employees/workers can first raise it with their respective reporting managers, who will initiate the redressal process. If the concern or complaint is against the reporting manager, the employee can escalate it to the next level manager. The employee's HR SPOC will also partner in the redressal process.
Other than Permanent Workers	
Permanent Employees	
Other than permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total employees /workers in respective category (A)	Total employees/ workers in respective category, who are part of association (s) or Union (s)	% B/A	Total employees /workers in respective category (A)	Total employees/ workers in respective category, who are part of association (s) or Union (s)	% B/A
Total Permanent Employees						
Male	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL
Total Permanent Workers						
Male	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL

8. Details of Training imparted to the employees and workers on health & safety measures and on skill upgradation

Category	FY 2023-24 Current Financial Year				FY 2022-23 Previous Financial Year					
	Total (A)	On health and safety Measures		On skill upgradation		Total (D)	On health and safety Measures		On skill upgradation	
		No. B	% (B/A)	No.C	% (C/A)		No. (E)	% (E/D)	No.(F)	%(F/D)
Employees										
Male	The company has not implemented a formal training regimen on health & safety measures or skill upgradation. However, a few training programs have been conducted at the local level at our outlets to address these areas on an as-needed basis.									
Female										
Total										
Workers										
Male										
Female										
Total										

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No.(B)	% (B/A)	Total C	No.(D)	% (D/C)
Employees						
Male	The number of reviews conducted is not recorded. However, we have a process for the annual performance review of all our employees, where reporting managers discuss career and progression plans with their respective employees.					
Female						
Total						
Workers						
Male						
Female						
Total						

10. Health and safety management system

- a. Whether the entity has implemented an occupational health and safety management system? (Yes/ No). If yes, the coverage such system?

Currently we don't have a policy in this regard. Going forward the management is planning to have a comprehensive H&S management system.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? Currently we don't have a policy in this regard.
- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N) NO
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, we have a tie-up with Aster DM Health Care and Kinder Hospitals in a few of our locations to provide health care at a subsidised rate.

11. Details of safety related incidents

Safety Incident / Number	Category	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) Per One million -person hours worked	Employees Workers	We are in the process of implementing a comprehensive system to monitor safety-related incidents. This new system will enable us to systematically track, record, and analyze all safety incidents across our operations. By doing so, we aim to identify potential hazards, address recurring issues, and implement preventive measures to ensure a safer work environment for all our employees. Additionally, this system will provide real-time reporting capabilities, facilitate better communication of safety protocols, and enhance our overall safety management practices.	
Total recordable work-related injuries	Employees Workers		
No of fatalities	Employees Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy work-place.

To ensure a safe and healthy workplace, we conduct regular inspections and maintenance by certified authorities, implement robust safety protocols, provide comprehensive training, and conduct emergency response drills and first aid training.

13. Number of complaints made by employees and workers

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolutions at the end of the year	Remarks	Filed during the year	Pending resolutions at the end of the year	Remarks
Working Conditions Health & Safety	Currently, we have no mechanism to record the number of safety and health complaints made by employees and workers. However, we are in the process of implementing a system to address this. Any such complaints received have been addressed and resolved at the local branch level.					

14. Assessments for the year

Particulars	% of plants and offices that were assessed (By entity or statutory authorities or third parties)
Health and safety practices	Nil
Working Conditions	

15. Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Nil

Principle 4. Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators:

1. Describe the process for identification of key stakeholder groups of the entity.

Popular Vehicles and Services Limited (PVSL) recognizes stakeholders as valued partners in its mission for long term value creation. Effective stakeholder involvement is crucial for achieving the company's strategic goals. PVSL has recognized both internal and external stakeholders. At present, the stakeholders who significantly influence the Company's operations and functioning comprises employees, shareholders, customers, vendors, insurance companies, OEM, local communities, government and regulators and lenders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ul style="list-style-type: none"> • Real time engagement • Email • HR application (Voyonfolks) • Notice board • Daily meeting and briefings. • Townhall meetings • Timely internal communications • Whatsapp Group 	Ongoing	At PVSL employees form the core of the business and service. Engagements with them help to analyze working environment, career enhancement, health, safety and engagement activities.
Shareholders	No	<ul style="list-style-type: none"> • AGMs, public and media announcements • Website • Stock exchange disclosures • Annual Report • Quarterly investor calls • Dedicated external Investor Relations team. 	Quarterly & Annually	Shareholders are fundamental to business growth and development.
Customers	No	<ul style="list-style-type: none"> • Direct feedback • Social media handles • Website, E-mail • Periodic market research. 	Ongoing	PVSL has been the choice for customers. Customer feedback helps the company improve its services.
Vendors	No	<ul style="list-style-type: none"> • E-mail • Telephone 	Ongoing	Vendors are integral part and their services influence the business operations and quality of customers experience.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Insurance Companies	No	<ul style="list-style-type: none"> E-mail Telephone Meetings 	Ongoing	PVSL offers insurance renewal services and positive relationship with insurance companies ensure the quality, efficiency, reliability of the services.
OEM	No	<ul style="list-style-type: none"> E-mail Telephone Meetings Dealer Management System. 	Ongoing	Being franchise model, the OEM interactions/relations/communications is integral to the success of the business.
Local Communities	No	<ul style="list-style-type: none"> CSR partnerships Minimisation of the company's environmental footprint. 	Ongoing	The livelihood, heritage and culture of regions the company operates in, is important for the long term viability of the business.
Government & Regulators	No	<ul style="list-style-type: none"> Participation in Government consultation programmes Compliance with all applicable laws. Representation through Industry bodies. 	Ongoing	Compliance with applicable laws and regulations help maintain a positive relation with Government and is essential to drive important policies in the sector.
Lenders(Banks/ NBFCs)	No	<ul style="list-style-type: none"> Meetings Sharing regular updates on financial performance. Ongoing communication and relationship 	Ongoing	Caters to the financial assistance for the growth and diversification of the company.

Principle 5. Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

The company hasn't provided any training programmes for employees on Human rights in FY24.

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than Minimum Wage	
		No.(B)	%(B/A)	No.(C)	%(C/A)		No. (E)	%(E/D)	No.(F)	%(F/D)
Employees										
Permanent										
Male	1522	6	0.39%	1510	99.21%	1505	9	0.60%	1491	99.07%
Female	180	1	0.56%	179	99.44%	174	0	0.00%	173	99.43%
Other than Permanent										
Male	121	5	4.13%	59	48.76%	221	8	3.62%	110	49.77%
Female	3	1	33.33%	1	33.33%	2	0	0.00%	2	100.00%
Workers										
Permanent										
Male	2679	429	16.01%	2171	81.04%	2137	344	16.10%	1402	65.61%
Female	886	79	8.92%	782	88.26%	727	100	13.76%	523	71.94%
Other than Permanent										
Male	576	36	6.25%	118	20.49%	1250	56	4.48%	192	15.36%
Female	220	18	8.18%	59	26.82%	391	20	5.12%	81	20.72%

3. Details of remuneration/ salary/ wages (including differently abled)

Category	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors	6	Rs. 31,26,666	1	Rs. 25,26,666
Key Managerial Personal	3	Rs. 72,89,593	0	Not Applicable
Employees other than BoD and KMP	0	0	0	0
Workers	0	0	0	0

Category	Wages	Median
Employees & Workers	1,25,69,40,462	1,70,000
KMP	1,85,77,073	40,45,000

Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	18.3%	17.83%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

No

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Nil

6. Disclosure of complaints made by employees and workers on sexual harassment, discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages or other human rights related issues.

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending Resolution at the end of the year	Remarks	Filed During the Year	Pending Resolution at the end of the year	Remarks
Sexual Harassment	2	Nil	Settled	1	Nil	Settled
Discrimination at workplace	0	0	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human right related issues	0	0	0	0	0	0

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7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	Current Financial Year	Previous Financial Year
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	NA	NA
Complaints on POSH upheld	NA	NA

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The organisation is equipped to handle discrimination and harassment cases by ensuring confidentiality, enforcing strict anti-retaliation measures, providing support systems like counselling, and conducting regular follow-ups. These mechanisms are in place to protect the complainant and maintain a fair and safe working environment if such cases arise.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No

10. Assessments of the year

Category	% of plants and offices that were assessed (by the entity or by the statutory authorities or third parties)
Child Labour	Nil: Though not conducting specific assessments, the company regularly monitors workplace practices to prevent issues related to child labor, forced labor, sexual harassment, discrimination, and wage discrepancies. The company ensures that wages are paid according to agreements and legal requirements and has established rules and policies in these areas where mandatorily applicable.
Forced/Involuntary Labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide the details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Principle 6. Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators:

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)		
From renewable sources				
Total electricity consumption (A)	9608372.98 Watts	8572099.17 Watts		
Total fuel consumption (B)	The company acknowledges that it has not captured specific data on energy consumption, fuel usage, and energy intensity metrics during the year. However, recognizing the importance of this information, the company is actively working on establishing a mechanism to accurately capture and report these data points, commencing from FY25. This initiative is part of the company's ongoing commitment to enhancing its sustainability practices and improving transparency in reporting energy consumption and efficiency metrics in the future.			
Energy consumption through other sources (C)				
Total energy consumed from renewable resources (A+B+C)				
From non-renewable sources				
Total electricity consumption (D)				
Total fuel consumption (E)				
Energy consumption through other sources (F)				
Total energy consumed from non-renewable resources (D+E+F)				
Total energy consumed. (A+B+C+D+E+F)				
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)				
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)				
Energy intensity in terms of physical output				
Energy intensity (optional) – the relevant metric may be selected by the entity				

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N). If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, the remedial action taken, if any.
Nil

3. Provide details of the following disclosures related to water, in the following format

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water Withdrawal by Source (In Kiloliters)		
(i) Surface water		The company acknowledges that it has not captured specific data on water withdrawal, consumption, and water intensity metrics during the year. However, recognizing the significance of this data for sustainability reporting, the company is in the process of establishing a robust mechanism to track and report these metrics starting from FY25.
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / Revenue from operations)		
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)		
Water intensity in terms of physical output		
Water intensity (optional) – the relevant metric may be selected by the entity		

Note - Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) . If yes, name of the external agency: Nil

4. Provide the following details related to water discharge –

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Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		The company acknowledges that it has not captured specific data on water withdrawal, consumption, and water intensity metrics during the year. However, recognizing the significance of this data for sustainability reporting, the company is in the process of establishing a robust mechanism to track and report these metrics starting from FY25.
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Nil

6. Please provide the details of air emissions (other than GHG emissions) by the entity, in the following format –

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx			
Sox			
Particulate Mater			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Nil

7. Please provide the details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO₂ equivalent		
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO₂ equivalent		
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)			
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Nil

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide the details.

No

9. Provide details related to waste management by entity , in the following format

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	14237	13198
E-waste (B)	NIL	NIL
Bio-medical waste (C)	Not Applicable	Not Applicable
Construction and demolition waste (D)	Not Applicable	Not Applicable
Battery waste (E)	4598	3911
Radioactive waste (F)	NIL	NIL
Other Hazardous waste (G). Please specify if any	610217	Not Available
Other Non-hazardous waste generated (H) (Break-up by composition i.e by materials relevant to the sector)	608422	544543
Total (A+B+C+D+E+F+G+H)	1237474	561652
Waste intensity per rupee of Turnover (Total waste generated / Revenue from operations)	NA	NA
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)(Total waste generated / Revenue from operations adjusted for PPP)	NA	NA
Waste intensity in terms of physical output	NA	NA
Waste intensity (optional) –the relevant metric may be selected by the entity	NA	NA
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i.Re-cycled	NIL	NIL
ii.Re-used	NIL	NIL
iii.Other recovery operations	NIL	NIL
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
i.Incineration	NIL	NIL
ii.Landfilling	NIL	NIL
iii.Other disposal operations	NIL	NIL
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) . If yes, name of the external agency: NO

10. Briefly describe the details of waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The company is committed to responsible waste management practices, ensuring that all hazardous and non-hazardous wastes are properly disposed of in accordance with environmental regulations. We prioritize reducing the use of hazardous and toxic chemicals in our processes and have implemented effective practices to manage such wastes. Our strategy includes minimizing waste generation, promoting recycling, and adopting safe disposal methods to protect the environment and support sustainability in our operations.

11. If the entity has operations/offices if any in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required,

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NIL			

12. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
NIL					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

SL No	Specify the Law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Nil	Nil	Nil	Nil

Principle 7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

- a. Number of affiliations with trade and industry chambers/associations.
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of /affiliated to

SL No	Name of the trade industry chambers/associations	The reach of trade and industry chambers/associations (State/National)
1	Federation of Automobile Dealers Associations	National
2	Kerala Automobile Dealers Association	State
3	Cochin Chamber of Commerce & Industry	State
4	Not Applicable	Not Applicable
5	Not Applicable	Not Applicable
6	Not Applicable	Not Applicable
7	Not Applicable	Not Applicable
8	Not Applicable	Not Applicable
9	Not Applicable	Not Applicable
10	Not Applicable	Not Applicable

2. Provide Details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regular authorities.

Name of authority	Brief of the case	Corrective actions taken
	Nil	

Leadership Indicators

1. Details of public policy positions advocated by the entity:

SL No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (annually/half yearly /Quarterly / Others – Please specify)	Weblink, if available
	As an active member of various industry associations, the company, through these associations, advocates for public policy initiatives that benefit both customers and the automotive industry. These efforts focus on promoting policies that enhance customer satisfaction, safety, and industry growth, ensuring that the interests of all stakeholders are represented in the public policy discourse. This collaborative approach helps the company contribute to shaping a positive and sustainable future for the automotive sector.	Discussions with the peer group companies and Industry association members	No	Periodically	No

Principle 8. Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of social impact assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of the project	SIA notification No.	Date of notification	Whether conducted by an Independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant weblink
Not applicable					

2. Information on project (s) for which ongoing rehabilitation and resettlement (R&R) is being undertaken by the entity, in the following format -

SL No	Name of project for which R&R is ongoing	State	District	No. of project-affected families	% of PAFs covered by R&R	Amount paid to PAFs in FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

Community members can approach our staff or senior managers at any of our locations to raise and resolve grievances. Additionally, they can contact us through email or phone for any concerns or issues. These mechanisms ensure that we remain accessible and responsive to the needs of the community, fostering open communication and effective grievance redressal.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

Particulars	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/small producers	6.91%	6.36%
Directly from within India	100%	100%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Rural	While exact data numbers are not available, we can confirm that a significant portion of our workforce comprises individuals from small towns, villages, and remote areas. These employees, whether permanent or on contract, contribute meaningfully to our operations, and their wages reflect our commitment to supporting job creation in these regions. We recognize the importance of rural and semi-urban employment and are dedicated to providing fair wages that contribute to the economic development of these communities.	
Semi-Urban		
Urban		

Principle 9. Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanism in place to receive and respond to consumer complaints and feedback

The Company boasts a robust internal hierarchy that promptly connects with customers, providing necessary explanations, support, and alternative solutions on both technical and logical aspects locally.

Other modes include channeling complaints and feedback through Sales Team and through e-mails.

2. Turnover of products and /services as a percentage of turnover from all products/service that carry information about

Particulars	As a % of total turnover
Environmental and social parameters relevant to the product	0
Safe and responsible usage	0
Recycling and/or safe disposal	0

3. Number of consumer complaints in respect of the following

Particulars	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	85099				82265	
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	NIL	NIL
Forced recalls	NIL	NIL

5. Does the entity have Framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, web-link of the policy.

Policy is available but not hosted on the website.

6. Provide Details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Nil

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches - NIL
- b. Percentage of data breaches involving personally identifiable information of customers - NIL
- c. Impact, if any, of the data breaches - NIL

ANNEXURE F

Form AOC-1

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

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

(In millions)

Sl. No	Name of Subsidiary	Financial period ended	Date since when subsidiary was acquired	Report- ing Cur- rency	Capital	Other Equity	Total Assets	Total Lia- bilities	Invest- ments	Turnover	PBT	Pro- vision for Tax	Profit After tax	Pro- posed Divi- dend	% of share- holding
1	Popular Mega Motors (India) Private Limited	March 31, 2024	21.06.2004	INR	69.44	1091.94	3572.58	3572.58	319.89	13092.96	141.78	28.48	113.30	6.60	100%
2	Popular Autoworks Private Limited	March 31, 2024	09.01.2014	INR	251.12	78.45	1202.93	1202.93	--	3629.77	209.65	58.44	151.21	8.79	100%
3	Vision Motors Private Limited	March 31, 2024	20.06.2012	INR	146.77	357.33	966.71	966.71	6.48	3046.45	150.57	38.09	112.48	6.60	100%
4	Popular Auto Dealers Private Limited	March 31, 2024	01.10.2015	INR	5.10	423.88	1008.96	1008.96	18.65	2827.46	119.99	28.72	91.27	5.31	100%
5	Kuttukaran Cars Private Limited	March 31, 2024	06.01.2014	INR	20.00	(38.81)	189.87	189.87	-	605.70	(14.07)	3.21	(10.86)	-	100%
6	*Kuttukaran Green Private Limited	March 31, 2024	13.06.2017	INR	5.10	(8.12)	82.39	82.39	-	244.59	(9.32)	2.07	(7.25)	-	100%
7	Keracon Equipments Private Limited	March 31, 2024	01.02.2023	INR	9.48	(9.09)	5.65	5.65	0.10	-	2.00	0.00	2.00	-	100%
8	**Prabal Motors Private Limited	March 31, 2024	01.02.2023	INR	0.10	199.10	2498.76	2498.76	-	6454.16	94.21	24.79	69.42	-	100%

* Share capital of Kuttukaran Green Private Limited consists of 5,09,950 equity shares of ₹ 10/- each and 15,000 preference shares of ₹ 1000/- each which is fully held by the company.

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

Company does not have any associate companies or joint ventures as on March, 31, 2024.

For and on Behalf of Board of Directors of
Popular Vehicles and Services LimitedPlace: Kochi-25
Date: 13th August, 2024**Naveen Philip**
(Managing Director)
DIN:00018827**Francis K Paul**
(Whole Time Director)
DIN:00018825

Corporate Governance Report

The report on Corporate Governance is pursuant to Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI LODR"). The Company has complied with the applicable requirements of the SEBI LODR and amendments thereto.

PHILOSOPHY ON CORPORATE GOVERNANCE

At Popular Vehicles and Services Limited, corporate governance is not just a framework but a reflection of our core values and commitment to integrity, transparency, and accountability in all our dealings. Our governance practices are rooted in the belief that effective corporate governance is critical to building and sustaining trust with our shareholders and stakeholders.

Our robust governance framework is supported by comprehensive policies that form the pillars of our corporate governance structure. These policies cover areas such as materiality determination, performance evaluation of the Board of Directors, familiarisation programmes for independent directors, preservation of documents, material subsidiaries, related party transactions, diversity of the Board, risk management, succession planning, whistleblowing, anti-sexual harassment, document archiving, and codes of conduct and disclosure. Additionally, our policies encompass corporate social responsibility, dividend distribution, insider trading, and nomination and remuneration.

These policies ensure that we operate with the highest standards of integrity and accountability. They guide our actions and decision-making processes and promote transparency, ethical conduct, and a culture of continuous improvement.

At Popular Vehicles and Services Limited, we are dedicated to creating long-term value for all our stakeholders. Our commitment to governance ensures that we maintain the highest standards in our operations, safeguarding the interests of our shareholders, employees, customers, and the communities we serve. We aim to achieve sustainable growth and success through continuous improvement and adherence to our core values, providing a sense of security and value to our stakeholders.

Board of Directors

The present composition of the Board is in compliance with the requirements of Regulation 17 (1) of the Listing Regulations. The Board of Directors (the Board) of the Company comprises of an optimum mix of Executive and Non-Executive Directors, The Board, as on 31st March, 2024, comprises Seven Directors, which includes three Non-executive Independent Directors (including one Woman Independent Director), three Executive Directors, and one Non-Executive Nominee Director. Mr. Jacob Kurian, the Chairman of the Board of Directors of the Company is an Independent Director.

The composition of the Board of Directors as at 31st March, 2024 was as follows:

Name	Category	No. of Directors	No. of Shares held	No. of Board Meetings attended during the financial year ended 31 st March, 2024	At- tended last AGM held on 18 th August, 2023	Number of directorships held in public limited companies		Names of the other listed entities where the person is a director and the category of directorship	No. of Committee Memberships in Other Public Limited Companies	
						Director- ship	Chair- man- ship		Mem- ber	Chair- man
#Mr. Naveen Philip (DIN:00018827)	Promoter, Executive Non Independent Director	Three (3) Executive Directors	14519362	9	Yes	8	Nil	Nil	Nil	Nil
#Mr. John K Paul (DIN:00016513)	Promoter, Executive -Non Independent Director		14519362	8	Yes	7	Nil	Nil	Nil	Nil
#Mr. Francis K Paul (DIN:00018825)	Promoter, Executive Non Independent Director		14519362	9	Yes	7	Nil	Nil	Nil	Nil
##Mr. Jacob Kurian (DIN:00213259)	Chairman, Non-Executive Independent Director	Three (3) Independent Directors	Nil	8	Yes	2	1	Nil	Nil	Nil

Name	Category	No. of Directors	No. of Shares held	No. of Board Meetings attended during the financial year ended 31 st March, 2024	At-tended last AGM held on 18 th August, 2023	Number of directorships held in public limited companies		Names of the other listed entities where the person is a director and the category of directorship	No. of Committee Memberships in Other Public Limited Companies	
						Director-ship	Chairman-ship		Member	Chairman
Ms. Preeti Reddy (DIN:07248280)	Non-Executive Independent Director		Nil	7	Yes	4*		ICICI Lombard General Insurance Company Limited – Non executive independent director	Nil	Nil
Mr. George Joseph (DIN:00253754)	Non-Executive Independent Director		Nil	9	Yes	2	1	Creditacces Grameen Limited – Chairman and lead independent director	2	1
**Mr. Rakesh Kumar Bhutoria (DIN:08449728)	Non-Executive, Nominee director (Nominee of Banyan Tree Growth Capital II LLC Private equity investor	One (1) Nominee Director	Nil	7	No	2	Nil	Nil	Nil	Nil
Total		Seven (7)	43,558,086							

The Executive Directors holds directorships in deemed Public Companies (subsidiaries) as well which is counted as Public Company.

Mr. Jacob Kurian, Independent Director holds the position of Independent Director in the material subsidiary of the Company- Popular Mega Motors (India) Private Limited.

*After the close of the financial year Ms. Preeti Reddy became the director of JSW Cement Limited with effect from 27th July, 2024.

** Mr. Rakesh Kumar Bhutoria was appointed as the Nominee Director representing BanyanTree Growth Capital II LLC, the private equity investor with effect from 14th August, 2023 as Mr. Abhishek G Poddar (DIN: 07143528) the representative/ nominee of M/s BanyanTree Growth Capital II LLC, the private equity investor, had resigned from the Board with effect from 19th June, 2023.

For Committee memberships, the chairmanship and membership in Audit / Stakeholders Relationship Committee in all public limited companies, alone are considered. The Committee memberships of Directors are within the limits prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as "Listing Regulations").

The Board is of the opinion that Independent Directors fulfil conditions specified under the Listing Regulations and are independent of the management of the Company.

In terms of the provisions of the Act, and the Listing Regulations, the Directors of the Company submit necessary disclosures regarding the positions held by them on the Board and/ or the Committees of other companies with changes therein, if any, on a periodical basis. On the basis of such disclosures, it is confirmed that as on 31st March, 2024, none of the Directors on the Board holds Directorship position in more than 20

(twenty) companies [including 10 (ten) public limited companies and 7 (seven) listed companies]; holds Executive Director position and serves as an Independent Director in more than 3 (three) listed companies; and is a member of more than 10 (ten) Committees (Audit Committee and the Stakeholders Relationship Committee) and/or Chairperson of more than 5 (five) Committees (Audit Committee and the Stakeholders Relationship Committee) across all the Indian Public Limited Companies in which he/ she is a Director pursuant to Regulation 26 of the Listing Regulations.

Appointment of Mr. George Joseph and Reappointment of Mr. John K Paul

After the close of the Financial Year, the Board has in its meeting held on 28th May, 2024 recommended the reappointment of Mr. John K Paul as the previous application in e form MR-2 was disposed off by the Central Government without approval. Therefore, on

the recommendation of Nomination and Remuneration Committee, the re-appointment was recommended by the Board for the approval of shareholders and Mr. John K Paul was re-appointed via Postal Ballot on 11th July, 2024 for a period commencing from 29th April, 2024 to 31st March, 2026.

After the close of the financial year, Mr. George Joseph, Independent Director had retired from the position of the Independent Director with effect from 26th April, 2024 due to attainment of 75 years of age. Further, based on the recommendation of the Nomination and Remuneration Committee in its meeting held on 28th May, 2024, the Board recommended the appointment of Mr. George Joseph for the approval of the shareholders in its meeting held on 28th May, 2024. The appointment was approved by the members via Postal Ballot on 11th July, 2024 by passing special resolution for a term of 5 years.

The profiles of the Directors are given below. The profiles of Directors can also be accessed on the Company's website at <https://www.popularmaruti.com/investor-relations/governance/board/>

Mr. Jacob Kurian is the Chairman and Non-Executive Independent Director of our Company. He holds a bachelor's degree in electrical engineering from the University of Madras. He also holds a post-graduate diploma in business management from Xavier Labour Relations Institute, Jamshedpur. Prior to joining our Company, he was the country manager at TATA Unisys Limited and also worked at TATA Services Limited and Titan Industries Limited.

Mr. John K. Paul is the Whole-time Director of our Company. He holds a bachelor's degree in mechanical engineering from the University of Calicut. He is responsible for the Maruti Suzuki dealership operations of the group. With over 49 years of experience in automobile industry, he is currently the president of Kerala Automobiles Dealers Association and a member of the Federation of Automobile Dealers Association's Executive Committee and Governing Council. Additionally, he is a trustee of the Lawrence School Lovedale Alumni Foundation.

Mr. Francis K. Paul is the Whole-time Director of our Company. He holds a bachelor's degree in mechanical engineering from the University of Calicut. He is responsible for corporate social responsibility activities and other policy matters of our Company. He has more than 54 years of experience in the automobile sector.

Mr. Naveen Philip is the Managing Director of our Company. He holds a bachelor's degree in mechanical engineering from the University of Calicut and a postgraduate diploma in management from the Xavier

Institute of Management, Bhubaneswar. He has more than 27 years of experience in the automobile industry. He is a member of the Federation of Automobile Dealers Association's Governing Council. Previously, he served as a manager at Godrej Telecom Limited.

Ms. Preeti Reddy is a Non-Executive Independent Director of our Company. She holds a bachelor's degree in arts from the University of Delhi and an honours diploma in business management from Xavier Labour Relations Institute, Jamshedpur. She was the Chairperson of South Asia at Kantar Consumer Insights Organisation. She has previously served as a Senior Vice President at IMRB International Limited and has worked in consumer consulting as a Vice President at KSA Technopak (I) Private Limited. Additionally, she has served as a Market Research Manager at VST Industries Limited. She is currently serving as Independent Director for the Boards of ICICI Prudential Asset Management Company Limited and ICICI Lombard General Insurance Company Limited.

Mr. George Joseph is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Kerala and is a certificated associate of the Indian Institute of Bankers. He has also completed a banking diploma from the Institute of Bankers, London. He retired as Chairman and Managing Director of Syndicate Bank and was associated with Canara Bank for over 36 years, resigning as General Manager in 2006. He has also served as Chairman, Whole Time Director and Joint Managing Director of Wonderla Holidays Limited and as an Independent Director of Muthoot Finance Limited and ESAF Small Finance Bank Limited. He is currently serving as Chairman and Lead Independent Director of Creditaccess Grameen Bank Limited.

Mr. Rakesh Kumar Bhutoria is the Non-Executive Nominee Director of our Company. He holds a bachelor's degree in chemical engineering from Jadavpur University and master's degree in management studies from University of Bombay. He has previously worked as a Managing Director of Standard Chartered Bank UAE and Group Executive Vice President in commercial banking at IDFC Bank Limited. He has been appointed as a Non-Executive Nominee Director of our Company pursuant to the Shareholders' Agreement.

Board qualifications, expertise and attributes

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board and whether the person is a proven leader in a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business.

The Board has adequate mix of skills, expertise and competencies for running the business of the Company as detailed below:

Directors	Business	Corporate governance	Financial Expertise	Sales and Marketing	Strategy and Planning
Mr. Naveen Philip	✓	✓	✓	✓	✓
Mr. John K Paul	✓	✓		✓	✓
Mr. Francis K Paul	✓	✓		✓	✓
Mr. Jacob Kurian		✓	✓	✓	✓
Ms. Preeti Reddy		✓		✓	✓
Mr. George Joseph		✓	✓	✓	✓
Mr. Rakesh Kumar Bhutoria		✓	✓	✓	✓

Dates of Board Meeting

During the financial year ended 31st March, 2024, Nine Board Meetings were held on 20th June, 2023, 14th August, 2023, 31st August, 2023, 28th September, 2023, 11th January, 2024, 05th February, 2024, 04th March, 2024, 14th March, 2024, 15th March, 2024 and the gap between two meetings did not exceed one hundred and twenty days.

The Board of Directors periodically reviews reports regarding operations, capital expenditure proposals, statutory compliance and other required information as enumerated in Part A of Schedule II of the Listing regulations and as required under relevant provisions of the Companies Act, 2013.

The Company provides the facility to its Directors to attend the meetings through Video Conferencing (VC) or Other Audio-Visual Means (OAVM). All statutory and other matters of significant importance including information as mentioned in Part A of Schedule II to the Listing Regulations are tabled before the Board, to enable it to take appropriate decisions in both strategic and regulatory matters. The Board reviews compliances of all laws, rules, and regulations on a quarterly basis. At the Board Meeting, members have full freedom to express their opinion and decisions are taken after detailed deliberations.

Number of Shares and Convertible instruments held by Non-Executive Directors

No non-executive directors was holding any shares of the company as on 31st March, 2024. There are no convertible instruments issued by the Company.

Disclosure of Relationship between directors inter se

Mr. John K Paul and Mr. Francis K Paul Whole-time Directors of the Company are brothers. Mr. Naveen Philip is the nephew of Mr. John K Paul and Mr. Francis K Paul. Except this none of the other directors are related to each other.

Weblink where details of familiarisation programmes imparted to independent directors

The details of familiarisation programmes imparted

to independent directors are posted on the Company website: <https://www.popularmaruti.com/investor-relations/governance/familiarisation-programmes-for-id/>

Meeting of the Independent Directors

During the year under review, 1 (one) meeting of the Independent Directors of the Company as per the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of the SEBI (LODR), Regulations, 2015 was held on 27th March, 2024. The Independent Directors inter alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors. During the year, no Independent director has resigned before the expiry of his/her tenure.

However, after the close of the financial year, Mr. George Joseph, Independent Director had retired from the position of the Independent Director with effect from 26th April, 2024 due to attainment of 75 years of age. Further, based on the recommendation of the Nomination and Remuneration Committee in its meeting held on 28th May, 2024, the Board recommended the appointment of Mr. George Joseph for the approval of the shareholders in its meeting held on 28th May, 2024. The appointment was approved by the members via Postal Ballot on 11th July, 2024 by passing special resolution for a term of 5 years.

Committees of the board

Your Company's Board of Directors had constituted the following mandatory Committees to comply the requirements under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz.:

- (i) Audit Committee;
- (ii) Nomination and Remuneration Committee;
- (iii) Stakeholders' Relationship Committee
- (iv) Corporate Social Responsibility Committee; and
- (v) Risk Management Committee.

Audit Committee

The powers, role and terms of reference of the Audit Committee covers the areas as mentioned under Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. These, inter alia, include oversight of Company's financial reporting process, internal financial controls, reviewing the adequacy of the internal audit function, reviewing with management the quarterly/annual financial statements before submission to the Board, recommending the appointment of statutory auditors and fixation of their remuneration, approval of related party transactions, evaluation of risk management systems etc.

The Company's Audit Committee consists of four Directors, of which three are Non-Executive Independent Directors. All the members of the Audit Committee have adequate knowledge in the areas of finance and accounting.

During the financial year 2023-24, the Audit Committee met Six times on 20th June, 2023, 28th September, 2023, 11th January, 2024, 05th February, 2024, 04th March, 2024 and 14th March, 2024.

Terms of reference

The Audit Committee shall have powers, which should include the following:

- (a) To investigate any activity within its terms of reference;
- (b) To seek information from any employee of the Company;
- (c) To obtain outside legal or other professional advice;
- (d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and
- (e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

The role of the Audit Committee, inter alia, shall include the following:

- (a) oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
- (c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

1. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 2. changes, if any, in accounting policies and practices and reasons for the same;
 3. major accounting entries involving estimates based on the exercise of judgment by management;
 4. significant adjustments made in the financial statements arising out of audit findings;
 5. compliance with listing and other legal requirements relating to financial statements;
 6. disclosure of any related party transactions;
 7. modified opinion(s) in the draft audit report;
- (e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - (f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 - (g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - (h) formulating a policy on related party transactions, which shall include materiality of related party transactions;
 - (i) approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
 - (j) scrutiny of inter-corporate loans and investments;
 - (k) valuation of undertakings or assets of the Company, wherever it is necessary;
 - (l) evaluation of internal financial controls and risk management systems;
 - (m) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (n) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- (o) discussion with internal auditors of any significant findings and follow up there on;
- (p) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (q) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (r) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (s) to review the functioning of the whistle blower mechanism;
- (t) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (u) carrying out any other function as is mentioned in the terms of reference of the audit committee;
- (v) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments; and
- (w) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
- (b) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (c) internal audit reports relating to internal control weaknesses;
- (d) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (e) statement of deviations:
- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- (f) To review the financial statements, in particular, the investments made by any unlisted subsidiary; and
- (g) Such information as may be prescribed under the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Audit Committee shall mandatorily review the following information:

- (a) management discussion and analysis of financial condition and results of operations;

Composition, name of members and chairperson

The members of the Audit Committee are:

- Mr. George Joseph, *Chairperson**
- Mr. Jacob Kurian, Member
- Ms. Preeti Reddy, Member
- Mr. Naveen Philip, Member

Meetings and attendance of Audit Committee during the year are given below

Sl. No	Name of the Member	Category	No. of Audit Committee Meetings held	No. of Audit Committee Meetings attended
1	Mr. George Joseph	Chairperson	6	6
2	Mr. Jacob Kurian	Member	6	5
3	Ms. Preeti Reddy	Member	6	4
4	Mr. Naveen Philip	Member	6	6

*After the close of the financial year, Audit Committee was reconstituted on 28th May, 2024 due to retirement of Mr. George Joseph, Independent Director. Ms. Preeti Reddy was appointed as the Chairperson in the meeting of Board of Directors held on 28th May, 2024. Further, on 31st July, 2024, the committee was again re-constituted after the appointment of Mr. George Joseph as Independent Director via Postal ballot on 11th July, 2024 and was inducted to the Committee as the Chairperson.

Mr. Varun T.V, Company Secretary and Compliance Officer is also Secretary to the Audit Committee.

Nomination and Remuneration Committee

In accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the terms of reference of the Committee include the following namely formulation of criteria for determining qualifications, positive attributes and independence of director, recommending to the Board a policy relating to remuneration of directors, key managerial personnel and other employees, formulation of criteria for evaluation of directors performance, devising a policy on Board diversity, identifying persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal and also recommend to the Board remuneration payable to Senior Management.

During the financial year 2023-24, Nomination and Remuneration Committee met two times on 20th June, 2023 and 11th January, 2024.

Brief description of terms of references

(a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy").

The Nomination and Remuneration Committee, while formulating the Remuneration policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(b) formulation of criteria for evaluation of performance of independent directors and the Board;

(c) for every appointment of an independent director, the Nomination and Remuneration Committee

shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- (i) use the services of an external agencies, if required;
 - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (iii) consider the time commitments of the candidates.
- (d) devising a policy on Board diversity;
 - (e) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);
 - (f) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 - (g) recommend to the Board, all remuneration, in whatever form, payable to senior management;
 - (h) carrying out any other activities as may be delegated by the Board of Directors and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013 and the SEBI Listing Regulations, as and when amended from time to time."

Composition, name of members and chairperson

The members of the Nomination and Remuneration Committee are:

1. Ms.Preeti Reddy, *Chairperson*
2. Mr.Jacob Kurian
3. Mr.George Joseph
4. Mr.Rakesh Kumar Bhutoria

Meetings and attendance of Nomination and Remuneration Committee during the year are given below

Sl. No	Name of the Member	Category	No. of Nomination and Remuneration Committee Meetings held	No. of Nomination and Remuneration Committee Meetings attended
1	Ms.Preeti Reddy	Chairperson	2	2
2	Mr.Jacob Kurian	Member	2	1
3	Mr.George Joseph	Member	2	2
4	Mr.Rakesh Kumar Bhutoria	Member	2	1

*After the close of the financial year, Nomination and Remuneration Committee was reconstituted on 28th May, 2024 due to retirement of Mr. George Joseph, Independent Director. Further, on 31st July, 2024, the committee was again re-constituted after the appointment of Mr. George Joseph as Independent Director via Postal ballot on 11th July, 2024 and was inducted to the Committee as Member.

Mr. Varun T.V, Company Secretary and Compliance Officer is also Secretary to the Nomination and Remuneration Committee.

Performance evaluation criteria for Independent directors

As per Part D of Schedule II SEBI (LODR) Regulations, 2015 and as prescribed u/s 149(6) of the Companies Act, 2013 read with Regulation 16 of SEBI LODR, annual evaluation of the performance of the Board, the Directors and its committees of the Board was evaluated through an external agency.

The Nomination and Remuneration Committee of the Company has engaged an external agency to carry out the performance evaluation of each individual Director, Committee and Board as a whole. Performance evaluation was carried out through a digital platform, based on a structured questionnaire, formulated taking into consideration the criteria approved by the Nomination and Remuneration Committee.

Evaluation criteria of the Board was made based on the role played by the Board in the governance, overall functioning, evaluating strategic proposals, financial reporting process, internal controls and its effectiveness and review of risk management process. The evaluation

of individual Directors was carried out based on various parameters such as participation in the Board and its Committee meetings, contribution towards strategic proposals, suggesting risk mitigation measures, putting in place internal controls, governance, leadership and talent development and managing external stakeholders. Performance evaluation of various committees of the Board was carried out based on the criteria such as constitution, effective functioning of the committees as per the terms of reference, periodical suggestions and recommendations given by the committees to the Board, etc.

Stakeholders' Relationship Committee

In compliance with Section 178(5) of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Committee has been formed to specifically focus on the services to shareholders/ investors.

The Committee is headed under the Chairpersonship of Mr. George Joseph - Independent Director.

During the financial year 2023-24, Stakeholders Relationship Committee met once on 27th March, 2024.

Composition, name of members and chairperson

The members of the Stakeholders' Relationship Committee are:

1. Mr.George Joseph, *Chairperson*
2. Mr.Naveen Philip
3. Ms.Preeti Reddy
4. Mr.Rakesh Kumar Bhutoria

Meetings and attendance of Stakeholders' Relationship Committee during the year are given below

Sl. No	Name of the Member	Category	No. of Stakeholders' Relationship Committee Meetings held	No. of Stakeholders' Relationship Committee Meetings attended
1	Mr.George Joseph	Chairperson	1	1
2	Mr.Naveen Philip	Member	1	1
3	Ms.Preeti Reddy	Member	1	0
4	Mr.Rakesh Kumar Bhutoria	Member	1	1

*After the close of the financial year, Stakeholders Relationship Committee was reconstituted on 28th May, 2024 due to retirement of Mr. George Joseph, Independent Director. Ms. Preeti Reddy was appointed as the Chairperson in the meeting of Board of Directors held on 28th May, 2024. Further, on 31st July, 2024, the committee was again

re-constituted after the appointment of Mr. George Joseph as Independent Director via Postal ballot on 11th July, 2024 and was inducted to the Committee as the Chairperson.

Mr. Varun T.V, Company Secretary and Compliance Officer is also Secretary to the Stakeholders Relationship Committee.

Particulars of investor complaints

Number of Complaints received during the financial year ended 31st March, 2024: 8

Number of Complaints resolved during the year: 8

Number of Complaints pending at the year-end: 0

Number of Complaints not solved to the satisfaction of shareholders during the year : 0

Risk Management Committee

The requirement of mandatory constitution of Risk Management Committee ("RMC") is applicable to Top 1000 listed companies on the basis of market capitalization.

The company has voluntarily constituted the risk management committee on 10th June, 2021. The applicability of constitution of Risk Management Committee was effective after the listing of companies shares in the stock exchanges and was included in the list of Top 1000 companies as on 31st March, 2024.

During the financial year 2023-24, Risk Management Committee met once on 11th January, 2024.

Brief description of terms of references

- a) To formulate a detailed risk management policy which shall include:
 - i. a framework for identification of internal and external risks specifically faced by a listed entity, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information,

cyber security risks or any other risks as may be determined by the committee;

- ii. measures for risk mitigation including systems and processes for internal control of identified risks

- iii. business continuity plan

- b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

- d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

- e) To keep the board of directors informed about the nature and its contents of discussions, recommendations and actions to be taken;

- f) To review the appointment, removal and terms of remuneration of the chief risk officer (if any); and

- g) To carry out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, or the SEBI LODR Regulations, each as amended or by any other regulatory authority.

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Composition, name of members and chairperson

The members of the Risk Management Committee are:

1. Mr.Naveen Philip, *Chairperson*
2. Mr.Jacob Kurian
3. Mr.Francis K. Paul
4. Ms.Preeti Reddy
5. Mr.George Joseph

Meetings and attendance of Risk Management Committee during the year are given below

Sl. No	Name of the Member	Category	No. of Risk Management Committee Meetings held	No. of Risk Management Committee Meetings attended
1	Mr.Naveen Philip	<i>Chairperson</i>	1	1
2	Mr.Jacob Kurian	Member	1	1
3	Mr.Francis K. Paul	Member	1	1
4	Ms.Preeti Reddy	Member	1	1
5	Mr.George Joseph	Member	1	1

*After the close of the financial year, Risk Management Committee was reconstituted on 28th May, 2024 due to retirement of Mr. George Joseph, Independent Director. Further, on 31st July, 2024, the committee was again re-constituted after the appointment of Mr. George Joseph as Independent Director via Postal ballot on 11th July, 2024 and was inducted to the Committee as Member of the Committee.

Mr. Varun T.V, Company Secretary and Compliance Officer is also Secretary to the Risk Management Committee.

Senior Management: Particulars of senior management

Particulars of senior management including the changes therein as on 31st March, 2024:

SI No	Name of Senior Management Personnel	Category
1	Mr.Raj Narayan	Chief Executive Officer
2	Mr.John Verghese	Group Chief Financial Officer
3	Mr.Benny K. J	Vice President - Human resource
4	Mr.Somy K. Cheruvathoor	Vice President – Project planning and development
5	Mr.Subhash K. Ouseph	Vice President – Pre-owned vehicles
6	Mr.P. Jayaprakash	Vice President Service
7	Mr. Sojan Chacko	Vice President - Internal Audit
8	Mr.Rajesh Bhaskaran	Head of Information Technology
9	Mr.Raj Nandan*	Head Sales – Kerala
10	Mr.Varun T.V	Company Secretary and Compliance Officer

*Resigned with effect from 29th June, 2024.

Details of change in Senior Management since the close of the previous financial year.

Name	Designation	Date of change	Reason for change in KMPs/ SMPs	Reason for resignation
Mr. Varun T.V.	Company Secretary and Compliance Officer	31 st August, 2023	Also designated as Compliance Officer.	N.A.
110 Mr. Somy K. Cheruvathoor	Vice president – project planning and development	01 st July, 2023	Designated as Vice President – project planning and development	N.A.
Mr. Dinesh A.	Vice president sales	26 th June, 2023	Resigned as vice president sales	Resignation due to personal reasons.
*Mr. Raj Nandan	Head sales - Kerala	21 st June, 2023	Appointed as Head sales-Kerala	

*Resigned with effect from 29th June, 2024

Pecuniary Relationship of Non-Executive Directors

The Company has no pecuniary relationship or transaction with its Non-Executive and Independent Directors other than payment of sitting fees to them for attending Board and committee meetings and commission as approved by members and Board for their invaluable services to the Company.

Remuneration to Non-Executive Directors for the financial Year 2023-24

The Non-Executive Directors of the Company (other than Nominee) are paid remuneration by way of sitting fees and Commission. The Company pays sitting fees of ₹ 0.1 million per meeting for attending the Board and Committee meetings.

Details of remuneration paid/payable to the Non-Executive Directors for the financial year 2023-24 are as follows:

SI No	Name	Designation	Total sitting fees FY 2023-24
1	Mr. Jacob Kurian	Chairman & Non-executive independent director	₹ 2.1 million
2	Mr. George Joseph	Non-executive independent director	₹ 2.1 million
3	Ms. Preeti Reddy	Non-executive independent director	₹ 1.5 million

Apart from this the Non-Executive Independent Directors will also be paid with a Commission of not exceeding 1% of the net profit of the Company as approved by the shareholders at the AGM held on 28th September, 2021 in the following manner:

SI No	Name	Designation	Profit related commission paid
1	Mr. Jacob Kurian	Chairman & Non-executive independent director	₹ 1.03 million
2	Mr.George Joseph	Non-executive independent director	₹ 1.03 million
3	Ms.Preeti Reddy	Non-executive independent director	₹ 1.03 million

Details of remuneration paid to the Executive Directors for the financial year 2023-24 are as follows:

The remuneration paid/payable to the Executive Directors are in accordance with the approval of the Board and shareholders and as per the Remuneration Policy of the Company.

All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;

Sr. No	Name	Mr.John K Paul	Mr. Francis K Paul	Mr.Naveen Philip *
1	Designation	Whole Time Director	Whole Time Director	Managing Director
2	Gross Salary	₹ 9.7 million	₹ 9.7 million	₹ 9.7 million
3	Benefits	₹ 2.2 million	NIL	NIL
4	Bonuses	NIL	NIL	NIL
5	Pension	NIL	NIL	NIL
6	Stock option	NIL	NIL	NIL
7	Sweat equity	NIL	NIL	NIL
8	Incentive	NIL	NIL	NIL
	Fixed Component	NIL	NIL	NIL
	Performance linked incentives	NIL	NIL	NIL
9	Others ,Please specify	NIL	NIL	NIL

*Remuneration of Mr. Naveen Philip is paid from wholly owned subsidiary company Popular Mega Motors (India) Private Limited.

Apart from salary and perquisites, the terms of appointment contained the provision for payment of Performance Incentive as determined by the Board based on consolidated net profits of the Company.

For the financial year 2023-24 the performance incentive was voluntarily waived by Mr. Naveen Philip, Mr. John K. Paul and Mr. Francis K. Paul vide their waiver letter dated 01st April, 2024.

Service Contracts, Severance Fees and Notice Period

The tenure of the office of Managing Director is 5 (five) years and Whole Time Directors is 2 (two) years from respective dates of their appointment and the notice period for terminating the service contract of Managing Director and Whole-time Director is based on Company's HR Policy. Further, there is no separate provision for payment of severance fees. None of the Executive Directors had been granted any Employee Stock Options of the Company.

General body meetings.

Financial Year	Date	Time	Location
2020-21	28 th September, 2021	10:00 AM	Meeting held through Video Conferencing ("VC") deemed to be held at the registered office ,Kuttukaran centre Mamangalam, Palarivattom Cochin- 682025
2021-22	14 th July, 2022	11:00 AM	Meeting held through Video Conferencing ("VC") deemed to be held at the registered office ,Kuttukaran centre Mamangalam, Palarivattom Cochin- 682025
2022-23	18 th August, 2023	10:00 AM	Meeting held through Video Conferencing ("VC") deemed to be held at the registered office ,Kuttukaran centre Mamangalam, Palarivattom Cochin- 682025

The Extra Ordinary General Meetings held during the year 2023-24 is: During the Financial year 2023- 24 four Extra ordinary Meetings were held on 21st August, 2023, 08th September, 2023, 02nd February, 2024 and 07th February, 2024.

Details of Special Resolutions passed in the previous three Annual General Meetings.

The following table illustrates the various special resolutions passed in the previous three Annual General Meeting of the Company.

Date of Annual General Meeting	Details of Special Resolutions passed if any
28 th September, 2021	<ol style="list-style-type: none">1. Appointment of Mr. George Joseph as Independent Director.2. To amend the sitting fee payable to Independent Directors.3. Payment of Commission on Profits to Non-Executive Directors4. Re-appointment of Mr. John K Paul as Managing Director5. Re-appointment of Mr. Francis K Paul as Whole Time Director
14 th July, 2022	<ol style="list-style-type: none">1. Appointment of Mr. Naveen Philip as Managing Director2. Appointment of Mr. John K Paul as Whole Time Director
18 th August, 2023	<ol style="list-style-type: none">1. Re-appointment of Mr. Francis K. Paul as Whole-Time Director2. Re-appointment of Mr. John K. Paul as Whole-Time Director3. Payment of perquisites to Managing Director and Whole-Time Directors

Postal Ballot

The details of special resolution passed through postal ballot and voting pattern during last year are as under:

Nil

Means of communication

- (a) Financial Results: The quarterly and annual financial results were published in the leading English newspapers "Financial Express" and Malayalam newspaper "Deepika". The said results are promptly furnished to the Stock Exchanges for display on their respective websites and are also displayed on the Company's website www.popularmaruti.com.
- (b) Press Release/Analyst Call: The official media releases and presentations made to Institutional Investors / Analysts and audio recordings of Analyst Calls and transcripts are posted on the Company's website www.popularmaruti.com and are promptly intimated to the stock exchanges.

General Shareholder Information

- a) Annual General Meeting: Date and Time: 24th September, 2024 at 04:00 P.M.
Venue: The Company is conducting meeting through Video Conference (VC)/Other Audio Visual Means (OAVM)
- b) Financial Year: 1st April, 2023 to 31st March, 2024.
- c) Dividend payment date: Will be paid within 30 days from the date of approval at the 40th AGM.

Listing on Stock Exchanges:

Shares of the Company are quoted on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) since 19th March, 2024.

Address of the Stock Exchanges are as follows.

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	National Stock exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1 G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
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Details of Stock code

The stock codes of the Company at the Stock Exchanges are as follows:

BSE Ltd.: Scrip code: 544144

The National Stock Exchange of India Limited Symbol: **PVSL**

Equity ISIN: INE772T01024

There was no suspension from trading in equity shares of the Company during the year 2023-24.

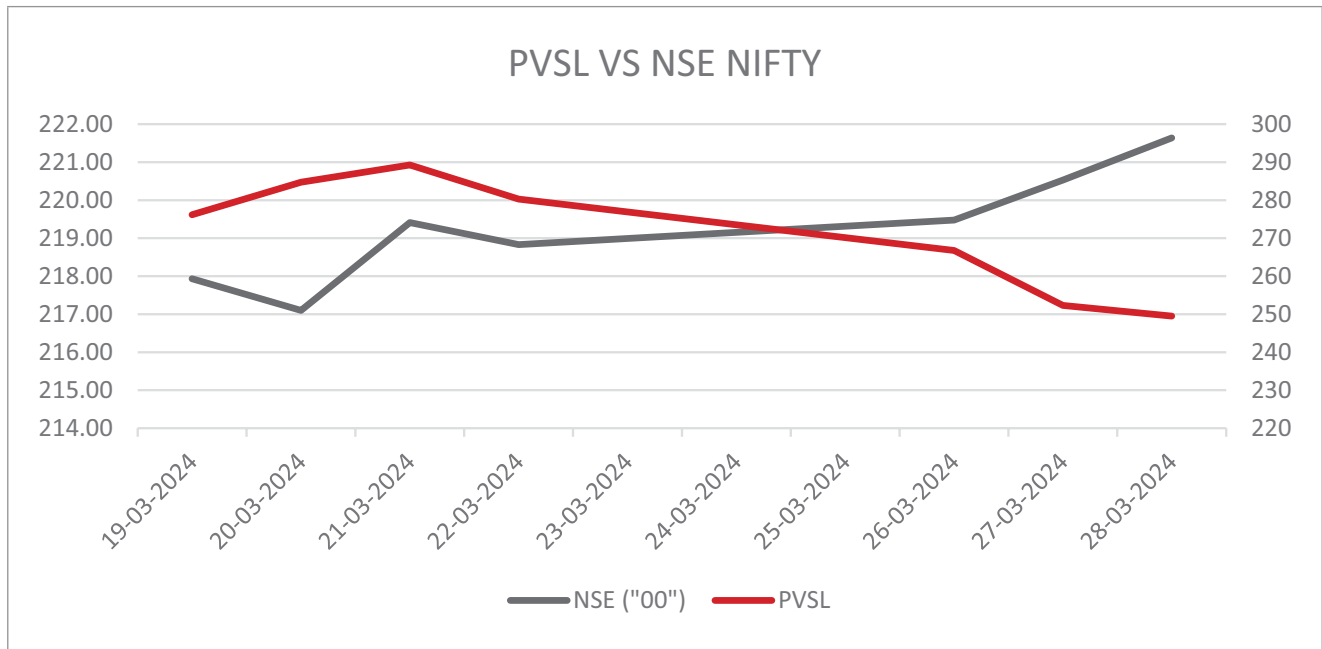
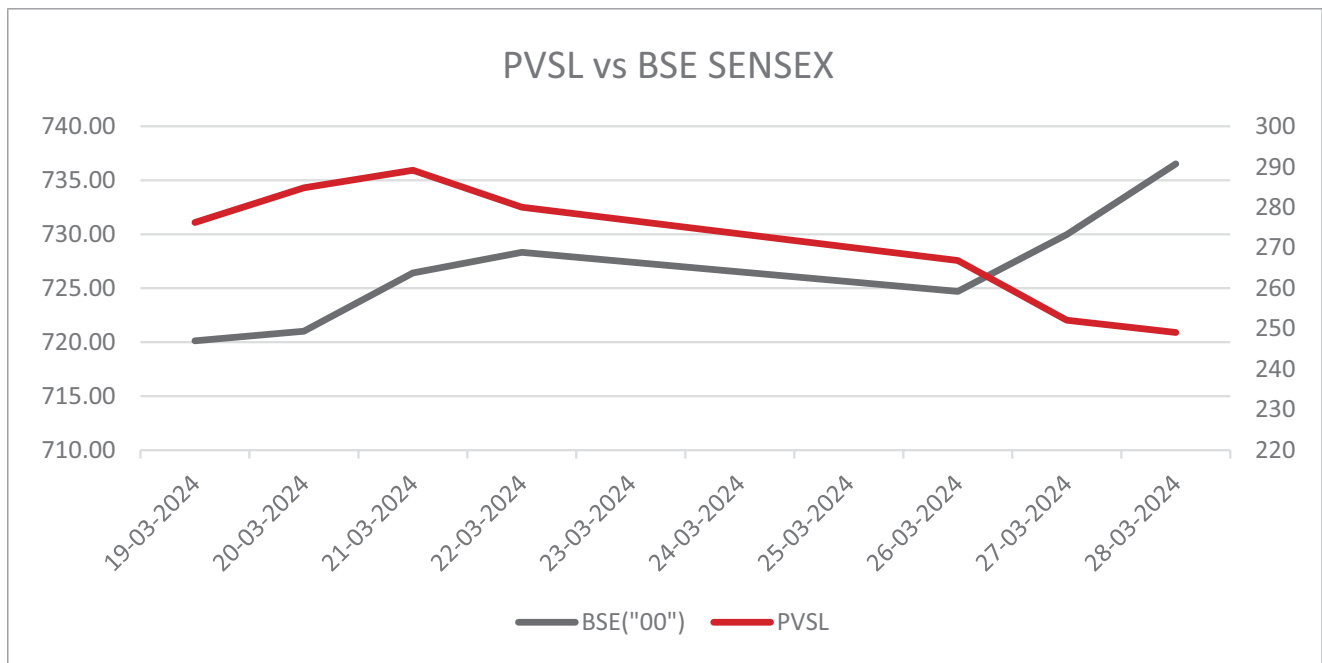
Stock market price data- high, low during each month in last financial year

(Amount in Rs.)

Stock Exchanges	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Month				
March 2024	296.35	236.80	296.55	236.40

Stock Performance

The performance of the Company's shares relative to the BSE Sensitive Index and NSE Sensitive Index is given in the chart below:

Popular vs NSE Nifty**Popular vs BSE Sensex****Registrar to an issue and share transfer agents**

The Company has appointed Link Intime India Private Limited as Registrar and Share Transfer Agent (RTA). Shareholders/ Investors/ Depository Participants are requested to send all their documents and communications pertaining to both physical and demat shares to the RTA at the following address:

Link Intime India Private Limited

C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 2249186200

In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from 1st April, 2014. In view of the same, the entire share capital of the Company is in dematerialised form. The shares can be transferred by shareholders through their Depository Participants.

Distribution of shareholding as on 31st March, 2024:

Sl. No	Shares – Range		Number of Shareholders of the Company	% of Total Shareholders	Total Shares for the Range	% of Issued Capital
	From	To				
1	1	500	92319	98.4001	5725183	8.04%
2	501	1000	1272	1.3558	869067	1.22
3	1001	2000	94	0.1002	137989	0.19
4	2001	3000	27	0.0288	75065	0.11
5	3001	4000	60	0.064	206122	0.29
6	4001	5000	8	0.0085	34533	0.05
7	5001	10000	5	0.0053	36888	0.05
8	10001	-	35	0.0373	64113351	90.05
Total						

Category-wise Shareholders as on 31st March, 2024

Category	No of Shares held	Percent of shareholdings
Alternate Invst Funds - III	378325	0.5314
Body Corporate - Ltd Liability Partnership	550	0.0008
Clearing Members	14	0
Escrow Account	82935	0.1165
Foreign Company	7125044	10.0073
FPI (Corporate) - I	4989235	7.0075
FPI (Corporate) - II	1000	0.0014
Hindu Undivided Family	118716	0.1667
Insurance Companies	170048	0.2388
Mutual Funds	6757757	9.4915
Non Resident (Non Repatriable)	29189	0.041
Non Resident Indians	40939	0.0575
Other Bodies Corporate	22448	0.0315
Public	51481998	72.308
TOTAL :	71198198	100

Dematerialisation of shares and liquidity

100 % of total equity capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2024.

Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity shares as on 31st March, 2024:

Not Applicable

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Not Applicable

Location of the Corporate Office

Kuttukaran Centre, Mamangalam, Cochin, Ernakulam 682 025, Kerala, India

Address for correspondence

Matters relating to transfer/ dematerialisation of shares and any other query relating to Equity Shares of the Company

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 2249186200

All investor related matters

Mr. Varun T.V, Company Secretary and Compliance Officer
Kuttukaran Centre, Mamangalam, Cochin,
Ernakulam 682 025, Kerala, India
[Tel:+91 4842341134](tel:+914842341134)
Email: cs@popularv.com

Credit ratings

The Company has obtained Credit Ratings for outstanding Debt Instruments / facilities amounting to Rs. 4364 Millions. The CRISIL Rating on the Bank Facilities of the Company for the financial year ended 31st March, 2024 is provided below:

Long Term Rating	CRISIL BBB+/Stable
Short Term Rating	CRISIL A2

After the closure of the reporting period, the long term rating awarded to the Company was upgraded to **CRISIL A/Stable** and the short-term rating was upgraded to **CRISIL A1** on ₹ 4680 Million bank loan facilities of the company as per the letter dated 01st April, 2024.

As the company doesn't have any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad" the requirement of obtaining credit rating is not applicable.

OTHER DISCLOSURES

- a) There were no materially significant related party transactions that would have potential conflict with the interests of the Company at large. Details of related party transactions are given in the financial statements forming part of the Annual Report.
- b) No penalty or strictures have been imposed on the Company by any Stock Exchange or Securities and Exchange Board of India or any Statutory Authority on any matter related to capital markets during the last three years.
- c) A Whistle-Blower Policy is adopted by the Company, and no personnel has been denied access to the Audit Committee. The policy is hosted on the website of the Company under the web link <https://www.popularmaruti.com/investor-relations/wp-content/uploads/2024/01/Whistle-Blower-Policy-.pdf>
- d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements : **NIL**
- e) Your Company has formulated a policy for determination of materiality of any event or information as required under Regulation 30 of the Listing Regulations and the policy is hosted on the website of the Company under the web link <https://www.popularmaruti.com/investor-relations/wp-content/uploads/2024/01/Policy-for-Determination-of-Materiality-.pdf>
- f) Your Company has formulated a policy on dealing with related party transactions and the policy is hosted on the website of the Company under the web link <https://www.popularmaruti.com/investor-relations/wp-content/uploads/2024/01/Policy-on-Related-Party-Transactions.pdf>
- g) Disclosure of commodity price and commodity hedging activities : **Not Applicable**
- h) The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- i) Certificate from Company Secretary in practice that none of the directors on board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/MCA/ other statutory bodies- **Annexure A**
- j) During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.

- k) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm / network entity of which the statutory auditors is a part for the financial year ended 31st March , 2024 is as follows:

SI No	Company	Auditor	Fees (₹ in millions)
1	Popular Vehicles and Services Limited	BSR & Associates LLP	18.51
2	Popular Mega Motors(India)Private Limited	R.G.N. Price & Co.	0.73
3	Vision Motors Private Limited	R.G.N. Price & Co.	0.29
4	Keracon Equipments Private Limited	R.G.N. Price & Co.	0.05
5	Prabal Motors Private Limited	B S R and Co	1.00
6	Kuttukaran Cars Private Limited	R.G.N. Price & Co.	0.06
7	Kuttukaran Green Private Limited	R.G.N. Price & Co.	0.10
8	Popular Autoworks Private Limited	AS Narayanamoorthy	0.23
9	Popular Auto Dealers Private Limited	R.G.N. Price & Co.	0.30
Total remuneration paid by company and subsidiaries to Statutory Auditors			21.27

- l) As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year,
- number of complaints filed during the financial year - 1
 - number of complaints disposed of during the financial year - 1
 - number of complaints pending as on end of the financial year – 0

The Company has constituted an Internal Committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Committee has submitted the Annual Report on POSH to the Company and the Board of Directors took note of the same at their meeting dated 11th January, 2024 The report has also been submitted to the District Officer, pursuant to Section 21 of the POSH Act, 2013.

- m) Except for the details mentioned in the Financial Statements, the Company has not made any loans and advances in the nature of loans to firms/companies in which directors are interested during the Financial Year 2023-24.
- n) The Company has 8 subsidiaries including two material unlisted Subsidiaries as defined under Regulation 16 of the Listing Regulations. Accordingly, the corporate governance requirements as applicable with respect to material unlisted subsidiary has been complied with.
- o) Details of the Company's material subsidiaries:

Material Subsidiary	Popular Mega Motors (India) Private Limited	Vision Motors Private Limited
Date of incorporation	02 nd September, 1997	14 th March, 2008
Place of Incorporation	Kerala	Kerala
Name of the Statutory Auditors	R.G.N. Price & Co.	R.G.N. Price & Co.
Date of appointment of statutory auditors	03 rd August, 2023	03 rd August, 2023

- p) The Company is fully compliant with the Corporate Governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of Sub Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The certificate in this regard from Practicing Company Secretary Mr. M.C Sajumon is annexed as **Annexure B**.
- q) Declaration signed by Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management. The certificate in this regard from Chief Executive Officer is annexed as **Annexure C**.

- r) Disclosure with respect to demat suspense account/unclaimed suspense account:

Details of Suspense Escrow Demat Account is mentioned below:

Particulars	Number of shareholders	Number of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	0*	0
Number of shareholders who approached the listed entity for transfer of shares from suspense account during the year	17**	20785
Number of shareholders to whom shares were transferred from Suspense account during the year	10	8375
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	75	82935

*There were no shareholders and no outstanding shares in the suspense account at the beginning of the year. However, subsequently when Suspense Escrow Demat Account was opened 85 shareholders holding in aggregate 91310 shares were lying in the Suspense Escrow Demat Account.

**Out of the 17 requests, 7 requests were kept on hold as the lock in commenced after the launch of IPO of the company. The Pre IPO shareholding are locked in for a period of 6 months.

- s) Compliance Certificate under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 is annexed as **Annexure D**.

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

Place: Kochi-25
Date: 13th August, 2024

Naveen Philip
Managing Director
(DIN: 00018827)

Francis K. Paul
Whole Time Director
(DIN: 00018825)

Annexure A

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Popular Vehicles and Services Limited having CIN: L50102KL1983PLC003741, and having registered office at Kuttukaran Centre, Mamangalam Cochin, Ernakulam, Kerala 682025, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the financial year ending on March 31, 2024, have been debarred or disqualified from being appointed or continuing as Director(s) of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my test check basis verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kochi-18
Date: 13th August, 2024
UDIN: A009868F000953195

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

Annexure B

Certificate on Corporate Governance

(Pursuant to Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the compliance with conditions of Corporate Governance by Popular Vehicles and Services Limited having CIN: L50102KL1983PLC003741, and having registered office at Kuttukaran Centre, Mamangalam, Cochin, Ernakulam, Kerala 682025, for the financial year ended on March 31, 2024, as per Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance with conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. Based on my examination of the relevant records and according to the information and explanations provided to me and the representations made by the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C and D of Schedule V of the Listing Regulations during the financial year ended March 31, 2024.

I further state that this Certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and shall not be suitable for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without my prior consent in writing. I have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

Place: Kochi-18
Date: 13th August, 2024
UDIN: A009868F000953932

M.C SAJUMON

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

Annexure C

DECLARATION BY THE CEO UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING THE COMPLIANCE WITH THE CODE OF CONDUCT

I, Raj Narayan, Chief Executive Officer of the Company hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the financial year 2023-24.

Date: 13th August, 2024
Place: Kochi-25

Raj Narayan
Chief Executive Officer

Annexure D

Compliance Certificate

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

CEO / CFO Certification

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2024)

To,
The Board of Directors
Popular Vehicles and Services Limited.

We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2024 and we hereby certify and confirm to the best of our knowledge and belief the following:

- a) The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- b) The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations;
- c) There are no transactions entered in to by the Company during the year ended March 31, 2024 which are fraudulent, illegal or violative of Company's Code of Conduct;
- d) We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same;
- e) There have been no significant changes in the above-mentioned internal controls over financial reporting during the financial year 2023-24;
- f) That there have been no significant changes in the accounting policies during the financial year 2023-24
- g) We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

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Place: Kochi-25
Date: 13th August, 2024

John Verghese
Group Chief Financial Officer

Raj Narayan
Chief Executive Officer

Standalone Financial Statements

Independent Auditors Report

To the Members of Popular Vehicles and Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Popular Vehicles and Services Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial

statements and auditor's reports thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our 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 standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone

statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A) (b) above on reporting under Section 143(3) (b) and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 28 to the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 40(a) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or Invest in

other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 40(b) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. As stated in Note 13 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
 - f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:
 - The feature of recording audit trail (edit log) facility was not enabled at the database layer to log any direct data changes for the accounting software used for maintaining the books of account relating to general ledger.
 - The feature of recording audit trail (edit log) facility was not enabled at the database layer nor at the application layer to log any direct data changes for the accounting software used for maintaining the books of account relating to payroll process.

Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 11623W/W-100024

Baby Paul

Partner

Membership No.: 218255

ICAI UDIN:24218255BKFWGI9768

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Place: Kochi

Date: 28 May 2024

Annexure A

to the Independent Auditor's Report on the Standalone Financial Statements of Popular Vehicles and Services Limited for the year ended 31 March 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured or not made any investments to companies, firms, limited liability partnership or any other parties during the year, except for guarantees and loans given to companies and made investments in companies and mutual funds, in respect of which the requisite information is as below.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or stood guarantees as below:

Amount in INR millions

Particulars	Guarantees	Loans
Aggregate amount during the year	83.41	1,160.0
Subsidiaries*		
Balance outstanding as at balance sheet date	1,049.61	1,173.02
Subsidiaries*		

*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the loans granted and guarantees provided during the year are prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the Information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013. Accordingly, the provisions of Section 185 of the Companies Act, 2013 are not applicable to the Company.
- In respect of the loans granted, guarantees provided and investments made by the Company, in our opinion, the provisions of Section 186 of the Act has been complied with. The Company has not provided any security during the year.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the sales of automobiles and related services. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax. Duty of excise. Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have generally been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of Customs.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax and Income-Tax, which have not been deposited on account of any dispute are as follows:

Amount in INR millions

Name of the statute'	Nature of the dues	Disputed Amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest	5.12	5.93	2007-2008 to 2011-2012	Commissioner Income Tax (Appeals), Ernakulam
Income Tax Act, 1961	Income tax and interest	2.59	1.97	2007-2008 to 2012-2013	Centralised Processing Centre, Bangalore
Income Tax Act, 1961	Income tax and interest	2.89	5.78	2012-2013	Income Tax Appellate Tribunal (ITAT)
Kerala Value Added Tax, 2003	Sales tax, interest and penalty	0.10	0.05	2012-2013	Appellate Tribunal, Ernakulam
Kerala Value Added Tax, 2003	Sales tax, interest and penalty	96.00	0.33	2010-2011 to 2015-2016	Deputy Commissioner Appeals, Ernakulam
Kerala Value Added Tax, 2003	Sales tax, interest and penalty	0.03		2015-2016	Deputy Commissioner, Special Circle III, Ernakulam
Kerala Value Added Tax, 2003	Sales tax, interest and penalty	0.99	0.33	2011-2012	High Court, Appellate Tribunal, Ernakulam
Goods and Services Tax Act, 2017	Sales tax, interest and penalty	0.42		2022-2023	State Tax Officer, GST, Kollam
Goods and Services Tax Act, 2017	Sales tax, interest and penalty	5.70	2.68	2017-2018	Assistant Commissioner, GST. Chennai
Finance Act. 1994	Servicesta x, interest and penalty	2.97	0.14	2007-2008 to 2017-2018	Commissioner Appeals. Ernakulam
Finance Act. 1994	Servicesta x, interest and penalty	12.43	1.19	2006-2007 to 2017-2018	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act. 1994	Servicesta x, interest and penalty	1.26	0.24	2005-2006 to 2016-2017	Customs Excise and Services Tax Appellate Tribunal, Chennai

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- (viii) According to the Information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not hold any investments in any associates or joint ventures (as defined under the Act).

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not hold any investments in any associates or joint ventures (as defined under the Act).
- (x) (a) In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of initial public offer/ further public offer (including debt instruments) for the purposes for which they were raised, except for the following:

Amount in INR millions

Purpose for which funds were raised	Total amount raised (Net proceeds)	Amount utilised for purpose other than stipulated	Unutilised balance as at balance sheet date
Pre-payment in full or in part, of borrowings availed by the Company and its subsidiaries	1,920.00		
General Corporate purposes	369.90	-	9.90

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- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, the Group does not have CIC as part of the group. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

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

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in the Annual report is expected to be made available to us after the date of this auditor's report.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Associates LLP

Chartered Accountants

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

Baby Paul

Partner

Membership No.: 218255

ICAI UDIN:24218255BKFWGI9768

Place: Kochi

Date; 28 May 2024

Annexure B

to the Independent Auditor's Report on the standalone financial statements of Popular Vehicles and Services Limited for the year ended 31 March 2024

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

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Popular Vehicles and Services Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with Reference to Financial Statements

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

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No.;116231W/W-100024

Baby Paul

Partner

Membership No.: 218255

ICAI UDIN:24218255BKFWGI9768

Place: Kochi

Date: 28 May 2024

Standalone Balance Sheet as at 31 March 2024

(All amounts in Indian Rupees million)

	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	4	1,973.29	1,738.27
Capital work-in-progress	4	129.80	54.73
Right-of-use assets	34	2,262.61	2,094.71
Intangible assets	5	35.23	33.39
Intangible assets under development	5	4.04	2.42
Financial assets			
Investments	6	938.46	926.03
Other financial assets	12(a)	257.10	247.77
Loans	12(b)	1,170.33	-
Income tax assets (net)	27	102.98	57.90
Deferred tax assets (net)	27	119.91	117.77
Other non-current assets	7	168.59	111.15
Total non-current assets		7,162.34	5,384.14
Current assets			
Inventories	8	2,923.56	1,963.82
Financial assets			
Investments	6	170.25	-
Trade receivables	9	894.40	812.29
Cash and cash equivalents	10	318.67	43.03
Bank balances other than cash and cash equivalents	11	31.76	24.99
Other financial assets	12(a)	282.49	61.65
Loans	12(b)	2.69	-
Other current assets	7	443.53	228.21
		5,067.35	3,133.99
Assets classified as held for sale		-	15.42
Total current assets		5,067.35	3,149.41
Total assets		12,229.69	8,533.55
Equity and liabilities			
Equity			
Equity share capital	13	142.40	125.44
Other equity		4,781.88	2,200.87
Total equity		4,924.28	2,326.31
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	40.67	591.09
Lease liabilities	34	2,738.96	2,490.17
Provisions	16	34.01	39.31
Other non-current liabilities	17	211.07	-
Total non-current liabilities		3,024.71	3,120.57
Current liabilities			
Financial liabilities			
Borrowings	14	1,669.65	1,831.85
Lease liabilities	34	176.50	169.11
Trade payables	18	-	-
- Total outstanding dues of micro enterprises and small enterprises		26.64	30.32
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,064.54	366.98
Other financial liabilities	15	345.10	197.05
Provisions	16	29.52	27.06
Other current liabilities	17	968.75	464.30
Total current liabilities		4,280.70	3,086.67
Total liabilities		7,305.41	6,207.24
Total equity and liabilities		12,229.69	8,533.55
Material accounting policies	3		

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

As per our report of even date attached

for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W-100024

Baby Paul

Partner

Membership No.: 218255

Kochi

28 May 2024

for and on behalf of the Board of Directors of

Popular Vehicles and Services Limited

CIN: U50102KL1983PLC003741

Naveen Philip

Managing Director

DIN: 00018827

John Verghese

Chief Financial Officer

Kochi

28 May 2024

Francis K Paul

Whole Time Director

DIN: 00018825

Varun T V

Company Secretary

Membership no. A22044

Raj Narayan

Chief Executive Officer

Standalone Statement of Profit and Loss for the year ended 31 March 2024

(All amounts in Indian Rupees million)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	19	26,438.22	25,135.66
Other income	20	177.74	121.42
Total income		26,615.96	25,257.08
Expenses			
Purchases of stock-in-trade	21	22,437.63	20,489.62
Changes in inventories of stock-in-trade	22	(959.74)	40.82
Employee benefits expense	23	2,246.06	1,998.99
Finance costs	24	552.52	432.07
Depreciation and amortisation	25	484.99	455.31
Impairment losses on financial and contract assets	33	3.88	8.03
Other expenses	26	1,558.88	1,442.19
Total expenses		26,324.22	24,867.03
Profit before tax and exceptional item		291.74	390.05
Exceptional item	37	16.05	-
Profit before tax		307.79	390.05
Income tax expense			
Current tax	27	57.73	129.32
Deferred tax	27	(8.13)	(32.62)
Total tax expense		49.60	96.70
Profit for the year		258.19	293.35
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit plan		23.78	(10.44)
Income tax relating to items that will not be reclassified to profit or loss		(5.99)	2.63
Other comprehensive income/(loss) for the year, net of income tax		17.79	(7.81)
Total comprehensive income for the year		275.98	285.54
Earnings per share (equity share of face value of INR 2 each)	29		
Basic (in INR)		4.09	4.68
Diluted (in INR)		4.09	4.68
Material accounting policies	3		

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

As per our report of even date attached

for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W-100024

Baby Paul

Partner

Membership No.: 218255

Kochi

28 May 2024

for and on behalf of the Board of Directors of

Popular Vehicles and Services Limited

CIN: U50102KL1983PLC003741

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Managing Director

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Chief Financial Officer

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Francis K Paul

Whole Time Director

DIN: 00018825

Varun T V

Company Secretary

Membership no. A22044

Raj Narayan

Chief Executive Officer

Standalone Statement of Changes in Equity for the year ended 31 March 2024

(All amounts in Indian Rupees million)

A. Equity share capital

Particulars	Notes	Equity shares (in millions)	Amount
Balance as at 1 April 2022	13	12.54	125.44
Share issued during the year		-	-
Balance as at 31 March 2023	13	12.54	125.44
Balance as at 1 April 2023 *		62.72	125.44
Add: Shares issued through Initial Public Offer (Refer note 39)		8.48	16.96
Balance as at 31 March 2024	13	71.20	142.40

* The number of shares have increased on account of share split undertaken by the Company. Refer note 13 (f) for more details.

B Other equity

Particulars	Reserves and surplus			Items of other comprehensive income	Total other equity attributable to equity holders of the Company
	Securities premium	General reserve	Retained earnings	Remeasurement of net defined benefit liability/ (asset), net of tax	
Balance as at 1 April 2022	636.68	36.33	1,242.32	-	1,915.33
Total comprehensive income for the year					
Profit for the year	-	-	293.35	-	293.35
Other comprehensive income, net of tax	-	-	-	(7.81)	(7.81)
Total comprehensive income	-	-	293.35	(7.81)	285.54
Transferred to retained earnings	-	-	(7.81)	7.81	-
Balance as at 31 March 2023	636.68	36.33	1,527.86	-	2,200.87
Total comprehensive income for the year					
Premium arising on issue of equity shares through Initial Public Offer	2,483.04	-	-	-	2,483.04
Share issue expense on Initial Public Offer (Refer note 39)	(178.01)	-	-	-	(178.01)
Profit for the year	-	-	258.19	-	258.19
Other comprehensive income, net of tax	-	-	-	17.79	17.79
Total comprehensive income	-	-	258.19	17.79	275.98
Transferred to retained earnings	-	-	17.79	(17.79)	-
Balance as at 31 March 2024	2,941.71	36.33	1,803.84	-	4,781.88

Standalone Statement of Changes in Equity for the year ended 31 March 2024 (Cont.)

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

a) Securities premium

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

b) General reserve

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

c) Retained earnings

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

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

Material accounting policies (Refer note 3)

As per our report of even date attached

for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W-100024

Baby Paul

Partner

Membership No.: 218255

Kochi

28 May 2024

for and on behalf of the Board of Directors of

Popular Vehicles and Services Limited

CIN: U50102KL1983PLC003741

Naveen Philip

Managing Director

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Chief Financial Officer

Kochi

28 May 2024

Francis K Paul

Whole Time Director

DIN: 00018825

Varun T V

Company Secretary

Membership no. A22044

Raj Narayan

Chief Executive Officer

Standalone statement of cash flows for the year ended 31 March 2024

(All amounts in Indian Rupees million)

	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from operating activities		
Profit before tax and exceptional item	291.74	390.05
Adjustments:		
Finance costs	552.52	432.07
Depreciation and amortisation expense	484.99	455.31
Impairment loss on trade receivables	3.88	8.03
Provision for obsolete inventory	(7.80)	13.97
Liabilities/ provisions no longer required written back	(45.25)	(46.64)
Interest income	(27.39)	(15.89)
(Gain)/loss on sale of property, plant and equipment (net)	(2.06)	16.74
(Gain)/loss on derecognition of right-of-use assets	(25.53)	0.27
Net gain on financial assets measured at fair value through profit and loss	(3.11)	(0.01)
Operating cash flow before working capital changes	1,221.99	1,253.90
Working capital movements:		
(Increase) /decrease in inventories	(951.93)	26.85
Increase in trade receivables	(85.99)	(159.17)
(Increase) /decrease in loans and other financial assets and other assets	(556.83)	95.14
Increase/(decrease) in liabilities and provisions	1,622.39	(213.07)
Cash generated from operations	1,249.63	1,003.65
Income taxes paid	(102.81)	(148.27)
Net cash generated from operating activities (A)	1,146.82	855.38
Cash flows from investing activities		
Acquisition of investments in a subsidiary	-	(301.46)
Additional investment in a subsidiary	(5.00)	(15.00)
(Acquisition)/sale of other investments, net	(174.56)	11.74
Intercorporate loan (given to)/ repaid by wholly owned subsidiaries, net	(1,114.82)	3.68
Interest received	27.39	15.89
Acquisition of property, plant and equipment	(529.91)	(298.34)
Acquisition of intangible assets including intangibles under development	(9.90)	(4.96)
Proceeds from sale of property, plant and equipment	49.66	21.91
Net cash used in investing activities (B)	(1,757.14)	(566.54)
Cash flows from financing activities		
Proceeds from issue of equity share capital (net off share issue expenses)	2,321.99	-
Interest paid	(300.54)	(181.89)
Long-term borrowings availed	98.48	205.19
Long-term borrowings repaid	(809.31)	(175.82)
Short-term borrowings (repaid) / availed, net	(1.79)	240.84
Interest on lease liabilities	(260.48)	(242.44)
Principal payment of lease liabilities	(162.39)	(141.69)
Net cash generated from / (used in) financing activities (C)	885.96	(295.81)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	275.64	(6.97)
Cash and cash equivalents at the beginning of the year	43.03	50.00
Cash and cash equivalents at the end of the year	318.67	43.03

(Refer to note 10 - Cash and cash equivalents)

Standalone statement of cash flows for the year ended 31 March 2024 (Cont.)

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

Particulars	As at 1 April 2023	Loan availed/ (repaid), net	Principal payment of lease liability	Interest payment on lease liability	Other non cash changes	As at 31 March 2024
Non current borrowings (including current maturities)	804.87	(710.83)	-	-	-	94.04
Current borrowings (Refer note 14)	1,618.07	(1.79)	-	-	-	1,616.28
Lease liabilities (Refer note 34)	2,659.28	-	(162.39)	(260.48)	679.05	2,915.46

Particulars	As at 1 April 2022	Loan availed/ (repaid), net	Principal payment of lease liability	Interest payment on lease liability	Other non cash changes	As at 31 March 2023
Non current borrowings (including current maturities)	775.50	29.37	-	-	-	804.87
Current borrowings (Refer note 14)	1,377.23	240.84	-	-	-	1,618.07
Lease liabilities (Refer note 34)	2,666.28	-	(141.69)	(242.44)	377.13	2,659.28

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

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

Material accounting policies (Refer note 3)

As per our report of even date attached

for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W-100024

Baby Paul

Partner

Membership No.: 218255

Kochi

28 May 2024

for and on behalf of the Board of Directors of

Popular Vehicles and Services Limited

CIN: U50102KL1983PLC003741

Naveen Philip

Managing Director

DIN: 00018827

John Verghese

Chief Financial Officer

Kochi

28 May 2024

Francis K Paul

Whole Time Director

DIN: 00018825

Varun T V

Company Secretary

Membership no. A22044

Raj Narayan

Chief Executive Officer

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

Basis of preparation and material accounting policies

1. Company overview

Popular Vehicles and Services Limited ('the Company'/'Popular') was incorporated in 1983 and is engaged in the business of sale and service of automobiles, sale of spare parts and accessories, finance and insurance commission. The Company is headquartered in Kochi, India and has operations in Kerala and Tamil Nadu. The Company primarily operates as the Maruti Suzuki vehicle dealer in Kerala and was amongst the first batch of dealers appointed by Maruti Suzuki in the country.

The shares of the company are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) with effect from 19 March 2024.

The registered address of the company is: Kuttukaran Centre, Mamangalam – Kochi – 682025.

2. Basis of preparation

A. Statement of compliance

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

The standalone financial statements were authorised for issue by the Company's Board of Directors on 28 May 2024.

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

B. Functional and presentation currency

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

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

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

D. Use of estimates and judgements

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

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in Note 34 - Lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment for the year ended 31 March 2024 is included in the following notes:

Note 32 – measurement of defined benefit obligations: key actuarial assumptions;

Notes 28 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 27 – recognition of deferred tax asset: availability of future taxable profit against which tax losses carried forward can be used;

Note 32 – financial instruments.

E. Measurement of fair values

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

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

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

F. Current / Non-Current Classification

Based on the time involved between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the Balance Sheet.

3. Material accounting policies

3.1 Property, plant and equipment

A. Recognition and measurement

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

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably.

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

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working

condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

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

B. Subsequent expenditure

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

C. Depreciation

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

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

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

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

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

Transition to Ind AS

The cost property, plant and equipment at 1 April 2018, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognized as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

3.2 Intangible assets

The cost of an intangible asset shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably.

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

The estimated useful lives are as follows:

Class of assets	Years
Software	3
Brand	15

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

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

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

Transition to Ind AS

The cost Intangible assets at 1 April 2018, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

3.3 Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are

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

Post-employment benefits

Defined contribution plans

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

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

Defined benefit plans

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

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

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding

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(All amounts in Indian Rupees million)

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long term employee benefits

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

3.4 Investments

Non-current investments are carried at cost less any other than temporary diminution in value, determined separately for each investment.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

The acquisition cost of investments acquired, or partly acquired by the issue of shares or other securities, is the fair value of the securities issued.

Profit or loss on sale of investments, if any, is determined separately for each investment.

3.5 Provisions

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

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

3.6 Revenue

i) Sale of products

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

The Company generates revenue from sale of vehicles, services, spare parts and accessories and other operating avenues. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services. Invoices are due as and when presented to the customer.

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

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(All amounts in Indian Rupees million)

ii) Rendering of services

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

iii) Commission, discount and incentive income

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

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

iv) Other Income

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

3.7 Inventories

Inventories are carried at lower of cost and net realisable value. Cost comprises purchase price and other costs incurred in bringing the inventory to its present location and condition. The cost is calculated on specific identification.

Net realisable value is the estimated selling price in the ordinary course of business. The comparison of cost and net realisable value of inventory is made on an item by item basis.

The provision for inventory obsolescence is assessed annually and is provided as considered necessary.

3.8 Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A trade receivable without a significant financing component is initially measured at the transaction price.

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

or issue.

ii) Classification and subsequent measurement

Financial assets

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

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

A financial asset (unless it is a trade receivable without a significant financing component) is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

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

Financial assets: Business model assessment

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

- the stated policies and objectives for each of such investments and the operation of those policies in practice.
- the risks that affect the performance of the business model (and the financial assets held

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- within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortised cost These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) De recognition

Financial assets

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

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

Financial liabilities

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

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

iv) Off setting

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

3.9 Impairment

i) Impairment of financial instruments

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

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

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

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

Measurement of expected credit losses

Expected credit losses are a probability weighted

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

ii) Impairment of non- financial assets

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

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

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

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

In respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if

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there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.10 Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

ii. Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

iii. Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term

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lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

3.11 Recognition of interest income or interest expense

Interest income or expense is recognized using the effective interest method.

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

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

3.12 Income tax

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

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or recoverable from tax authorities after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

ii. Deferred tax

Deferred income tax assets and liabilities are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

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

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

3.13 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

3.14 Earnings per share

The basic earnings per share is computed by

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dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

3.15 Cash-flow statement

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

3.16 Cash and cash equivalents

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

3.17 Contingent liabilities and assets

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

Contingent assets are neither recognised nor disclosed.

3.18 Non-current assets classified as held for sale

Assets are classified as held for disposal and stated at the lower of carrying amount and fair value less costs to sell. To classify any Asset as "Asset classified as held for sale" the asset must

be available for immediate sale and its sale must be highly probable. Such assets or group of assets are presented separately in the Balance Sheet, in the line "Assets classified as held for sale". Once classified as held for sale, intangible assets and Property Plant Equipment are no longer amortised or depreciated.

3.19 Changes in material accounting policies

- a. Deferred tax related to assets and liabilities arising from a single transaction

The Company has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to Ind AS 12) from 1 April 2023. The amendments narrow the scope of initial recognition exemption to exclude transactions that give rise to equal and offsetting differences, eg: lease and decommissioning liabilities. For lease and decommissioning liabilities, an entity is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity the amendments to transactions that occur on or after the beginning of the earliest period presented.

The company did not have impact from adoption of this amendment.

- b. Material accounting policy information

The Company adopted the *Disclosure of Accounting Policies (Amendments to Ind AS 1)* from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of "material rather than significant accounting policies". The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements.

3.20 Recent accounting pronouncements

'Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There are no new standards or amendments to the existing standards that are notified impacting the financial statements of the Company.

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4 Property, plant and equipment and capital work-in-progress

Particulars	Free- hold land	Build- ings [#]	Leasehold improve- ments*	Furniture and fix- tures	Electrical equip- ment	Plant and machin- ery	Tools and equip- ment	Motor car	Computer equip- ment	Office equip- ment	Motor cycles and trucks	Total (A)	Capital work-in- progress (B) *	Total (A+B)
Gross carrying value														
Balance at 1 April 2022	91.97	131.81	964.14	150.73	139.97	454.04	80.03	153.32	55.82	60.15	11.50	2,293.48	120.03	2,413.51
Additions	-	-	195.77	28.35	29.40	78.10	8.34	0.95	20.14	10.81	0.98	372.84	273.03	645.87
Disposals / capitalisations	-	-	9.91	11.17	3.89	51.63	13.41	47.55	13.53	14.52	1.40	167.01	338.33	505.34
Balance at 31 March 2023	91.97	131.81	1,150.00	167.91	165.48	480.51	74.96	106.72	62.43	56.44	11.08	2,499.31	54.73	2,554.04
Balance at 1 April 2023	91.97	131.81	1,150.00	167.91	165.48	480.51	74.96	106.72	62.43	56.44	11.08	2,499.31	54.73	2,554.04
Additions	-	30.49	146.78	41.79	36.85	64.96	14.27	90.68	12.77	14.87	0.05	453.51	355.32	808.83
Disposals / capitalisations	-	0.12	44.78	4.76	4.25	7.32	0.06	31.52	0.09	0.66	0.04	93.60	280.25	373.85
Balance at 31 March 2024	91.97	162.18	1,252.00	204.94	198.08	538.15	89.17	165.88	75.11	70.65	11.09	2,859.22	129.80	2,989.02
Accumulated Depreciation														
Balance at 1 April 2022	-	28.24	254.31	59.33	59.59	150.91	39.84	41.50	33.31	37.92	2.28	707.23	-	707.23
Depreciation for the year	-	8.06	59.27	14.62	13.33	34.84	7.42	22.51	12.40	8.44	1.28	182.17	-	182.17
Disposals / write off	-	0.83	1.13	10.84	3.70	42.37	12.98	28.39	12.80	14.02	1.30	128.36	-	128.36
Balance at 31 March 2023	-	35.47	312.45	63.11	69.22	143.38	34.28	35.62	32.91	32.34	2.26	761.04	-	761.04
Balance at 1 April 2023	-	35.47	312.45	63.11	69.22	143.38	34.28	35.62	32.91	32.34	2.26	761.04	-	761.04
Depreciation for the year	-	8.21	72.94	16.16	14.85	37.69	7.50	20.32	14.14	9.33	1.22	202.36	-	202.36
Disposals / write off	-	0.04	39.07	4.31	3.99	5.22	0.05	24.08	0.06	0.61	0.04	77.47	-	77.47
Balance at 31 March 2024	-	43.64	346.32	74.96	80.08	175.85	41.73	31.86	46.99	41.06	3.44	885.93	-	885.93
Net carrying amount														
At 31 March 2024	91.97	118.54	905.68	129.98	118.00	362.30	47.44	134.02	28.12	29.59	7.65	1,973.29	129.80	2,103.09
At 31 March 2023	91.97	96.34	837.55	104.80	96.26	337.13	40.68	71.10	29.52	24.10	8.82	1,738.27	54.73	1,793.00

Include buildings constructed on leasehold land

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Gross block	Net block	Gross block	Net block
Buildings	138.49	113.09	128.43	78.40

* Additions to Capital work in progress and Leasehold improvements includes an amount of Rs. 0.25 million (31 March 2023 : Nil) and Rs. 0.91 million (31 March 2023 : Nil) respectively, that represents borrowing costs capitalised during the year using a capitalisation rate of 8.97% p.a.

a) Title deeds of Immovable Properties of the Company

Description	As at 31 March 2024	As at 31 March 2023
Title deeds held in the name of	Popular Vehicles & Services Limited	
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	NA	
Reason for not being held in the name of the Company	NA	

b) Ageing of capital work-in-progress

Capital work-in-progress represents expenditure towards construction of new workshops/ service centres.

As at 31 March 2024

Description	Amount in CWIP for a period of		
	Less than 1 Year	1-2 Years	2-3 Years
Projects in progress	129.07	0.73	-
Projects temporarily suspended	-	-	-

As at 31 March 2023

Description	Amount in CWIP for a period of		
	Less than 1 Year	1-2 Years	2-3 Years
Projects in progress	54.74	-	-
Projects temporarily suspended	-	-	-

c) Details of capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable as on 31 March 2024

As at 31 March 2023

Description	To be completed in			Total
	Less than 1 Year	1-2 Years	2-3 Years	
Pre owned Cars- Chalakudy	3.50	-	-	3.50
Veppampattu E outlet (Sales & Service)	14.22	-	-	14.22

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

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

5 Intangible assets

Particulars	Computer software	Brand	Total (A)	Intangible assets under development (B)	Total (A+B)
Reconciliation of carrying amount					
Gross carrying amount					
Balance at 1 April 2022	38.88	49.47	88.35	-	88.35
Additions	2.54	-	2.54	3.34	5.88
Disposals	0.59	-	0.59	0.92	1.51
Balance at 31 March 2023	40.83	49.47	90.30	2.42	92.72
Balance at 1 April 2023	40.83	49.47	90.30	2.42	92.72
Additions	8.28	-	8.28	5.79	14.07
Disposals / capitalisations	-	-	-	4.17	4.17
Balance at 31 March 2024	49.11	49.47	98.58	4.04	102.62
Amortisation					
Balance at 1 April 2022	28.91	19.16	48.07	-	48.07
Amortisation for the year	6.26	3.16	9.42	-	9.42
Disposal	0.58	-	0.58	-	0.58
Balance at 31 March 2023	34.59	22.32	56.91	-	56.91
Balance at 1 April 2023	34.59	22.32	56.91	-	56.91
Amortisation for the year	3.27	3.17	6.44	-	6.44
Disposal	-	-	-	-	-
Balance at 31 March 2024	37.86	25.49	63.35	-	63.35
Net carrying amount					
At 31 March 2024	11.25	23.98	35.23	4.04	39.27
At 31 March 2023	6.24	27.15	33.39	2.42	35.81

Ageing schedule of intangible assets under development

As at 31 March 2024

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	
Projects in progress	3.44	0.60	-	-	4.04
Projects temporarily suspended	-	-	-	-	-
Total	3.44	0.60	-	-	4.04

As at 31 March 2023

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	
Projects in progress	2.42	-	-	-	2.42
Projects temporarily suspended	-	-	-	-	-
Total	2.42	-	-	-	2.42

The Company does not have any intangible assets under development which is overdue or has exceeded its cost compared to its original plan and hence intangible assets under development completion schedule is not applicable as on 31 March 2024 and 31 March 2023.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

6 Investments

	As at 31 March 2024	As at 31 March 2023
Non-current investments, unquoted		
Investments in equity instruments of subsidiaries (at cost less provision for other than temporary impairment), fully paid-up		
Investment in subsidiaries		
Popular Auto Dealers Private Limited 51,034 (31 March 2023: 51,034) equity shares of face value of INR 100 each	49.95	49.95
Popular Mega Motors (India) Private Limited 6,943,963 (31 March 2023: 6,943,963) equity shares of face value of INR 10 each	309.57	309.57
Popular Autoworks Private Limited 25,111,780 (31 March 2023: 25,111,780) equity shares of face value of INR 10 each	247.23	247.23
Kuttukaran Green Private Limited 59,950 (31 March 2023 : 10,000) equity shares of face value of INR 10 each	17.83	12.83
Keracon Equipments Private Limited 9,48,000 (31 March 2023: 9,48,000) equity shares of face value of INR 10 each	301.46	301.46
Kuttukaran Cars Private Limited (formerly known as Prabal Motors Private Limited) 2,000,000 (31 March 2023: 2,000,000) equity shares of face value of INR 10 each	15.50	15.50
Less: Provision for diminution in value	(15.50)	(15.50)
Investments in preference shares at FVTPL		
Prabal Motors Private Limited (formerly known as Popular Kuttukaran Cars Private Limited) 20,000 (31 March 2023 : 20,000) preference shares of face value of INR 10 each	0.20	0.20
Investment in mutual funds at FVTPL		
<i>Unquoted</i>		
Aditya Birla Sunlife Equity Fund - Regular Growth 2,939.37 (31 March 2023:1,546.14)	4.39	1.68
HDFC Small Cap Fund - Regular Growth 22,339.41 (31 March 2023: 13,504.85)	2.63	1.08
Kotak Emerging Equity Scheme Fund - Regular Growth 50,739.41(31 March 2023: 27,350.24)	5.20	2.03
Total investments	938.46	926.03
Aggregate book/ market value of non-current investments-quoted		
Aggregate value of non-current investments-unquoted	938.46	926.03
Aggregate provision for impairment in value of investment	(15.50)	(15.50)
Current investments		
Investment in mutual funds at FVTPL		
<i>Unquoted</i>		
Liquid growth fund	170.25	-
	170.25	-
Aggregate value of current investments-unquoted	170.25	-

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Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

7 Other assets

	As at 31 March 2024	As at 31 March 2023
Non-current		
<i>Unsecured, considered good</i>		
Capital advances	22.43	13.10
Less: Allowances for expected credit loss	(3.83)	(5.58)
Prepayments	86.06	81.79
Balance with statutory / government authorities *	21.77	21.84
Balance with Life Insurance Corporation Gratuity Fund, net (Refer note 32)	42.16	-
	168.59	111.15
Current		
<i>Unsecured, considered good</i>		
Advances other than capital advances		
Prepayments #	22.35	80.41
Advance to staff	-	0.16
Balance with statutory / government authorities	329.39	94.89
Payment to vendors for supply of goods and services	91.79	52.75
	443.53	228.21
	612.12	339.36

* Represents amounts paid under protest against various tax cases and proceedings.

Prior year prepayments include the expenditure incurred by the Company amounting to Rs. 58.37 million towards the proposed initial public offer. This has been charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon the shares being issued in the current year.

The Company has not given any loan to their directors during the year ended 31 March 2024 and 31 March 2023.

8 Inventories

	As at 31 March 2024	As at 31 March 2023
<i>(Valued at lower of cost and realisable value)</i>		
New vehicles	2,167.30	1,262.75
Pre-owned vehicles	373.34	394.75
Spares and lubricants	254.35	211.02
Accessories	148.13	122.66
	2,943.12	1,991.18
Less: Provision for obsolete inventory	(19.56)	(27.36)
	2,923.56	1,963.82

Closing stock includes value of goods in transit of new vehicles for Rs. 948.81 million (31 March 2023: Rs. 306.65 million), accessories for Rs. 26.19 million (31 March 2023 : Rs. 27.11 million)

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

9 Trade receivables

	As at 31 March 2024	As at 31 March 2023
Current		
<i>Unsecured</i>		
Considered good	894.40	812.29
Considered doubtful	13.36	16.64
	907.76	828.93
Allowances for expected credit loss (Refer note 33 C(ii))	(13.36)	(16.64)
Net trade receivables	894.40	812.29

For details of trade receivables from related parties, Refer note 36.

Trade receivables ageing schedule

As at 31 March 2024

Particulars	Not Due	Less than 6 months	6 months - 1 year	More than 1 year	Total
i) Unbilled	37.86	-	-	-	37.86
ii) Undisputed trade receivables – considered good	-	847.74	8.80	-	856.54
iii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-
iv) Undisputed trade receivables – credit impaired	-	3.93	6.94	2.49	13.36
	37.86	851.67	15.74	2.49	907.76

As at 31 March 2023

Particulars	Not Due	Less than 6 months	6 months - 1 year	More than 1 year	Total
i) Unbilled	13.41	-	-	-	13.41
ii) Undisputed trade receivables – considered good	-	780.34	18.54	-	798.88
iii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-
iv) Undisputed trade receivables – credit impaired	-	9.47	2.52	4.65	16.64
	13.41	789.81	21.06	4.65	828.93

The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 33 C.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

10 Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Balances in current accounts #	299.46	31.87
Cash on hand	6.79	7.11
Cheques on hand	12.42	4.05
Cash and cash equivalents in balance sheet	318.67	43.03
Cash and cash equivalents in the statement of cash flows	318.67	43.03

Cash and cash equivalents includes an amount of Rs. 12.86 millions held with ICICI Bank Monitoring Account as the Initial Public Offer Public Issue Account.

11 Bank balances other than cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Balance with banks held as margin money **	31.76	24.99
	31.76	24.99

12(a) Other financial assets

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	As at 31 March 2024	As at 31 March 2023
Non-current		
<i>Unsecured, considered good</i>		
Dues from related parties (Refer note 36)	-	40.75
Rent and other deposits	248.85	200.10
Non cumulative compulsorily convertible preference shares *	2.74	2.51
Balance in banks for margin money **	5.51	4.41
	257.10	247.77
Current		
<i>Unsecured, considered good</i>		
Rent and other deposits	49.01	44.20
Less: Allowances for expected credit loss	(2.57)	-
Dues from related parties (Refer note 36)	-	17.45
Share issue expenses recoverable # (Refer note 39)	235.26	-
Dues from others	5.79	5.00
Less: Allowances for expected credit loss	(5.00)	(5.00)
	282.49	61.65
	539.59	309.42

** This represents bank guarantee deposits given to various vendors in relation to purchase of goods and services.

* The deemed capital contribution on account of investment in non cumulative compulsorily convertible preference shares of the subsidiary (included in investment) as at 31 March 2024 is amounting to Rs 12.73 millions.

The Company has incurred expenses towards Initial Public Offer of its equity shares. The company is to recover this amount from its shareholder.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

12(b) Loans

	As at 31 March 2024	As at 31 March 2023
Non-Current		
<i>Unsecured, considered good</i>		
Dues from related parties (Refer note 36)	1,170.33	-
	1,170.33	-
Current		
<i>Unsecured, considered good</i>		
Dues from related parties (Refer note 36)	2.69	-
	2.69	-
	1,173.02	-

13 Equity share capital

	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs. 2 each (refer note (f) below) (Equity shares of Rs. 10 each till 8 September 2023)	75.00	150.00	15.00	150.00
	75.00	150.00	15.00	150.00
Issued, subscribed and paid-up				
<i>Equity shares of Rs. 2 each, fully paid-up (refer note (f) below) (Equity shares of Rs. 10 each till 8 September 2023)</i>				
At the beginning of the year	62.72	125.44	12.54	125.44
Add: Shares issued through Initial Public Offer (IPO) (Refer note 39)	8.48	16.96	-	-
At the end of the year	71.20	142.40	12.54	125.44

(a) Terms and rights attached to equity shares

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

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

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

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

Equity shares of Rs. 2 each fully paid up held by (refer note (f) below)	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% holding in the class	Number of shares	% holding in the class
a) BanyanTree Growth Capital II, LLC	7.13	10.01%	4.27	34.01%
b) Francis K Paul - Promoter	14.52	20.39%	2.75	21.93%
c) John K Paul - Promoter	14.52	20.39%	2.75	21.93%
d) Naveen Philip - Promoter	14.52	20.39%	2.75	21.93%
e) HDFC Trustee Company Limited	3.67	5.16%	-	-

(c) Shareholding of promoters

As at 31 March 2024

Name of the promoters	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	% of total shares	% change during the year
a) Francis K Paul	13.75	0.77	14.52	20.39%	5.60%
b) John K Paul	13.75	0.77	14.52	20.39%	5.60%
c) Naveen Philip	13.75	0.77	14.52	20.39%	5.60%

As at 31 March 2023

Name of the promoters	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	% of total shares	% change during the year
a) Francis K Paul	13.75	-	13.75	21.93%	-
b) John K Paul	13.75	-	13.75	21.93%	-
c) Naveen Philip	13.75	-	13.75	21.93%	-

(d) Details of bonus shares issued during the five years immediately preceding the balance sheet date.

During the year ended 31 March 2019, 8.62 million equity shares of Rs. 10 each, fully paid up, has been allotted as bonus shares by capitalisation of general reserve.

(e) Details of buyback and shares issued for consideration other than for cash in the five years immediately preceding the balance sheet date.

The Company has not bought back any class of equity shares nor has there been any issue for consideration other than for cash during the period of five years immediate preceding the balance sheet date.

(f) Note on share split

The Board of Directors of the Company, at its meeting held on 31 August 2023, had approved the sub division of the existing authorised share capital of the company from 12,544,289 equity shares of Rs. 10 each into 62,721,445 equity shares of Rs. 2 each, which is approved by the shareholders by an extra ordinary general meeting held on 8 September 2023. The record date of the split is 8 September 2023.

(g) Proposed Dividend

The Board of Directors at its meeting held on May 28, 2024 have recommended payment of final dividend of Rs.0.50 per equity share of face value of Rs. 2 each for the financial year ended 31 March 2024 amounting to Rs. 35.60 million which is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

14 Borrowings

	As at 31 March 2024	As at 31 March 2023
<i>Secured</i>		
Term loans from banks	7.92	588.82
Vehicle loans from financial institutions	32.75	2.27
	40.67	591.09
Current		
<i>Secured</i>		
Cash credit and overdraft facilities from banks		
Short term loan from banks	1,419.41	1,496.87
Current maturities of long-term borrowings	53.37	213.78
<i>Unsecured</i>		
Short term loans from banks	64.53	63.09
Short term loan from financial institution	132.34	58.11
	1,669.65	1,831.85
Total borrowings	1,710.32	2,422.94

Information about the Company's exposure to interest rate and liquidity risks are included in note 33.

a) Details of securities, terms and conditions of borrowings from banks and financial institutions

Particulars	Security terms	Tenure	As at 31 March 2024	As at 31 March 2023
Secured long-term loans from banks	Secured by hypothecation of vehicles purchased using the fund and personal guarantees of John K Paul and Francis K Paul, directors of the Company.	24 months to 36 months	-	0.43
Secured long-term loans from banks	Secured by hypothecation on vehicles and receivables.	60 months	-	64.82
Secured long-term loans from banks	Secured by first charge on movable/ immovable assets created out of GECL facility and second charge on all primary and collateral securities extended to bank.	60 months	-	79.86
Secured long-term loans from banks	Secured by first charge on assets created out of this facility and second charge on primary and collateral securities extended to the bank.	72 months	-	55.00
Secured long-term loans from banks	Secured by second charge on equitable mortgage over immovable properties of the Company and Secured by personal guarantees John K Paul and Francis K Paul, directors of the Company and hypothecation of stock and receivables.	60 months	15.85	23.77

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

Particulars	Security terms	Tenure	As at 31 March 2024	As at 31 March 2023
Secured long-term loans from banks	Secured by personal guarantees of John K Paul and Francis K Paul and Naveen Philip directors of the Company.	48 months	-	22.08
Secured long-term loans from banks	Secured by second charge on stock and receivables funded by the bank.	60 months	-	33.09
Secured long-term loans from banks	Secured by first charge on assets created out of GECL facility and second charge on stock and receivables including advances to MSIL.	60 months	-	60.05
Secured long-term loans from banks	Secured by hypothecation of stock and receivables and advances to MSIL and personal guarantee of Francis K Paul, John K Paul and Naveen Philip and corporate guarantee of Kuttukaran Trading Ventures.	60 months	-	89.20
Secured long-term loans from financial institutions	Secured by hypothecation of vehicles purchased using the fund.	24 months to 36 months	78.19	4.22
Secured long-term loans from banks	Secured by hypothecation of fixed assets funded by the facility and personal guarantee of Francis K Paul, John K Paul and Naveen Philip.	84 months	-	224.71
Secured long-term loans from banks	Secured by first charge on fixed assets funded by bank, moveable fixed assets other than those specifically charged to SBI and Kotak Mahindra Bank equitable mortgage of commercial property.	48 months	-	147.64
Secured short-term loans from banks (including cash credit facilities)	Secured by exclusive charge on the stock of cars, spares, accessories and receivables, equitable mortgage on residential property and personal guarantees of John K Paul and Francis K Paul, directors of the Company.	Repayable on demand	1,419.41	1,496.87
Secured short-term loans from financial institutions	Secured by first charge on vehicles funded through this facility	Repayable on demand	101.54	-
Unsecured short-term loans from banks	Secured by personal guarantees of John K Paul and Francis K Paul, directors of the Company and first charge over vehicles and receivables financed through these facilities. Credit card facilities availed from the Bank is repaid on demand.	Repayable on demand	64.53	63.09

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

Particulars	Security terms	Tenure	As at 31 March 2024	As at 31 March 2023
Unsecured short-term loans from financial institutions	Secured by personal guarantees of John K Paul and Francis K Paul, directors of the Company and first charge over vehicles and receivables financed through these facilities. Credit card facilities availed from the Bank is repaid on demand.	Repayable on demand	30.80	58.11
Total			1,710.32	2,422.94

- a) Borrowings from banks / financial institutions carry interest rates from 8 % to 9 % per annum
- b) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.
- c) The Company has utilised the loans availed for the purpose it was availed.

15 Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
Current		
Interest accrued but not due on borrowings	-	8.50
Accrued salaries and benefits	139.73	167.77
Dues to creditors for capital goods	30.53	20.78
Share issue expenses payable (Refer note 39)	174.84	-
	345.10	197.05

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

16 Provisions

	As at 31 March 2024	As at 31 March 2023
Non-current		
<i>Provision for employee benefits *</i>		
Net defined benefit liability - Gratuity	-	4.55
Compensated absences	34.01	34.76
	34.01	39.31
Current		
<i>Provision for employee benefits *</i>		
Compensated absences	29.52	27.06
	29.52	27.06
	63.53	66.37

* Also refer note 32

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

17 Other liabilities

	As at 31 March 2024	As at 31 March 2023
Non-current		
Advance from vendors for rebates	211.07	-
	211.07	-
Other liabilities		
Current		
Contract liabilities	362.95	363.36
Advance from vendors for rebates	284.87	24.70
Statutory dues payables	320.93	76.24
	968.75	464.30
	1,179.82	464.30
Movement in contract liabilities		
Opening balance at the beginning of the year	363.36	451.67
Less : Revenue recognised during the year	(363.36)	(451.67)
Add: Additions to advances from customers during the year	362.95	363.36
Closing balance at the end of the year	362.95	363.36

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The contract liabilities primarily relate to the advance consideration received from the customers for the purchase of vehicles. This will be recognised as revenue as and when the Company meet the performance obligation by delivering the vehicles. Refer Note 19 for more details.

18 Trade payables

	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises	26.64	30.32
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,064.54	366.98
	1,091.18	397.30

Trade payable ageing schedule

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	26.64	-	-	-	26.64
ii) Others	56.64	1,007.48	0.09	-	0.33	1,064.54
iii) Disputed Dues-MSME	-	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-	-
	56.64	1,034.12	0.09	-	0.33	1,091.18

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	30.32	-	-	-	30.32
ii) Others	53.79	310.60	1.59	-	1.00	366.98
iii) Disputed Dues-MSME	-	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-	-
	53.79	340.92	1.59	-	1.00	397.30

All trade payables are 'current'.

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

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:

The principal amount remaining unpaid to any supplier as at the end of the year	26.64	30.32
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	-	-

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

19 Revenue from operations

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products		
Sales of new vehicles	17,444.41	16,443.47
Sale of spare parts and accessories	2,777.72	2,612.58
Sale of pre-owned vehicles	2,888.27	3,038.11
	23,110.40	22,094.16
Sale of services	2,186.29	1,987.59
	25,296.69	24,081.75
Other operating revenues		
Income from schemes and incentives	520.20	469.08
Finance and insurance commission	556.20	523.35
Income from driving school	36.43	30.50
Other operating income	28.70	30.98
	26,438.22	25,135.66
Reconciliation of revenue from sale of products and services		
Gross revenue	25,887.84	24,634.86
Less: Discount allowed	591.15	553.11
	25,296.69	24,081.75

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(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 2024	Year ended 31 March 2023
Revenue by contract type		
Fixed price	26,438.22	25,135.66
	26,438.22	25,135.66

(B) Contract balances

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Trade receivables	894.40	812.29
Contract liabilities (advance from customers)	362.95	363.36

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

(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.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Within 1 year	362.95	363.36
More than 3 years	-	-
Closing balance	362.95	363.36

20 Other income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest income based on effective interest rate		
Fixed deposits with banks	2.00	1.48
Rent deposits	16.46	7.39
Interest on income-tax refund	1.52	0.80
Loan to related parties (Refer note 36)	7.41	6.22
Gain on sale of property, plant and equipment (net)	2.06	-
Liabilities no longer required written back	45.25	46.64
Gain on disposal of right-of-use assets	25.53	-
Financial assets at FVTPL - net change in fair value	3.11	-
Other Support charges	29.58	24.92
Other non operating income	33.04	24.75
Guarantee commission income	11.78	9.22
	177.74	121.42

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21 Purchases of stock-in-trade

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
New vehicles	17,709.27	15,771.82
Pre-owned vehicles	2,634.79	2,787.88
Spares, lubricants and accessories	2,093.57	1,929.92
	22,437.63	20,489.62

22 Change in inventories of stock-in-trade

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening inventory	1,963.82	2,004.64
Closing inventory	2,923.56	1,963.82
	(959.74)	40.82

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

23 Employee benefits expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and allowances	1,983.10	1,749.33
Contribution to provident and other fund (Refer note 32)	140.85	133.81
Staff welfare expense	122.11	115.85
	2,246.06	1,998.99

24 Finance costs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest on bank borrowings	267.41	172.17
Interest on lease liabilities (Refer note 34)	260.48	242.44
Other borrowing costs	24.63	17.46
	552.52	432.07

25 Depreciation and amortisation expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant and equipment	202.36	182.17
Amortisation on intangible assets	6.44	9.42
Depreciation on right-of-use asset (Refer note 34)	276.19	263.72
	484.99	455.31

26 Other expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Rent	123.68	100.15
Advertising and sales promotion	178.65	159.30
Consumables	288.07	272.70
Repairs and maintenance:		
Plant and machinery	10.66	8.33
Building	55.17	39.97
Others	83.86	85.37
Power, water and fuel	129.92	113.75
Travelling and conveyance	84.54	89.64
Housekeeping and security and other contract charges	233.89	226.38
Office expenses	77.60	77.55
Communication	40.22	38.30
Refurbishment charges on pre-owned vehicles	26.69	36.52
Loss on sale of property, plant and equipment (net)	-	16.74

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Pre-delivery inspection charges	41.26	29.19
Rates and taxes	18.42	18.30
Transportation charges	27.00	24.56
Bank charges	21.62	19.17
Insurance	21.13	23.50
Management fee on pre-owned vehicles	22.90	14.04
Legal and professional (Refer note 30)	28.79	15.05
Commission	4.07	4.23
Financial assets at FVTPL - net change in fair value	-	0.27
Donation and charity	0.71	0.43
Expenditure on corporate social responsibility ('CSR') (refer note (i) below)	5.00	1.31
Miscellaneous expenses	35.03	27.44
	1,558.88	1,442.19

Details of Corporate social responsibility expenditure

(i) Gross amount required to be spent during the year	5.00	1.31
(ii) Amount approved by the Board to be spent during the year	5.00	1.31
(iii) Amount spent during the year on ;		
Construction/ acquisition of asset		
On purposes other than above	-	1.31
Unspent amount in relation to:		
Ongoing project	-	-
Other than ongoing project	5.00	-
(iv) (Shortfall) / Excess at the end of the year	-	-
(v) Total of previous years shortfall	-	-
(vi) Details of related party transactions (Refer note 36)	5.00	-
(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period/year should be shown separately		
(viii) Reason for shortfall:		
For the year ended 31 March 2024 and 31 March 2023	N.A	N.A
(ix) Nature of CSR activities:		
a) Payment to Prime minister national relief fund	-	-
b) Skill development	-	1.31
c) Health Care	5.00	-
d) Education	-	-
e) Rural development	-	-

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

Details of ongoing project and other than ongoing project

Particulars	Opening balance		Amount required to be spent	Amount Spent during the year		Closing balance	
	With Company	In separate CSR unspent A/c		From Company's bank A/c	From separate CSR unspent A/c	With Company	In separate CSR unspent A/c
As at 31 March 2024	-	-	5.00	5.00	-	-	-
As at 31 March 2023	-	-	1.31	1.31	-	-	-

27 Income taxes

	As at 31 March 2024	As at 31 March 2023
Income tax assets	102.98	57.90
Income tax liabilities	-	-
Net income tax assets at the end of the year	102.98	57.90

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

	Year ended 31 March 2024	Year ended 31 March 2023
Current tax	83.10	129.79
Income tax expense - for earlier years	(25.37)	(0.47)
Deferred tax charge	(8.13)	(32.62)
Tax expenses	49.60	96.70

(ii) Amount recognised in other comprehensive income

	Year ended 31 March 2024			Year ended 31 March 2023		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Items that will not be reclassified to profit or loss	23.78	(5.99)	17.79	(10.44)	2.63	(7.81)
	23.78	(5.99)	17.79	(10.44)	2.63	(7.81)

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

(iii) Reconciliation of effective tax rate

	Year ended 31 March 2024	Year ended 31 March 2023
Profit before income taxes	307.79	390.05
Enacted tax rates in India *	25.17%	25.17%
Tax using the company's statutory tax rate	77.47	98.18
Income at differential rate - long term capital gain	-	-
On account of change in tax rate	-	-
Other permanent differences	(2.60)	0.44
Tax expense	74.97	97.17
Effective tax rate	24.36%	24.91%

Recognised deferred tax assets and (liabilities)

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Deferred tax asset		
Impairment losses on financial and contract assets	4.01	4.19
Employee benefits expense	5.38	16.71
Other timing differences	5.10	8.29
Interest on lease liabilities and depreciation on right-of-use asset	164.32	142.10
Total deferred tax assets (A)	178.81	171.29
Deferred tax liabilities		
Property, plant and equipment	(58.90)	(53.52)
Total deferred tax liability (B)	(58.90)	(53.52)
Deferred tax asset/ (liability) net (A+B)	119.91	117.77

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax expense attributable to

Movement during the year ended 31 March 2024	As at 1 April 2023	Charge/ (credit) in the statement of profit and loss	Charge/ (credit) in other comprehensive Income	As at 31 March 2024
Impairment losses on financial and contract assets	4.19	0.18	-	4.01
Employee benefits expense	16.71	5.34	5.99	5.38
Other timing differences	8.29	3.19	-	5.10
Interest on lease liabilities and depreciation on right-of-use asset	142.10	(22.22)	-	164.32
Property, plant and equipment	(53.52)	5.38	-	(58.90)
Net deferred tax assets/ (liabilities)	117.77	(8.13)	5.99	119.91

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

(ii) Movement in temporary differences

Movement during the year ended 31 March 2023	As at 1 April 2022	Charge/ (credit) in the statement of profit and loss	Charge/ (credit) in other comprehensive Income	As at 31 March 2023
Impairment losses on financial and contract assets	5.07	0.88	-	4.19
Employee benefits expense	14.80	0.72	(2.63)	16.71
Other timing differences	5.47	(2.82)	-	8.29
Interest on lease liabilities and depreciation on right-of-use asset	111.43	(30.67)	-	142.10
Property, plant and equipment	(54.25)	(0.73)	-	(53.52)
Net deferred tax assets/ (liabilities)	82.52	(32.62)	(2.63)	117.77

28 Contingent liabilities and commitments

Particulars	As at 31 March 2024	As at 31 March 2023
Contingent liabilities		
<i>Claims against the Company not acknowledged as debts</i>		
Service tax related matters	16.67	14.58
KVAT related matters	97.12	98.22
GST related matters	6.11	0.42
Income tax related matters	10.59	24.53
Customer claims	103.74	102.88
Other contingent liabilities		
Employees' state insurance/provident fund demand	8.89	7.95
Commitments		
Corporate guarantees	1,049.61	966.20
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	219.46	293.49

Details of claims against the Company

- Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timing of cash flows, if any, in respect of the above as it is determinable only on receipt of judgement/ decision pending with various forums/ authorities. The Company has received all its pending litigations and proceedings and has adequately provided for when provision is required and disclosed as contingent liabilities where applicable, in the financial information. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.
- There are certain claims raised by various customers, pending before various consumer forums. The management does not expect the outcome of the action to have a material effect on its financial position.
- On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Company has re-computed its liability towards PF for the month of March 2019. In respect of the earlier periods/years, the Company has been legally advised that there are numerous interpretative challenges on the application of the judgment

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

retrospectively. Based on such legal advice, the management believes that it is impracticable at this stage to reliably measure the provision required, if any, and accordingly, no provision has been made towards the same. Necessary adjustments, if any, will be made to the books as more clarity emerges on this subject.

29 Earnings per share

A. Basic earnings per share

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

i) Net profit attributable to equity share holders

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net profit for the year, attributable to the equity share holders (A)	258.19	293.35

ii) Weighted average number of equity shares (basic and diluted)#

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Number of equity shares at the beginning of the year (Refer note 13)*	62.72	62.72
Weighted average number of shares issued during the year through IPO	0.42	-
Weighted average number of equity shares of INR 2 each outstanding during the period/year (B)*	63.14	62.72
Earnings per share, basic and diluted (A/B)	4.09	4.68

Number of equity shares are in millions

* The basic and diluted earning per share for the current period and previous years presented have been calculated/ restated after considering the share split.

B. Diluted earnings per share

There are no potential dilutive equity shares as at balance sheet dates.

30 Auditors' remuneration (net of goods and service tax)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Statutory audit	3.95	2.95
Other services		
- Expense in relation to initial public offering *	14.56	1.47
- Certifications	-	-
	18.51	4.42

* Expense in relation to IPO is adjusted against securities premium as per Section 52 of The Companies Act, 2013.

31 Segment reporting

The Company has a single reportable business segment which is reviewed by Chief operating decision maker ('CODM'). The Company is engaged in the business of purchase and sale of vehicles and related services. The entire operations are organised and managed as one organisational unit with the same set of risks and returns, hence the same has been considered as representing a single primary segment. The Company renders its services in India only and does not have any operations in economic environments with different risks and returns; hence it is considered operating in a single geographic segment. The Company has no significant customer whose carrying value exceeds 10% of the revenue from operations; hence no separate disclosure is made on the same.

Accordingly, no segment disclosure has been made in these financial statements.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

32 Employee benefits

A Defined contribution plan

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

B Defined benefit plan

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

The Gratuity Plan entitles an employee, who has rendered atleast five years of continuous service, to receive one-half month's salary for each year of completed service (service of six months or above is rounded off to one year) at the time of retirement/ exit, restricted to a sum of INR 2.00 million.

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

Reconciliation of the projected defined benefit obligation

Particulars	As at 31 March 2024	As at 31 March 2023
Defined benefit liability	199.42	208.51
Plan assets	241.58	203.96
Net defined benefit liability/ (asset)	(42.16)	4.55
Liability for compensated absences	63.53	61.82
Total employee benefit liability	21.37	66.37
Non-current defined benefit asset	(42.16)	-
Non-current defined benefit liability	34.01	39.31
Current defined benefit liability	29.52	27.06

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 2024	Year ended 31 March 2023
Defined benefit obligation as at the beginning of the year	208.51	183.71
Current service cost	27.26	23.65
Past service Cost		
Interest cost	14.19	11.91
Benefits paid	(27.38)	(22.09)
Re-measurements		
Actuarial gain/(loss) recognised in other comprehensive income		
- changes in financial assumptions	(14.61)	13.30
- changes in experience over the past period	(8.55)	(1.97)
Defined benefit obligation as at the end of the year	199.42	208.51

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

ii) Reconciliation of present value of plan assets

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Plan assets at the beginning of the year	203.96	180.42
Contributions paid into the plan	49.80	32.29
Benefits paid	(27.38)	(22.09)
Interest income	14.58	12.45
Re-measurements		
Return on plan assets excluding amount included in net interest on the net defined liability/(asset)	0.62	0.89
Balance at the end of the year	241.58	203.96
Net defined benefit liability/ (asset)	(42.16)	4.55

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 2024	Year ended 31 March 2023
Current service cost	27.26	23.65
Net interest on net defined liability	(0.39)	(0.54)
Net gratuity cost	26.87	23.11

ii) Reconciliation of present value of plan assets

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Plan assets at the beginning of the year	203.96	180.42
Contributions paid into the plan	49.80	32.29
Benefits paid	(27.38)	(22.09)
Interest income	14.58	12.45
Re-measurements		
Return on plan assets excluding amount included in net interest on the net defined liability/(asset)	0.62	0.89
Balance at the end of the year	241.58	203.96
Net defined benefit liability	(42.16)	4.55

(iii) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Actuarial (gain)/ loss on defined benefit obligation	(23.16)	11.33
Return on plan asset excluding interest income	(0.62)	(0.89)
Net gratuity (gain)/ cost	(23.78)	10.44

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

E Plan Asset

Plan asset comprises of the following:

Particulars	As at	As at
	31 March 2024	31 March 2023
Funds managed by Life Insurance Corporation of India	241.58	203.96

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.

The Company is expected to contribute Rs. 40.28 million (PY: Rs. 43.95 million) in the next financial year to the funds maintained for defined benefit plan.

F Defined Benefit Obligation

(i) Actuarial Assumptions

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

Particulars	As at	As at
	31 March 2024	31 March 2023
Discount rate	6.95%	7.15%
Salary growth rate	6.00%	7.00%
Attrition rate	Up to 35 years: 25% p.a	Up to 35 years: 25% p.a
	35 yrs & above: 3% p.a.	35 yrs & above: 3% p.a.
Weighted average duration of defined benefit obligation	8.82 years	9 years

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

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

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

(ii) Sensitivity analysis

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(16.25)	18.91	(17.61)	20.54
Future salary growth (1% movement)	18.59	(15.71)	20.00	(17.49)
Attrition rate (1% movement)	0.91	(1.06)	(0.10)	0.08

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

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

33 Financial Instruments- Fair values and risk management

A Accounting classifications and fair values

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

As at 31 March 2024

Particulars	Note	Carrying amount			Fair value				
		Financial assets at amortised cost	Man-dato-rily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Financial assets									
Cash and cash equivalents	10	318.67	-	-	318.67	-	-	-	-
Bank balances other than cash and cash equivalents	11	31.76	-	-	31.76	-	-	-	-
Trade receivables	9	894.40	-	-	894.40	-	-	-	-
Other financial assets	12(a)	539.59	-	-	539.59	-	-	-	-
Loans	12(b)	1,173.02	-	-	1,173.02	-	-	-	-
Financial asset measured at fair value									
Investments *	6	-	182.67	-	182.67	-	182.47	0.20	182.67
Total		2,957.44	182.67	-	3,140.11	-	182.47	0.20	182.67
Financial liabilities measured at amortised cost									
Trade payables	18	-	-	1,091.18	1,091.18	-	-	-	-
Borrowings	14	-	-	1,710.32	1,710.32	-	-	-	-
Lease liabilities	34	-	-	2,915.46	2,915.46	-	-	-	-
Other financial liabilities	17	-	-	345.10	345.10	-	-	-	-
Total		-	-	6,062.06	6,062.06	-	-	-	-

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(All amounts in Indian Rupees million)

As at 31 March 2023

Particulars	Note	Carrying amount			Fair value				
		Financial assets at amortised cost	Man-dato-rily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Financial assets									
Cash and cash equivalents	10	43.03	-	-	43.03	-	-	-	-
Bank balances other than cash and cash equivalents	11	24.99	-	-	24.99	-	-	-	-
Trade receivables	9	812.29	-	-	812.29	-	-	-	-
Other financial assets	12(a)	309.42	-	-	309.42	-	-	-	-
Financial asset measured at fair value									
Investments *	6	-	4.99	-	4.99	-	4.79	0.20	4.99
Total		1,189.73	4.99	-	1,194.72	-	4.79	0.20	4.99
Financial liabilities measured at amortised cost									
Trade payables	18	-	-	397.30	397.30	-	-	-	-
Borrowings	14	-	-	2,422.94	2,422.94	-	-	-	-
Lease liabilities	34	-	-	2,659.28	2,659.28	-	-	-	-
Other financial liabilities	17	-	-	197.05	197.05	-	-	-	-
Total		-	-	5,676.57	5,676.57	-	-	-	-

Note 1: The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents, trade receivables, trade payables etc., because their carrying amounts are a reasonable approximation of fair value.

* Excludes investments in subsidiaries measured at cost.

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 2024 and 31 March 2023 has not been disclosed as it is not material to the Company.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

B Measurement of fair values

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

The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at balance sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors

C Financial risk management

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

i) Risk management framework

ii) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from company's receivables from customers, loans and investment in mutual funds.

The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. To manage this the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables. The carrying amount of financial assets represents maximum credit risk exposure.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to the credit risk at the reporting date is primarily from financial assets amounting to Rs. 894.40 million (31 March 2023: Rs 812.29 million).

The Company has no significant customer whose carrying value exceeds 10% of the revenue from operations. There is no significant concentration of credit risk.

The movement in allowance for credit loss in respect of financial assets during the year was as follows:

Allowance for credit loss	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	16.64	20.16
Bad debts written off during the year	(7.16)	(11.55)
Provision created during the year	3.88	8.03
Balance at the end of the year	13.36	16.64

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

The Company allocates each exposure to a credit risk grade based on the historic trend of financial assets movement between the ageing buckets. The loss rates are calculated based on the simple average of the trend in receivable ageing.

Ageing Period	Average Loss Rate	
	As at 31 March 2024	As at 31 March 2023
Not due	-	-
Less than 6 months	0.46%	1.20%
6 months - 1 year	44.09%	11.97%
More than 1 year	100.00%	100.00%

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

iii) Liquidity risk

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

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2024

Particulars	Payable within 1 year	More than 1 year	Total
Trade payables	1,091.18	-	1,091.18
Borrowings	1,669.65	40.67	1,710.32
Lease liabilities	176.50	5,023.64	5,200.14
Other financial liabilities	345.10	-	345.10

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

Particulars	Payable within 1 year	More than 1 year	Total
Trade payables	397.30	-	397.30
Borrowings	1,831.85	591.09	2,422.94
Lease liabilities	169.11	2,490.17	2,659.28
Other financial liabilities	197.05	-	197.05

iv) Market risk

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

Foreign currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currency of the Company. The functional currency of the Company is INR and the Company does not have any material foreign currency transactions during the years ended 31 March 2024 and 31 March 2023 .

Cash flow and fair value interest rate risk

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

(a) Interest rate risk exposure

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

Financial liabilities (bank borrowings)	As at 31 March 2024	As at 31 March 2023
Variable rate long term borrowings including current maturities	-	696.58

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

Sensitivity

Particulars	Impact on profit or (loss)	
	As at 31 March 2024	As at 31 March 2023
1% increase in variable rate	-	(6.97)
1% decrease in variable rate	-	6.97

Particulars	Impact on equity, net of tax	
	As at 31 March 2024	As at 31 March 2023
1% increase in variable rate	-	(5.22)
1% decrease in variable rate	-	5.22

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

34 Leases

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

(i) Lease liabilities

Following are the changes in the lease liabilities for the year ended 31 March 2024 and 31 March 2023:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at 1 April 2023	2,659.28	2,666.28
Additions	648.49	142.77
Finance cost accrued during the period	260.48	242.44
Derecognition of lease liability during the year	(229.92)	(8.08)
Payment of lease liabilities	(422.87)	(384.13)
Balance as at 31 March 2024	2,915.46	2,659.28
Non-current lease liabilities	2,738.96	2,490.17
Current lease liabilities	176.50	169.11

In respect of immovable property taken under lease, the lease agreements are duly executed in favour of the lessee, except for certain lease agreements where Company is in the process of executing the lease agreements.

(ii) Maturity analysis – contractual undiscounted cash flows

Particulars	As at 31 March 2024	As at 31 March 2023
Less than one year	176.50	169.11
One to five years	1,652.71	1,460.79
More than five years	3,370.93	3,185.05
Total undiscounted lease liabilities	5,200.14	4,814.95

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

(iii) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at 1 April	2,094.71	2,223.56
Addition to right-of-use assets	648.49	142.77
Disposal	(204.40)	(7.90)
Depreciation for the year	(276.19)	(263.72)
Balance as at 31 March 2024	2,262.61	2,094.71

(iv) Amounts recognised in statement of profit or loss

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest on lease liabilities	260.48	242.44
Depreciation on right-of-use assets	276.19	263.72

(v) Amounts recognised in statement of cash flows

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Total cash outflow for leases	(422.87)	(384.13)

(vi) Operating leases *

The Company is obligated under cancellable operating leases for its certain office premises which are renewable at the option of both the lessor and lessee. Total rental expenses under such leases amounted to Rs.123.68 million (31 March 2023:Rs 100.15 million). These arrangements do not qualify as a lease as per the requirements of Ind AS 116.

(b) Operating lease as a lessor

The Company has leased out building under operating lease. There is escalation and renewal clause in the lease agreements and sub-letting is not permitted. The lease is cancellable and the total lease income recognised during the year was Rs.3.36 million (31 March 2023: Rs 2.96 million).

35 Capital Management

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

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

	As at 31 March 2024	As at 31 March 2023
Total equity attributable to the equity shareholders of the Company (A)	4,924.28	2,326.31
Non-current borrowings	40.67	591.09
Current borrowings	1,669.65	1,831.85
Total borrowings	1,710.32	2,422.94
Less: cash and cash equivalents	318.67	43.03
Adjusted net debt (B)	1,391.65	2,379.91
Adjusted net debt to total equity ratio (B/A)	0.28	1.02

36 Related parties

i. Names of related parties and description of relationship:

(a) Subsidiaries and step down subsidiaries	Popular Mega Motors (India) Private Limited, India Popular Autoworks Private Limited, India Vision Motors Private Limited, India Kuttukaran Cars Private Limited, India Popular Auto Dealers Private Limited, India Kuttukaran Green Private Limited, India (Formerly Kuttukaran Pre Owned Cars Private Limited, India) Keracon Equipments Private Limited, India (w.e.f 1 February 2023) Prabal Motors Private Limited, India (w.e.f 1 February 2023)	181
(b) Other related parties with whom the Company had transactions during the year		
- Key management personnel and their relatives (KMP)	Mr. Naveen Philip, Managing Director Mr. Francis K Paul, Whole Time Director Mr. John K Paul, Whole Time Director Mr. Jacob Kurian, Director Mrs. Preeti Reddy, Director Mr. George Joseph, Director Mr. Rahul Kurup, Nominee Director (till 27 Sep 2022) Mr. Abhishek Giridharilal Poddar, Nominee Director (w.e.f 27 Sep 2022 till 19 June 2023) Mr. Rakesh Bhutoria (w.e.f 14 August 2023) Mr. John Verghese, Chief Financial Officer Mr. Raj Narayan, Chief Executive Officer Mr. Varun Thazhathu Veedu, Company Secretary	
- Entities in which KMP has significant influence	Kuttukaran Homes LLP, India Kuttukaran Institute for Human Resource Development, India Kuttukaran Trading Ventures, India K P Paul Foundation, India BanyanTree Growth Capital II, LLC, Mauritius	

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

II. Related party transactions:

- (a) The Company has entered into the following transactions with related parties during the year ended 31 March 2024 and 31 March 2023

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations		
Popular Auto Dealers Private Limited	7.82	5.21
Popular Mega Motors (India) Private Limited	3.46	2.13
Prabal Motors Private Limited	1.61	0.59
Popular Autoworks Private Limited	0.02	0.01
Kuttukaran Institute for Human Resource Development	0.08	0.03
Kuttukaran Green Private Limited	0.76	-
Lease Rental		
Francis K Paul	2.59	2.44
John K Paul	0.97	0.92
Popular Mega Motors (India) Private Limited	0.18	0.12
Kuttukaran Homes LLP	19.84	17.25
Vision Motors Private Limited	0.11	0.12
Kuttukaran Trading Ventures	11.68	12.31
Popular Autoworks Private Limited	0.06	-
Kuttukaran Institute for Human Resource Development	0.06	-
Guarantee commission received		
Popular Autodealers Private Limited	1.67	1.25
Popular Mega Motors (India) Private Limited	8.91	7.62
Popular Autoworks Private Limited	0.15	0.07
Vision Motors Private Limited	0.43	0.29
Kuttukaran Cars Private Limited	0.48	-
Kuttukaran Green Private Limited	0.14	-
Income from rent		
Popular Auto Dealers Private Limited	2.53	2.44
Popular Mega Motors (India) Private Limited	0.48	0.48
Kuttukaran Cars Private Limited	0.36	-
Intercorporate loan repaid by subsidiaries		
Popular Autoworks Private Limited	38.70	8.18
Kuttukaran Cars Private Limited	6.48	4.00
Intercorporate loan given		
Kuttukaran Cars Private Limited	70.00	8.50
Kuttukaran Green Private Limited	30.00	-
Popular Mega Motors (India) Private Limited	500.00	-
Popular Autoworks Private Limited	60.00	-

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Prabal Motors Private Limited	500.00	-
Interest on loan to related parties		
Popular Autoworks Private Limited	2.70	4.67
Kuttukaran Cars Private Limited	1.70	1.55
Kuttukaran Green Private Limited	0.19	-
Popular Mega Motors (India) Private Limited	1.41	-
Prabal Motors Private Limited	1.41	-
Purchase of assets		
Popular Mega Motors (India) Private Limited	0.08	0.70
Sale of property, plant and equipment		
Raj Narayan	3.78	-
Investment		
Keracon Equipments Private Limited - Equity shares	-	301.46
Kuttukaran Green Private Limited - Equity Shares	5.00	0.10
Kuttukaran Green Private Limited - Preference Shares	-	15.00
Purchase of vehicles/accessories and spares		
Popular Auto Dealers Private Limited	100.16	152.33
Vision Motors Private Limited	17.80	35.03
Popular Autoworks Private Limited	-	0.39
Popular Mega Motors (India) Private Limited	0.30	-
Expense met by the Company		
Popular Auto Dealers Private Limited	0.03	0.02
Popular Autoworks Private Limited	0.82	0.18
Popular Mega Motors (India) Private Limited	0.15	0.10
Kuttukaran Institute for Human Resource Development	0.08	-
Kuttukaran Trading Ventures	0.29	0.25
Vision Motors Private Limited	0.88	-
Prabal Motors Private Limited	0.04	0.14
Expense met on behalf of the Company		
Kuttukaran Institute for Human Resource Development	0.50	0.19
Popular Auto Dealers Private Limited	0.33	0.38
Popular Autoworks Private Limited	0.06	0.23
Popular Mega Motors (India) Private Limited	2.15	1.09
Kuttukaran Cars Private Limited	0.20	0.08
Kuttukaran Green Private Limited	0.26	0.25
Prabal Motors Private Limited	0.95	1.08
Vision Motors Private Limited	0.49	0.40
Kuttukaran Homes LLP	0.33	0.17

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Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Kuttukaran Trading Ventures	0.18	0.49
Income - Other Support Services		
Popular Auto Dealers Private Limited	3.10	2.62
Popular Autoworks Private Limited	3.01	3.98
Popular Mega Motors (India) Private Limited	0.69	2.33
Prabal Motors Private Limited	3.79	1.93
Vision Motors Private Limited	5.30	6.49
Repairs and maintenance		
Popular Auto Dealers Private Limited	0.10	0.52
Vision Motors Private Limited	0.07	0.12
Popular Mega Motors (India) Private Limited	0.68	0.63
Kuttukaran Trading Ventures	0.75	0.79
Sale of assets		
Popular Auto Dealers Private Limited	0.15	-
Corporate social responsibility expense		
K P Paul Foundation	5.00	1.31
Remuneration of Key Management Personnel		
Short - term employee benefits		
Francis K Paul	9.66	10.75
John K Paul	11.91	8.78
John Verghese	7.82	7.02
Varun Thazhathu Veedu	2.87	2.72
Raj Narayan	13.49	5.60
Post-employment benefits		
Raj Narayan	0.44	-
Varun Thazhathu Veedu	0.06	-
Sitting fees to independent directors	4.20	4.00
Commission and incentive		
Francis K Paul	-	3.00
John K Paul	-	3.00
Others	3.08	3.90

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

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

Particulars	As at 31 March 2024	As at 31 March 2023
Loans to related parties		
Popular Autoworks Private Limited	60.00	38.70
Kuttukaran Cars Private Limited	83.02	19.50
Kuttukaran Green Private Limited	30.00	-
Popular Mega Motors (India) Private Limited	500.00	-
Prabal Motors Private Limited	500.00	-
Trade receivables		
Kuttukaran Institute for Human Resource Development	-	0.19
Popular Auto Dealers Private Limited	2.79	1.46
Popular Autoworks Private Limited	0.01	0.43
Popular Mega Motors (India) Private Limited	0.11	2.24
Prabal Motors Private Limited	1.37	1.15
Kuttukaran Cars Private Limited	0.20	0.08
Vision Motors Private Limited	0.31	0.81
Kuttukaran Green Private Limited	0.02	-
Raj Narayan	0.04	-
Corporate guarantee commission receivable		
Popular Auto Dealers Private Limited	0.42	0.38
Popular Mega Motors (India) Private Limited	3.20	1.94
Popular Autoworks Private Limited	0.02	0.03
Vision Motors Private Limited	0.12	0.14
Kuttukaran Cars Private Limited	0.13	-
Commission and incentive payable		
Francis K Paul	-	(3.00)
John K Paul	-	(3.00)
Others	(3.08)	(3.90)
Post-employment benefits payable		
Raj Narayan	(0.57)	(0.13)
Varun T V	(0.33)	(0.27)
Dues to creditors for expenses and others		
Popular Auto Dealers Private Limited	(0.45)	(11.92)
Kuttukaran Homes LLP	-	(1.06)
Popular Mega Motors (India) Private Limited	(5.07)	(0.03)
Vision Motors Private Limited	(1.59)	(0.60)
Kuttukaran Trading ventures	(0.59)	(0.34)
Kuttukaran Institute for Human Resource Development	(0.11)	-
Popular Autoworks Private Limited	(0.36)	-
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Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

Particulars	As at 31 March 2024	As at 31 March 2023
Francis K Paul	(0.25)	(0.22)
John K Paul	(0.07)	(0.07)
Share issue expenses recoverable		
BanyanTree Growth Capital II, LLC	235.26	-
Rent deposit payable		
Popular Auto Dealers Private Limited	(0.20)	(0.20)
Corporate guarantees		
Popular Auto Dealers Private Limited	145.93	134.58
Popular Mega Motors (India) Private Limited	807.92	743.51
PopularAutoworks Private Limited	8.60	36.96
Vision Motors Private Limited	42.15	51.15
Kuttukaran Cars Private Limited	45.01	-

All the related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

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37 Assets classified as held for sale

The Company had classified following land and buildings as Asset held for sale as at balance sheet dates and the same has stated at carrying value (being lower of fair value less cost to sell or net book value).

Entity	As at 31 March 2024	As at 31 March 2023
Popular Vehicles and Services Limited	-	15.42
	-	15.42

- (i) The Company received notice from the NH authorities to acquire a portion of the land on 10 August 2020 for the acquisition of 25.79 ares of land with an acquisition award of Rs. 31.47 million. The group received an amount of Rs. 31.47 million on 1 June 2023 as total compensation thus recording the sale during the current year. The net gain on account of this transaction has been disclosed as an exceptional item.

Exceptional item

Particulars	As at 31 March 2024	As at 31 March 2023
Gain on sale of property	16.05	-
	16.05	-

38 Events occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of 28 May, 2024 there are no subsequent events and transactions to be recognised or reported that are not already disclosed.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

39 Utilisation of IPO proceeds

The Company had completed initial public offering (IPO) of Rs. 6,015.54 million (including fresh issue of Rs. 2,500 million) comprising of :

- (i) 84,53,803 equity shares of Rs. 2 each at an issue price of Rs. 295 per share (including a share premium of Rs. 293 per share) towards fresh issue of equity shares
- (ii) 1,19,17,075 equity shares of Rs. 2 each at an issue price of Rs. 295 per share (including a share premium of Rs. 293 per share) towards offer for sale and ;
- (iii) 22,950 equity shares of Rs. 2 each at an issue price of Rs. 267 per share (including a share premium of Rs. 265 per share) for employee quota towards fresh issue.

The equity shares of the Company were listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 19 March 2024.

The Company has estimated Rs. 421.06 million (including provision) (excluding taxes) as IPO related expenses and allocated such expenses between the company Rs. 178.01 million and selling shareholders Rs. 243.05 million in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by selling shareholders respectively. The amount attributable to the company amounting to Rs. 178.01 million has been adjusted to securities premium,

Details of the IPO net proceeds are as follows as on 31 March 2024.

Particulars	Amount (as per Offer Document)
Gross Proceeds from the issue	2,500.00
Less : Estimated issue related expenses (proportionate to company's share)*	210.10
Net Proceeds	2,289.90

*Issue related expenses (net of GST) amounting to Rs.178.01 million have been adjusted against securities premium as per Section 52 of The Companies Act, 2013

Details of the utilisation of the IPO proceeds is summarised below:

Particulars	Utilisation as per prospectus	Utilised upto 31 March 2024	Unutilised as on 31 March 2024
Pre-payment, in full or in part, of borrowings availed by our subsidiaries	1,920.00	1,920.00	-
General Corporate purposes	369.90	360.00	9.90
Total utilisation of funds	2,289.90	2,280.00	9.90

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

40 b) No funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

41 Ratios as per the Schedule III requirements *

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Current assets	5,067.35	3,133.99
Current liabilities	4,280.70	3,086.67
Ratio	1.18	1.02
% Change from previous year	15.69%	-5.56%

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

Particulars	As at 31 March 2024	As at 31 March 2023
Current borrowings [a]	1,669.65	1,831.85
Non current borrowings [b]	40.67	591.09
Total debt	1,710.32	2,422.94
Total equity	4,924.28	2,326.31
Ratio	0.35	1.04
% Change from previous year	-66.35%	-0.95%

The ratio has reduced due to increase in other equity as result of IPO proceeds and repayment of borrowings from IPO proceeds

c) Debt Service Coverage Ratio = Earnings available to service debt divided by total interest and borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Profit before tax	307.79	390.05
Finance cost	552.52	432.07
Depreciation and amortisation	484.99	455.31
Earnings available to service debt	1,345.30	1,277.43
Interest cost	552.52	432.07
Non-current borrowings	40.67	591.09
Current borrowings	1,669.65	1,831.85
Debt service coverage ratio	0.59	0.45
% Change from previous year end	31.11%	21.62%

The ratio increased due to repayment of long term borrowings from IPO proceeds.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

d) Return on Equity/Return on Investment = Net profit after tax divided by Equity

Particulars	As at 31 March 2024	As at 31 March 2023
Net profit after tax	258.19	293.35
Total equity	4,924.28	2,326.31
Ratio	5.24%	12.61%
% Change from previous year	-58.4%	268.7%

During the current year, ratio decreased due to increase in other equity as result of IPO proceeds.

During the previous year, as compared to its previous year, revenue from operations, including service income has increased by 35% in the current year, which has reflected in higher profitability for the previous year.

e) Net profit ratio = Net profit after tax divided by Sales

Particulars	As at 31 March 2024	As at 31 March 2023
Net Profit after tax	258.19	293.35
Sales	26,438.22	25,135.66
Ratio	0.98%	1.17%
% Change from previous year	-16.24%	216.22%

During the previous year, as compared to its previous year, revenue from operations, including service income has increased by 35% in the current year, which has reflected in higher profitability for the previous year.

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

Particulars	As at 31 March 2024	As at 31 March 2023
Purchase of stock in trade [a]	22,437.63	20,489.62
Changes in inventories of stock-in-trade [b]	(959.74)	40.82
Cost of material consumed [a]+[b]	21,477.89	20,530.44
Closing inventory	2,923.56	1,963.82
Ratio	7.35	10.45
% Change from previous year	-29.7%	37.1%

Ratio decreased in 31 March 2024, due to increase in closing stock as a result of increased operations.

During the previous year, as compared to its previous year, inventory turnover ratio increased mainly due to revenue growth in the previous year.

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

Particulars	As at 31 March 2024	As at 31 March 2023
Revenue from operations and other income	26,615.96	25,257.08
Current asset [a]	5,067.35	3,133.99
Current liability [b]	4,280.70	3,086.67
Net working captial [a]-[b]	786.65	47.32
Ratio	33.83	533.75
% Change from previous year	-93.7%	27.8%

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

During the previous year, as compared to its previous year, ratio increased mainly due to 35% revenue growth and optimal utilisation of working capital in terms of inventory and debtors.

h) Trade Receivable Turnover Ratio = Revenue from operations divided by trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Revenue from operations	26,438.22	25,135.66
Trade receivable	894.40	812.29
Trade receivable turnover ratio	29.56	30.94
% Change from previous year end	-4.5%	9.6%

i) Return on Capital employed = Earnings before interest and taxes(EBIT) divided by capital employed (Total equity + Borrowings)

Particulars	As at 31 March 2024	As at 31 March 2023
Profit before tax	307.79	390.05
Finance cost	552.52	432.07
Earnings before interest and tax	860.31	822.12
Total equity[a]	4,924.28	2,326.31
Total borrowings[b]	1,710.32	2,422.94
Capital employed [a]+[b]	6,634.60	4,749.25
Ratio	0.13	0.17
% Change from previous year	-23.5%	41.7%

During the previous year, as compared to its previous year, the ratio increased mainly due to the increase in profitability ratio which is the reflection of revenue growth, optimal utilisation of internal accruals and better working capital management.

j) Trade Payable Turnover Ratio = Cost of goods sold divided by closing trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Cost of goods sold	21,477.89	20,530.44
Trade payable	1,091.18	397.30
Trade payable turnover ratio	19.68	51.67
% Change from previous year end	-61.9%	63.2%

Ratio decreased due to increase in trade payables in the current year due to increased operations.

* Only variances above 25% has been analysed by the management

42 Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act, 2013

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transactions with companies struck off.
- The Company has not revalued its property, plant and equipment, right-of-use assets or intangible assets or both during the current or previous year.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees million)

- iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- vi) None of the entities in The Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.
- vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

As per our report of even date attached

for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W-100024

Baby Paul

Partner

Membership No.: 218255

Kochi

28 May 2024

for and on behalf of the Board of Directors of

Popular Vehicles and Services Limited

CIN: U50102KL1983PLC003741

Naveen Philip

Managing Director

DIN: 00018827

John Verghese

Chief Financial Officer

Kochi

28 May 2024

Francis K Paul

Whole Time Director

DIN: 00018825

Varun T V

Company Secretary

Membership no. A22044

Raj Narayan

Chief Executive Officer

Consolidated Financial Statements

Independent Auditors Report

To the Members of Popular Vehicles and Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Popular Vehicles and Services Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial

statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and auditor's reports thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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

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

presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entity or business activities within the Group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matter" in this audit report.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of eight subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 9,527.84 million as at 31 March 2024, total revenues (before consolidation adjustments) of Rs. 29,901.10 million and net cash inflows (before consolidation adjustments) amounting to Rs. 35.62 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matter" paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements

have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A) (b) above on reporting under Section 143(3) (b) and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the Other Matter paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 28 to the consolidated financial statements.

- b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.
- c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2024.
- d (i) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 42 a) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 42 b) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. As stated in Note 13 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. Based on our examination which included test checks and that performed by the respective auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary companies have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:
- In case of the Holding Company and six other subsidiaries, the feature of recording audit trail (edit log) facility was not enabled at the database layer nor at the application layer to log any direct data changes for the accounting software used for maintaining the books of account relating to payroll process.
- In case of two other subsidiaries, accounting softwares have been used for maintaining its books of accounts. However, the feature of recording audit trail has not been enabled. Consequently, we are unable to comment on audit trail feature of the said softwares.
- In case of the Holding Company, the feature of recording audit trail (edit log) facility was not enabled at the database layer to log any direct data changes for the accounting software used for maintaining the books of account relating to general ledger.
- In case of three other subsidiaries, accounting softwares have been used for maintaining its books of accounts relating to general ledger and other processes, which has a feature of recording audit trail (edit log) facility that has been enabled from 29 August 2023, 25 September 2023 and 1 November 2023 onwards, respectively. Except

for the period from 1 April 2023 to the respective periods as mentioned above, the audit trail facility has been operating throughout the period for all relevant transactions recorded in the softwares.

Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act; In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us. the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of

the Act The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Associates LLP

Chartered Accountants

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

Baby Paul

Partner

Membership No.: 218255

ICAI UDIN:24218255BKFWGH5476

Place: Kochi

Date: 28 May 2024

Annexure A

to the Independent Auditor's Report on the Consolidated Financial Statements of Popular Vehicles and Services Limited for the year ended 31 March 2024

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

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

Sr. No.	Name of the entities	CIN	Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Prabal Motors Private Limited	U50101KL2006 PTC019140	Subsidiary	Clause ii(b), Clause vii(a) and Clause xiv (a)

For B S R & Associates LLP

Chartered Accountants
Firm's Registration No.:116231WAA/-100024

Baby Paul

Partner
Membership No.: 218255
ICAI UDIN:24218255BKFWGH5476

Annexure B

to the Independent Auditor's Report on the consolidated financial statements of Popular Vehicles and Services Limited for the year ended 31 March 2024

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

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Popular Vehicles and Services Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies., as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with Reference to Financial Statements

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

Other Matter

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

Our opinion is not modified in respect of this matter.

For B S R & Associates LLP

Chartered Accountants
Firm's Registration No.:116231W/W-100024

Baby Paul

Partner
Membership No.; 218255
ICAI UDIN:24218255BKFWGH5476

Place: Kochi

Date: 28 May 2024

Consolidated Balance Sheet as at 31 March 2024

(All amounts are in Indian Rupees in millions)

	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	4	3,287.78	2,935.35
Capital work-in-progress	4	142.79	77.26
Right-of-use assets	33	3,792.99	3,479.87
Goodwill	5	115.47	115.47
Other intangible assets	5	138.67	182.28
Intangible assets under development	2	4.04	2.42
Financial assets			
Investments	6	112.54	57.69
Other financial assets	7	441.42	379.17
Income tax assets	27	108.55	97.60
Deferred tax assets (net)	27	187.22	161.22
Other non-current assets	8	273.04	193.26
Total non-current assets		8,604.51	7,681.59
Current assets			
Inventories	9	5,928.70	4,349.47
Financial assets			
Investments	6	170.25	2.24
Trade receivables	10	2,969.16	2,237.84
Cash and cash equivalents	11	549.53	238.25
Bank balances other than cash and cash equivalents	12	56.41	43.35
Other financial assets	7	283.39	44.73
Income tax assets	27	23.61	-
Other current assets	8	980.88	424.91
		10,961.93	7,340.79
Assets classified as held for sale	37	-	15.42
Total current assets		10,961.93	7,356.21
Total assets		19,566.44	15,037.80
Equity and liabilities			
Equity			
Equity share capital	13	142.40	125.44
Other equity		6,389.17	3,305.00
Total equity		6,531.57	3,430.44
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	133.91	911.32
Lease liabilities	33	4,456.34	3,998.02
Provisions	16	60.83	59.43
Non-current tax liabilities (net)	27	-	2.46
Other non-current liabilities	17	255.03	-
Total non-current liabilities		4,906.11	4,971.23
Current liabilities			
Financial liabilities			
Borrowings	14	4,312.44	4,138.74
Lease liabilities	33	347.23	335.39
Trade payables	18	-	-
- Total outstanding dues of micro enterprises and small enterprises		65.47	45.80
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,477.22	861.94
Other financial liabilities	15	385.64	228.00
Provisions	16	36.59	32.70
Other current liabilities	17	1,504.17	981.27
Current tax liabilities	27	-	12.29
Total current liabilities		8,128.76	6,636.13
Total liabilities		13,034.87	11,607.36
Total equity and liabilities		19,566.44	15,037.80
Material accounting policies	3		

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

As per our examination report of even date attached.

for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W-100024

Baby Paul

Partner

Membership No.: 218255

Kochi

28 May 2024

for and on behalf of the Board of Directors of

Popular Vehicles and Services Limited

CIN: U50102KL1983PLC003741

Naveen Philip

Managing Director

DIN: 00018827

John Verghese

Chief Financial Officer

Kochi

28 May 2024

Francis K Paul

Whole Time Director

DIN: 00018825

Varun T V

Company Secretary

Membership no. A22044

Raj Narayan

Chief Executive Officer

Consolidated Statement of Profit and Loss for the year ended 31 March 2024

(All amounts are in Indian Rupees in millions)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	19	56,155.28	48,750.02
Other income	20	311.52	176.26
Total income		56,466.80	48,926.28
Expenses			
Purchases of stock-in-trade	21	49,162.03	41,751.51
Changes in inventories of stock-in-trade	22	(1,579.23)	(325.52)
Employee benefits expenses	23	3,664.59	3,082.06
Finance costs	24	980.23	705.34
Depreciation and amortisation	25	919.31	794.45
Impairment loss on financial assets and contract assets	32	(18.68)	30.53
Other expenses	26	2,377.44	2,039.24
Total expenses		55,505.69	48,077.61
Profit before tax and exceptional item		961.11	848.67
Exceptional item	37	16.05	-
Profit before tax		977.16	848.67
Tax expense	27		
Current tax		248.58	240.10
Deferred tax (credit)		(32.19)	(32.17)
Total tax expense		216.39	207.93
Profit for the year		760.77	640.74
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of net defined benefit plan income / (loss)		24.56	(12.47)
Income tax (credit) / charge relating to the above		(6.19)	3.31
Other comprehensive income / (loss) for the year, net of income tax		18.37	(9.16)
Total comprehensive income for the year		779.14	631.58
Profit attributable to :			
Owners of the Company		760.77	640.74
Non-controlling interest		-	-
Profit for the year		760.77	640.74
Other comprehensive (loss) / income attributable to :			
Owners of the Company		18.37	(9.16)
Non-controlling interest		-	-
Other comprehensive (loss) / income for the year, net of income tax		18.37	(9.16)
Total comprehensive income attributable to :			
Owners of the Company		779.14	631.58
Non-controlling interest		-	-
		779.14	631.58
Earnings per share (equity share of face value of Rs. 2 each)			
Basic (in INR)	29	12.05	10.22
Diluted (in INR)		12.05	10.22
Material accounting policies	3		

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

As per our examination report of even date attached.

for B S R & Associates LLP

Chartered Accountants
Firm registration number: 116231W/ W-100024

Baby Paul

Partner
Membership No.: 218255

Kochi
28 May 2024

for and on behalf of the Board of Directors of

Popular Vehicles and Services Limited

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Company Secretary
Membership no. A22044

Raj Narayan

Chief Executive Officer

Consolidated Statement of Changes in Equity for the year ended 31 March 2024

(All amounts are in Indian Rupees in millions)

A. Equity share capital

Particulars	Note	Equity shares (in millions)	Amount
Balance as at 1 April 2022		12.54	125.44
Share issued during the year	13	-	-
Balance as at 31 March 2023		12.54	125.44
Balance as at 1 April 2023 *		62.72	125.44
Add: Shares issued through Initial Public Offer (Refer note 41)	13	8.48	16.96
Balance as at 31 March 2024		71.20	142.40

* The number of shares have increased on account of share split undertaken by the Company. Refer note 13 (f) for more details.

B Other equity

Particulars	Reserves and surplus					Items of other com- prehensive income	Total oth- er equity attribut- able to equity owners of the Com- pany
	Secu- rities premium	General reserve	Other reserves	Capital reserve	Retained earnings	Remeasure- ment of net defined ben- efit liability/ (asset), net of tax	
Balance as at 1 April 2022	636.68	43.41	(16.82)	21.75	1,988.40	-	2,673.42
Total comprehensive income for the year							
Profit for the year	-	-	-	-	640.74	-	640.74
Other comprehensive loss, net of tax	-	-	-	-	-	(9.16)	(9.16)
Total comprehensive income	-	-	-	-	640.74	(9.16)	631.58
Transferred to retained earnings	-	-	-	-	(9.16)	9.16	-
Balance as at 31 March 2023	636.68	43.41	(16.82)	21.75	2,619.98	-	3,305.00
Balance as at 1 April 2023	636.68	43.41	(16.82)	21.75	2,619.98	-	3,305.00
Total comprehensive income for the year							
Fresh Issue	2,483.04						2,483.04
Share issue expense on Initial Public Offer (Refer note 41)	(178.01)						(178.01)
Profit for the year	-	-	-	-	760.77	-	760.77
Other comprehensive loss, net of tax	-	-	-	-	-	18.37	18.37
Total comprehensive income	-	-	-	-	760.77	18.37	3,084.17
Transferred to retained earnings	-	-	-	-	18.37	(18.37)	-
Balance as at 31 March 2024	2,941.71	43.41	(16.82)	21.75	3,399.12	-	6,389.17

Consolidated Statement of Changes in Equity for the year ended 31 March 2024 (Cont.)

(All amounts are in Indian Rupees in millions)

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

a) Securities premium

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

b) General reserve

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

c) Other reserve

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

d) Capital reserve

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

e) Retained earnings

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

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

Material accounting policies (Refer note 3)

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As per our examination report of even date attached.

for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W-100024

Baby Paul

Partner

Membership No.: 218255

Kochi

28 May 2024

for and on behalf of the Board of Directors of

Popular Vehicles and Services Limited

CIN: U50102KL1983PLC003741

Naveen Philip

Managing Director

DIN: 00018827

John Verghese

Chief Financial Officer

Kochi

28 May 2024

Francis K Paul

Whole Time Director

DIN: 00018825

Varun T V

Company Secretary

Membership no. A22044

Raj Narayan

Chief Executive Officer

Consolidated Statement of Cash Flows for the year ended 31 March 2024

(All amounts are in Indian Rupees in millions)

	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from operating activities		
Profit before tax and exceptional item	961.11	848.67
Adjustments:		
Finance costs	980.23	705.34
Depreciation and amortisation	919.31	794.45
Impairment loss on financial assets and contract assets	(18.68)	30.53
Provision for obsolete inventory	(36.81)	17.58
Liabilities/ provisions no longer required written back	(130.90)	(66.40)
Interest income	(33.86)	(19.03)
Gain on derecognition of right-of-use assets	(26.61)	(36.21)
Impairment loss on non-current assets (non-financial assets)	4.95	-
Net gain on financial assets measured at fair value through profit and loss	(28.37)	(0.64)
(Gain) / loss on sale of property, plant and equipment (net)	(17.82)	11.24
Operating cash flow before working capital changes	2,572.55	2,285.53
Working capital movements:		
Increase in inventories	(1,542.42)	(343.10)
Increase in trade receivables	(712.64)	(394.47)
Increase in loans and other financial assets and other assets	(953.57)	(30.04)
Increase / (decrease) in liabilities and provisions	1,733.26	(175.76)
Cash generated from operations	1,097.18	1,342.16
Income taxes (paid), net of refund	(297.89)	(253.23)
Net cash generated from operating activities (A)	799.29	1,088.93
Cash flows from investing activities		
(Acquisition) / sale of investments (net)	(194.49)	0.91
Interest received	33.86	19.03
Acquisition of property, plant and equipment	(796.43)	(540.20)
Acquisition of intangible assets including intangible assets under development	(10.74)	(26.86)
Proceeds from sale of property, plant and equipment	85.87	36.76
Acquisition of subsidiary net of cash	-	(285.84)
Net cash used in investing activities (B)	(881.93)	(796.20)
Cash flows from financing activities		
Proceeds from issue of equity share capital (net off share issue expense)	2,321.99	-
Finance costs paid	(561.53)	(332.46)
Long-term borrowings availed	514.92	352.19
Long-term borrowings repaid	(1,547.09)	(359.89)
Short-term borrowings availed / (repaid), (net)	428.46	762.87
Interest on lease liabilities	(429.59)	(363.40)
Principal payment of lease liabilities	(333.24)	(297.75)
Net cash generated from/(used in) financing activities (C)	393.92	(238.44)

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Consolidated Statement of Cash Flows for the year ended 31 March 2024 (Cont.)

(All amounts are in Indian Rupees in millions)

	Year ended 31 March 2024	Year ended 31 March 2023
Net increase in cash and cash equivalents (A+B+C)	311.28	54.29
Cash and cash equivalents at the beginning of the year	238.25	183.96
Cash and cash equivalents at the end of the year	549.53	238.25

(Refer to note 11- Cash and cash equivalents)

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

Particulars	As at 1 April 2023	Loan availed / (repaid) net	Principle payment of lease liability	Interest payment on lease liability	On ac- count of acqui- sition	Other non cash changes	As at 31 March 2024
Non current borrowings including current maturities (Refer note 14)	1,279.04	(1,032.17)	-	-	-	-	246.87
Current borrowings (Refer note 14)	3,771.02	428.46	-	-	-	-	4,199.48
Lease liabilities (Refer note 33)	4,333.41	-	(333.24)	(429.59)	-	1,232.99	4,803.57

Particulars	As at 1 April 2022	Loan availed / (repaid) net	Principle payment of lease liability	Interest payment on lease liability	On ac- count of acqui- sition	Other non cash changes	As at 31 March 2023
Non current borrowings including current maturities (Refer note 14)	1,184.89	(7.70)	-	-	101.85	-	1,279.04
Current borrowings (Refer note 14)	2,534.21	762.87	-	-	473.94	-	3,771.02
Lease liabilities (Refer note 33)	3,840.01	-	(297.75)	(363.40)	268.76	885.79	4,333.41

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

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

Material accounting policies (Refer note 3)

As per our examination report of even date attached.

for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W-100024

for and on behalf of the Board of Directors of

Popular Vehicles and Services Limited

CIN: U50102KL1983PLC003741

Baby Paul

Partner

Membership No.: 218255

Naveen Philip

Managing Director

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Francis K Paul

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Raj Narayan

Chief Executive Officer

Kochi

28 May 2024

John Verghese

Chief Financial Officer

Varun T V

Company Secretary

Membership no. A22044

Kochi

28 May 2024

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

Basis of preparation and material accounting policies

1. Company overview

Popular Vehicles and Services Limited ('the Company'/'Popular') was incorporated in 1983 and is engaged in the business of sale and service of automobiles, sale of spare parts and accessories, finance and insurance commission. The Company is headquartered in Kochi, India and has operations in Kerala and Tamil Nadu. The Company primarily operates as the Maruti Suzuki vehicle dealer in Kerala and was amongst the first batch of dealers appointed by Maruti Suzuki in the country.

The shares of the Company are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) with effect from 19 March 2024.

These consolidated financial statements of the Group comprises the Company and its subsidiaries (collectively referred to as the 'Group'). The Company has eight subsidiaries: Popular Mega Motors (India) Private Limited, Vision Motors Private Limited, Popular Auto Dealers Private Limited, Popular Auto Works Private Limited, Prabal Motors Private Limited (with effect from 01 February 2023), Kuttukaran Cars Private Limited, Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned Cars Private Limited), Keracon Equipments Private Limited (with effect from 01 February 2023) which are engaged in the business of sale and services of automobiles, sale of spare parts and accessories, finance and insurance commission. These subsidiaries have operations in Kerala, Maharashtra, Tamil Nadu and Karnataka.

2. Basis of preparation

A. Statement of compliance

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

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 28 May 2024.

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

B. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Group's functional

currency. All amounts are presented in Indian Rupees in millions, unless otherwise stated.

C. Basis of measurement

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

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

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

D. Use of estimates and judgements

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

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in Note 33 - Lease classification and Note 5 - Goodwill.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment for the year ended 31 March 2024 is included in the following notes:

Note 31 - measurement of defined benefit obligations: key actuarial assumptions;

Notes 28 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 27 - recognition of deferred tax asset:

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

availability of future taxable profit against which tax losses carried forward can be used;

Note 32 – financial instruments.

E. Measurement of fair values

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices

included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

F. Current / Non-Current Classification

Based on the time involved between acquisition of assets for processing and their realization in cash

and cash equivalents, the Group has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the Balance Sheet.

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3. Material accounting policies

3.1 Basis of consolidation

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

Name of the company	Country	Proportion of ownership interest (%)	Proportion of voting power held directly or indirectly (%)	Proportion of ownership interest (%)	Proportion of voting power held directly or indirectly (%)
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Subsidiaries					
Popular Mega Motors (India) Private Limited	India	100%	100%	100%	100%
Popular Auto Dealers Private Limited	India	100%	100%	100%	100%
Popular Auto Works Private Limited	India	100%	100%	100%	100%
Kuttukaran Cars Private Limited	India	100%	100%	100%	100%
Keracon Equipments Private Limited	India	100%	100%	100%	100%
Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned Cars Private Limited)	India	100%	100%	100%	100%
Step-down subsidiaries					
Vision Motors Private Limited	India	100%	100%	100%	100%
Prabal Motors Private Limited	India	100%	100%	100%	100%

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

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

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

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

3.2 Property, plant and equipment

A. Recognition and measurement

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

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of item can be measured reliably.

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

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

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

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

Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under long-term loans and advances. The cost of fixed assets not ready for its intended use at each balance sheet date are disclosed as capital

work-in-progress.

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

B. Subsequent expenditure

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

C. Depreciation

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

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

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

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

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

Transition to Ind AS

The cost property, plant and equipment at 1 April 2018, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognized as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

3.2 Intangible assets

The cost of an intangible asset shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of item can be measured reliably.

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

The estimated useful lives are as follows:

Class of assets	Years
Software	3
Brand	15

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

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

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

Transition to Ind AS

The cost Intangible assets at 1 April 2018, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

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 Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount

of obligation can be estimated reliably.

Post-employment benefits

Defined contribution plans

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

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

Defined benefit plans

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

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

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

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long term employee benefits

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

3.4 Investments

Non-current investments are carried at cost less any other than temporary diminution in value, determined separately for each investment.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

The acquisition cost of investments acquired, or partly acquired by the issue of shares or other securities, is the fair value of the securities issued.

Profit or loss on sale of investments, if any, is determined separately for each investment.

3.5 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present

obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

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

3.7 Revenue

i) Sale of products

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

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

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

ii) Rendering of services

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

iii) Commission, discount and incentive income

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

Discounts and incentive income is recognised

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

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

iv) Other Income

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

2.8 Inventories

Inventories are carried at lower of cost and net realisable value. Cost comprises purchase price and other costs incurred in bringing the inventory to its present location and condition. The cost is calculated on specific identification.

Net realisable value is the estimated selling price in the ordinary course of business. The comparison of cost and net realisable value of inventory is made on an item by item basis.

The provision for inventory obsolescence is assessed annually and is provided as considered necessary.

3.9 Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A trade receivable without a significant financing component is initially measured at the transaction price.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the

period the Group changes its business model for managing financial assets.

A financial asset (unless it is a trade receivable without a significant financing component) is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

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

Financial assets: Business model assessment

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

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose,

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

consistent with the Group's continuing recognition of the assets.

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.
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Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) De recognition

Financial assets

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

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

Financial liabilities

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

The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value.

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(All amounts in Indian Rupees million)

The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

iv) Off setting

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

3.9 Impairment

i) Impairment of financial instruments

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

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

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

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

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the 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 Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off.

ii) Impairment of non- financial assets

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

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

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

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

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

3.10 Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those

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(All amounts in Indian Rupees million)

for other elements on the basis of their relative fair values.

ii. Company as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on

the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

iii. Company as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

3.11 Recognition of interest income or interest expense

Interest income or expense is recognized using the effective interest method.

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

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(All amounts in Indian Rupees million)

liability.

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

3.12 Income tax

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

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or recoverable from tax authorities after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

ii. Deferred tax

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

Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises 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 realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

3.13 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

3.14 Earnings per share

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

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

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(All amounts in Indian Rupees million)

3.15 Cash-flow statement

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

3.16 Cash and cash equivalents

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

3.17 Contingent liabilities and assets

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

Contingent assets are neither recognised nor disclosed.

3.18 Non-current assets classified as held for sale

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

3.19 Changes in material accounting policies

- a. Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to Ind AS 12) from 1 April 2023. The amendments narrow the scope of initial recognition exemption to exclude transactions that give rise to equal and offsetting differences, eg: lease and decommissioning liabilities. For lease and decommissioning liabilities, an entity is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity the amendments to transactions that occur on or after the beginning of the earliest period presented.

The company did not have impact from adoption of this amendment.

- b. Material accounting policy information

The Group adopted the *Disclosure of Accounting Policies (Amendments to Ind AS 1)* from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of "material rather than significant accounting policies". The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements.

3.20 Recent accounting pronouncements

'Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There are no new standards or amendments to the existing standards that are notified impacting the financial statements of the Group.

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4 Property, plant and equipment and capital work-in-progress

Particulars	Free- hold land	Build- ings#	Lease- hold improve- ments	Furni- ture and fixtures	Elec- trical equip- ment	Plant and ma- chinery	Tools and equip- ment	Motor car equip- ment	Com- puter equip- ment	Office equip- ment	Motor cycles and trucks	Total (A)	Capital work- in-pro- gress (B)	Total (A+B)
Gross carrying value														
Balance at 1 April 2022	91.97	689.10	972.68	370.81	180.90	714.63	81.00	309.67	109.17	94.54	25.99	3,640.46	123.28	3,763.74
Additions	-	47.05	211.09	73.96	37.57	120.66	12.53	35.18	33.94	16.63	0.98	589.59	294.39	883.98
Acquisition through business combination - Refer Note 39	-	148.33	-	19.25	6.36	16.92	17.98	4.95	3.20	10.64	16.05	243.68	1.17	244.85
Disposals / capitalisations	-	0.09	9.91	27.37	5.80	59.26	13.41	71.57	18.65	17.04	1.78	224.88	341.58	566.46
Balance at 31 March 2023	91.97	884.39	1,173.86	436.65	219.03	792.95	98.10	278.23	127.66	104.77	41.24	4,248.85	77.26	4,326.11
Balance at 1 April 2023	91.97	884.39	1,173.86	436.65	219.03	792.95	98.10	278.23	127.66	104.77	41.24	4,248.85	77.26	4,326.11
Additions	-	114.52	154.96	71.23	44.81	89.73	23.93	186.74	27.00	20.75	9.88	743.55	368.90	1,112.45
Disposals	-	0.12	45.92	5.14	4.37	8.58	0.06	80.47	0.64	0.87	1.27	147.44	303.37	450.81
Balance at 31 March 2024	91.97	998.79	1,282.90	502.74	259.47	874.10	121.97	384.50	154.02	124.65	49.85	4,844.96	142.79	4,987.75
Accumulated depreciation														
Balance at 1 April 2022	-	135.03	254.45	146.53	78.94	258.77	39.92	123.49	73.36	57.08	8.84	1,176.41	-	1,176.41
Depreciation for the year	-	52.56	60.05	37.81	18.87	56.60	8.76	39.88	21.13	14.73	3.59	313.98	-	313.98
Disposals / write offs	-	0.87	1.13	26.20	5.59	48.81	12.98	45.23	17.92	16.53	1.63	176.89	-	176.89
Balance at 31 March 2023	-	186.72	313.37	158.14	92.22	266.56	35.70	118.14	76.57	55.28	10.80	1,313.50	-	1,313.50
Balance at 1 April 2023	-	186.72	313.37	158.14	92.22	266.56	35.70	118.14	76.57	55.28	10.80	1,313.50	-	1,313.50
Depreciation for the year	-	44.52	74.72	43.23	20.14	62.55	13.76	44.77	27.14	18.16	5.55	354.54	-	354.54
Disposals / write offs	-	0.04	39.07	4.69	3.99	6.44	0.05	54.88	0.57	0.82	0.31	110.86	-	110.86
Balance at 31 March 2024	-	231.20	349.02	196.68	108.37	322.67	49.41	108.03	103.14	72.62	16.04	1,557.18	-	1,557.18
Net carrying amount														
At 31 March 2024	91.97	767.59	933.88	306.06	151.10	551.43	72.56	276.47	50.88	52.03	33.81	3,287.78	142.79	3,430.57
At 31 March 2023	91.97	697.67	860.49	278.51	126.81	526.39	62.40	160.09	51.09	49.49	30.44	2,935.35	77.26	3,012.61

Buildings disclosed above includes showrooms and service centers constructed on the land taken under long term lease. The summary is as follows;

Particulars	As at 31 March 2024		As at 31 March 2023	
	Gross block	Net block	Gross block	Net block
Building	884.39	646.53	769.87	554.27

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(All amounts in Indian Rupees million)

4 Property, plant and equipment and capital work-in-progress (continued)

a) Title deeds of immovable properties

Description	As at 31 March 2024	As at 31 March 2023
Title deeds held in the name of the Company	The Company	
Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	Not applicable	
Reason for not being held in the name of the Company	Not applicable	

b) Ageing of capital work in progress (CWIP)

Capital work-in-progress represents expenditure towards construction of new workshops/ service centres.

As at 31 March 2024

Description	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	142.06	0.73	-	-	142.79
Projects temporarily suspended	-	-	-	-	-
	142.06	0.73	-	-	142.79

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As at 31 March 2023

Description	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	77.10	0.16	-	-	77.26
Projects temporarily suspended	-	-	-	-	-
	77.10	0.16	-	-	77.26

c) Details of Capital Work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

As at 31 March 2024

The company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable as on 31 March 2024.

As at 31 March 2023

Description	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Pre- Owned Cars - Chalakudy	3.50	-	-	-	3.50
Veppampattu E outlet (Sales & Service)	14.22	-	-	-	14.22

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

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5 Other intangible assets

Particulars	Com-puter soft-ware	Supplier Rela-tionship	Brand and non-com-pete fee	Total (A)	Goodwill (Refer Note below) (B)	Intangible Assets under develop-ment (C)	Total (A+B+C)
Reconciliation of carrying amount							
Gross carrying value							
Balance at 1 April 2022	42.62	-	97.37	139.99	11.80	-	151.79
Additions/transfers	4.44	-	20.00	24.44	-	3.34	27.78
Acquisition through business combination - Refer Note 39	6.53	90.30	42.06	138.89	103.67	-	242.56
Disposals	0.88	-	-	0.88	-	0.92	1.80
Balance at 31 March 2023	52.71	90.30	159.43	302.44	115.47	2.42	420.33
Balance at 1 April 2023	52.71	90.30	159.43	302.44	115.47	2.42	420.33
Additions/transfers	9.12	-	-	9.12	-	5.79	14.91
Disposals	-	-	-	-	-	4.17	4.17
Balance at 31 March 2024	61.83	90.30	159.43	311.56	115.47	4.04	431.07
Accumulated amortisation							
Balance at 1 April 2022	31.23	-	69.71	100.94	-	-	100.94
Amortisation for the year	7.69	3.01	9.39	20.09	-	-	20.09
Disposals / write off	0.87	-	-	0.87	-	-	0.87
Balance at 31 March 2023	38.05	3.01	79.10	120.16	-	-	120.16
Balance at 1 April 2023	38.05	3.01	79.10	120.16	-	-	120.16
Amortisation/ impairment for the year	6.77	18.06	22.95	47.78	-	-	47.78
Disposals / write off	-	-	-	-	-	-	-
Impairment loss	-	-	4.95	4.95	-	-	4.95
Balance at 31 March 2024	44.82	21.07	107.00	172.89	-	-	172.89
Net carrying amount							
At 31 March 2024	17.01	69.23	52.43	138.67	115.47	4.04	258.18
At 31 March 2023	14.66	87.29	80.33	182.28	115.47	2.42	300.17

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Ageing schedule of intangible assets under development

As at 31 March 2024

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	
Projects in progress	3.44	0.60	-	-	4.04
Projects temporarily suspended	-	-	-	-	-
Total	3.44	-	-	-	4.04

As at 31 March 2023

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	
Projects in progress	2.42	-	-	-	2.42
Projects temporarily suspended	-	-	-	-	-
Total	2.42	-	-	-	2.42

The Group does not have any intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence intangible asset under development completion schedule is not applicable as on 31 March 2024 and 31 March 2023.

Note:

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's Cash generating units ('CGU') (operating divisions) as follows ;

Particulars	As at 31 March 2024	As at 31 March 2023
Keracon Equipments Private Limited	103.67	103.67
Other units without significant goodwill	11.80	11.80
	115.47	115.47

Keracon Equipments Private Limited

Goodwill is tested for impairment annually in accordance with the Group's procedure for determining the recoverable value of such assets.

The recoverable amount of the CGUs was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The recoverable amount of the CGU was determined to be higher than its carrying amount and therefore goodwill is not impaired at the balance sheet date. Key assumptions on which the Group has based its determination of value in use includes;

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<i>(In percent)</i>	As at 31 March 2024	As at 31 March 2023
Discount rate	15.50%	15.00%
Terminal value growth rate	4.00%	2.00%
Budgeted EBITDA growth rate	18.00%	20.00%

The discount rate was a post-tax measure based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined based on the expected long term growth in EBITDA as estimated by management.

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

6 Investments

	As at 31 March 2024	As at 31 March 2023
Non-current investments, unquoted		
Investments in equity shares at FVTPL		
222 Loginomic Tech Solutions Private Limited	2.40	2.40
9,600 equity shares of Rs. 10 each		
Less : Loss on fair value of investments	(2.40)	(2.40)
Non-current investment in others, FVTPL		
<i>Quoted</i>		
Investments in equity instruments (valued at FMV), fully paid up	25.34	17.99
<i>Unquoted</i>		
Investment in mutual funds	87.2	39.70
	112.54	57.69
Aggregate book value of non-current investments-unquoted	89.60	42.10
Aggregate book/ market value of non-current investments-quoted	25.34	17.99
Aggregate provision for loss on fair value of investment	(2.40)	(2.40)
Current investments		
Investment in mutual funds and debentures at FVTPL		
Investment in debentures	-	2.24
Investment in liquid mutual funds	170.25	-
	170.25	2.24
Aggregate book value of current investments-unquoted	170.25	2.24

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7 Other financial assets

	As at 31 March 2024	As at 31 March 2023
Non-current		
<i>Considered good - Unsecured</i>		
Rent and other deposits	435.91	374.76
Balance with bank held as margin money (due to mature after 12 months from the reporting date)*	5.51	4.41
	441.42	379.17
Current		
<i>Considered good - Unsecured</i>		
Rent and other deposits	49.91	44.73
Less: Allowances for expected credit loss	(2.57)	-
Share issue expenses recoverable # (Refer note 41)	235.26	-
Dues from others	5.79	5.00
Less: Allowances for expected credit loss	(5.00)	(5.00)
	283.39	44.73

The Company has incurred expenses towards Initial Public Offer (IPO) of its equity shares. The company is to recover certain amount from its shareholder.

* This represents bank guarantee deposits given to various vendors in relation to purchase of goods and services.

8 Other assets

	As at 31 March 2024	As at 31 March 2023
Non-current		
<i>Considered good - Unsecured</i>		
Capital advances	25.33	29.08
Less: allowances for expected credit loss	(3.83)	(5.58)
Prepayments	135.92	135.03
Balance with Life Insurance Corporation Gratuity Fund, net (Refer note 31)	42.65	-
Balance with statutory / government authorities *	72.97	34.73
	273.04	193.26
Current		
<i>Considered good - Unsecured</i>		
Prepayments #	44.9	93.04
Balance with statutory/ government authorities	504.46	159.21
Advance to staff	1.33	1.50
Balance with Life Insurance Corporation Gratuity Fund, net (Refer note 31)	-	2.04
Payment to vendors for supply of goods and services	430.19	169.12
	980.88	424.91
	1,253.92	618.17

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

* Represents amounts paid under protest against various tax cases and proceedings .

Prior year prepayments include the expenditure incurred by the Company amounting to Rs. 58.37 million towards the proposed initial public offer. This has been charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon the shares being issued in the current year.

The Company has not given any loan to their directors during the years ended 31 March 2024 and 31 March 2023.

9 Inventories

	As at 31 March 2024	As at 31 March 2023
<i>(Valued at lower of cost and net realisable value)</i>		
New vehicles	4,257.61	2,904.37
Pre-owned vehicles	477.77	461.21
Spares and lubricants	1,057.70	904.01
Accessories	162.51	143.58
	5,955.59	4,413.17
Less: Provision for obsolete inventory	(26.89)	(63.70)
	5,928.70	4,349.47

Closing stock includes value of goods in transit of new vehicles for Rs 1,662.62 million (31 March 2023 : Rs 987.77 million), accessories for Rs 26.19 million (31 March 2023 : Rs 27.11 million) and spares and lubricants for Rs. 100.92 million (31 March 2023 : Rs 65.94 millions)

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10 Trade receivables

	As at 31 March 2024	As at 31 March 2023
<i>Unsecured, considered good</i>		
From related parties (Refer note 36)	-	0.19
Other than related parties	2,969.16	2,237.65
	2,969.16	2,237.84
<i>Unsecured, credit impaired</i>		
Other than related parties	45.04	60.94
	45.04	60.94
Less: allowances for expected credit loss (Refer note 32 C(ii))	(45.04)	(60.94)
Net trade receivables	2,969.16	2,237.84

For details of trade receivables pledged, Refer note 14.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

Trade receivables ageing schedule

As at 31 March 2024

	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 year	2-3 years	More than 3 years	
i) Unbilled	37.86	-	-	-	-	-	37.86
ii) Undisputed trade receivables – considered good	311.68	2,472.89	19.54	0.39	-	-	2,804.50
iii) Undisputed trade receivables – which have significant increase in credit risk	-	88.59	33.12	4.14	0.63	0.32	126.80
iv) Undisputed trade receivables – credit impaired	-	6.47	8.54	22.63	1.50	5.91	45.05
	349.54	2,567.95	61.20	27.16	2.13	6.23	3,014.21

As at 31 March 2023

	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 year	2-3 years	More than 3 years	
i) Unbilled	-	-	-	-	-	-	-
ii) Undisputed trade receivables – considered good	13.42	2,125.58	20.99	5.51	-	-	2,165.50
iii) Undisputed trade receivables – which have significant increase in credit risk	-	65.58	5.96	0.16	0.17	0.47	72.34
iv) Undisputed trade receivables – credit impaired	-	9.55	12.04	25.68	4.16	9.51	60.94
	13.42	2,200.71	38.99	31.35	4.33	9.98	2,298.78

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

11 Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Balance with banks on current account [#]	520.57	219.85
Cheques on hand	12.90	4.10
Cash on hand	16.06	14.30
Cash and cash equivalents in balance sheet	549.53	238.25

[#] Cash and cash equivalents includes an amount of Rs. 12.86 millions held with ICICI Bank Monitoring Account as the Initial Public Offer Public Issue Account.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

12 Bank balances other than cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Balance with banks held as margin money (due to mature more than 3 months but less than 12 months)*	56.41	43.35
	56.41	43.35

*This represents bank guarantee deposits given to various vendors in relation to purchase of goods and services.

13 Share capital

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs. 2 each (refer note (f) below) (Equity shares of Rs. 10 each till 8 September 2023)	75.00	150.00	15.00	150.00
	75.00	150.00	15.00	150.00
Issued, subscribed and paid-up				
Equity shares of Rs. 2 each, fully paid-up (refer note (f) below) (Equity shares of Rs. 10 each till 8 September 2023)				
At the beginning of the year	62.72	125.44	12.54	125.44
Add: Shares issued through Initial Public Offer (IPO) (Refer note 41)	8.48	16.96	-	-
	71.20	142.40	12.54	125.44

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(a) Terms and rights attached to equity shares

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

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

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

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs. 2 each fully paid up held by (refer note (f) below)				
a) BanyanTree Growth Capital II, LLC	7.13	10.01%	4.27	34.01%
b) Francis K Paul - Promoter	14.52	20.39%	2.75	21.93%
c) John K Paul - Promoter	14.52	20.39%	2.75	21.93%
d) Naveen Philip - Promoter	14.52	20.39%	2.75	21.93%
e) HDFC Trustee Company Limited	3.67	5.16%	-	-

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

(c) Shareholding of promoters

As at 31 March 2024

Name of the promoters	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	% of total shares	% change during the year
a) Francis K Paul	13.75	0.77	14.52	20.39%	5.60%
b) John K Paul	13.75	0.77	14.52	20.39%	5.60%
c) Naveen Philip	13.75	0.77	14.52	20.39%	5.60%

As at 31 March 2023

Name of the promoters	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	% of total shares	% change during the year
a) Francis K Paul	13.75	-	13.75	21.93%	-
b) John K Paul	13.75	-	13.75	21.93%	-
c) Naveen Philip	13.75	-	13.75	21.93%	-

(d) Details of bonus shares issued during the five years immediately preceding the balance sheet date.

During the year ended 31 March 2019, 8.62 million equity shares of Rs. 10 each, fully paid up, has been allotted as bonus shares by capitalisation of general reserve.

(e) Details of buyback and shares issued for consideration other than for cash in the five years immediately preceding the balance sheet date.

The group has not bought back any class of equity shares nor has there been any issue for consideration other than for cash during the period of five years immediate preceding the balance sheet date.

(f) Note on share split

The Board of Directors of the Company, at its meeting held on 31 August 2023, had approved the sub division of the existing paid up share capital of the Company from 12,544,289 equity shares of Rs. 10 each into 62,721,445 equity shares of Rs. 2 each, which is approved by the shareholders by an extra ordinary general meeting held on 8 September 2023.

(g) Proposed Dividend

The Board of Directors at its meeting held on 28 May 2024 have recommended payment of final dividend of Rs. 0.50 per equity share of face value of Rs. 2 each for the financial year ended 31 March 2024 amounting to Rs. 35.60 million which is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

14 Borrowings

	As at 31 March 2024	As at 31 March 2023
Non-current		
<i>Secured</i>		
Loan from banks		
Term loans from banks	30.66	822.16
Loan from financial institutions		
Term loans from financial institutions	9.37	37.60
Vehicle loans from financial institutions	50.43	10.71
<i>Unsecured</i>		
Loans from directors (Refer note 36)	43.45	40.85
	133.91	911.32
Current		
<i>Secured</i>		
Loan from banks		
Short term loans from banks	3,536.73	2,511.10
Current portion of term loan	48.15	322.97
Cash credit and overdraft facilities from banks	282.84	751.07
Loan from financial institutions		
Short term loans from financial institutions	121.69	299.51
Current portion of loan from financial institutions	64.81	44.75
<i>Unsecured</i>		
Short term loans from banks	64.53	63.83
Short term loans from financial institutions	143.29	87.51
Loans from directors (Refer note 36)	50.40	58.00
	4,312.44	4,138.74
	4,446.35	5,050.06

Total borrowings

- (i) Information about the Group's exposure to interest rate and liquidity risks are included in note 32.
- (ii) For details with respect to terms and conditions of borrowings, refer note 14A.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

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

Nature of borrowing	Borrowed by parent / subsidiaries	As at 31 March 2024	As at 31 March 2023	Security terms
Non-current, secured				
Long term loans from banks	Parent	-	372.34	Loan for capital expenditure projects secured by: a) primary security by way of hypothecation of fixed assets (comprising plant and machinery, office equipments, inventories etc) of the Company funded by the term loan b) collateral security by way of equitable mortgage over immovable properties (comprising land and buildings) in the name of the Company. These movable and immovable properties are also pledged as securities for other loans. c) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the Company. This borrowings carries an interest rate ranging from 9.50% to 10.05% p.a with a tenure of 48 to 84 months repayable in monthly installments which is maturing latest by year ending 31 March 2027.
Long term loans from banks	Parent	15.85	427.88	ECLGS loan secured by: a) primary security by way of charge over all moveable properties (comprising plant and machinery, office equipments, inventories etc) created out of the term loan b) collateral security by way of equitable mortgage over immovable properties (comprising land and buildings) in the name of the Company. These movable and immovable properties are also pledged as securities for other loans. This borrowings carries an interest rate ranging from 9.00% to 9.25% p.a with a tenure of 48 to 60 months repayable in monthly installments which is maturing latest by year ending 31 March 2029.
Long term loans from banks	Subsidiaries	-	157.08	Loan for capital expenditure projects secured by: a) primary security by way of hypothecation of fixed assets (comprising plant and machinery, office equipments, inventories etc) of the Company funded by the term loan b) collateral security by way of equitable mortgage over immovable properties (comprising land and buildings) in the name of the Company. These movable and immovable properties are also pledged as securities for other loans. c) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the Company. This borrowings carries an interest rate ranging from 9.50% to 10.45% p.a with a tenure of 48 to 84 months repayable in monthly installments which is maturing latest by year ending 31 March 2026.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

Nature of borrowing	Borrowed by parent / subsidiaries	As at 31 March 2024	As at 31 March 2023	Security terms
Long term loans from banks	Subsidiaries	62.96	232.58	ECLGS loan secured by: a) primary security by way of charge over all moveable properties (comprising plant and machinery, office equipments, inventories etc) created out of the term loan b) collateral security by way of equitable mortgage over immovable properties (comprising land and buildings) in the name of the Company. The movable and immovable properties are also pledged as securities for other loans. These borrowings carry an interest rate ranging from 9.00% to 9.25% p.a with a tenusre of 48 to 60 months repayable in monthly instalments which is maturing latest by year ending 31 March 2026.
Long term loans from financial institutions	Subsidiaries	9.37	37.60	Secured by: a) primary security by way of hypothecation of fixed assets (comprising plant and machinery, office equipments, inventories etc) of the Company funded by the term loan b) personal guarantees by Naveen Philip, director of the company. These borrowings carry an interest rate ranging from 8.55% to 10.40% p.a. with a tenure of 24 to 48 months repayable in monthly installments which is maturing latest by year ending 31 March 2026.
Long term loans from financial institutions	Parent	78.19	4.65	Vehicle loans secured by: a) hypothecation of the respective motor vehicles and b) personal guarantees by John K Paul and Francis K Paul, directors of the Company. This borrowings carries an interest rate ranging from 8.65% to 9.00% p.a. with a tenure of 24 to 48 months repayable in monthly installments with maturity date ending latest by 31 March 2026.
Long term loans from financial institutions	Subsidiaries	37.05	6.06	Vehicle loans secured by: a) hypothecation of the respective motor vehicles and b) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group. This borrowings carries an interest rate ranging from 7.15% to 16.00% p.a. with a tenure of 24 to 48 months repayable in monthly installments with maturity date ending latest by 31 March 2027.
Non current, unsecured				
Loans from directors	Subsidiaries	43.45	40.85	Represents the unsecured loan taken by certain subsidiaries from their directors where terms of repayment are not stipulated but mutually agreed that these loans are not repayable in the next 12 months as on the respective balance sheet dates.
Current, secured				
Short term loan from banks	Parent	1,419.41	1,496.87	Secured by: a) exclusive charge on the stock and receivables funded by bank and marked with lien; b) equitable mortgage on residential property of the director & property belonging to the Group as collateral secutities and c) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the Company.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

Nature of borrowing	Borrowed by parent / subsidiaries	As at 31 March 2024	As at 31 March 2023	Security terms
Short term loan from banks (including cash credit facilities)	Subsidiaries	2,400.16	1,765.30	Secured by: a) equitable mortgage of common collateral securities of immovable properties belonging to Kuttukaran Trading Ventures; b) equitable mortgage of immovable properties belonging to directors of the Company; c) personal guarantees by John K Paul and Francis K Paul, directors of the Company; d) corporate guarantee of Popular Vehicles and Services Limited (Parent). Cash credits are secured by: a) first charge on the current assets of the Group excluding specific charges given for inventory funding; b) collateral security by way of equitable mortgage of the immovable properties of the Group and c) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the Company and promotor directors of the group.
Short term loan from financial institutions	Subsidiaries	121.69	299.51	Secured by: a) equitable mortgage of common collateral securities of immovable properties belonging to Kuttukaran Trading Ventures and Kuttukaran Homes LLP ; b) equitable mortgage of immovable properties belonging to directors of the Company c) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group and d) corporate guarantee of Kuttukaran Trading Ventures.
Current, unsecured				
Short term loans from banks	Parent	64.53	63.09	Personal guarantees by John K Paul and Francis K Paul, directors of the Company.
Short term loans from banks	Subsidiaries	-	0.74	Personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the Company and promotor directors of the group
Short term loans from financial institutions	Parent	129.48	58.11	Personal guarantees by John K Paul and Francis K Paul, directors of the Company.
Short term loans from financial institutions	Subsidiaries	13.81	29.40	Personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the Company and promotor directors of the group
Loans from directors	Subsidiaries	50.40	58.00	As per the agreed terms the loans were repayable within a period of one year from the balance sheet date.
Total		4,446.35	5,050.06	

Note:

The borrowings from banks / financial institutions carry interest rates from 7.22% to 13.25% per annum

The Group has utilised the loans for the purpose it was availed.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

15 Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
Current		
Interest accrued but not due on borrowings	-	10.89
Accrued salaries and benefits	180.27	195.48
Share issue expenses payable (Refer note 41)	174.84	-
Dues to creditors for capital goods	30.53	21.63
	385.64	228.00

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 32.

16 Provisions

	As at 31 March 2024	As at 31 March 2023
Non-current		
<i>Provision for employee benefits *</i>		
Net defined benefit liability - Gratuity	10.20	9.24
Compensated absences	50.63	50.19
	60.83	59.43
Current		
<i>Provision for employee benefits *</i>		
Net defined benefit liability - Gratuity	0.39	-
Compensated absences	36.20	32.70
	36.59	32.70
	97.42	92.13

* Also Refer note 31

17 Other liabilities

	As at 31 March 2024	As at 31 March 2023
Non-current		
Advance from vendors for rebates	255.03	-
	255.03	-
Current		
Contract liabilities	687.47	728.94
Advance from vendors for rebates	313.20	34.73
Statutory dues payables	503.50	217.60
	1,504.17	981.27
	1,759.20	981.27
Movement in contract liabilities		
Opening balance at the beginning of the year	728.94	788.41
Less : revenue recognised during the year	(708.10)	(788.41)
Add: additions to advances from customers during the year	666.63	728.94
Closing balance at the end of year	687.47	728.94

The contract liabilities primarily relate to the advance consideration received from the customers for the purchase of vehicles. This will be recognised as revenue as and when the Company meet the performance obligation by delivering the vehicles. Refer Note 19 for more details.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

18 Trade payables

	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises	65.47	45.80
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,477.22	861.94
	1,542.69	907.74

Trade payable ageing schedule

As at 31 March 2024

	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	65.37	0.09	-	-	65.46
ii) Others	60.07	1,413.99	2.32	0.30	0.55	1,477.23
iii) Disputed Dues-MSME	-	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-	-
	60.07	1,479.36	2.41	0.30	0.55	1,542.69

As at 31 March 2023

	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME		45.80	-	-	-	45.80
ii) Others	91.51	756.18	9.15	3.95	1.15	861.94
iii) Disputed Dues-MSME		-	-	-	-	-
iv) Disputed Dues-Others		-	-	-	-	-
	91.51	801.98	9.15	3.95	1.15	907.74

All trade payables are 'current'.

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 32.

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:

The principal amount remaining unpaid to any supplier as at the end of the year	65.47	45.80
The principal amount remaining unpaid to any supplier as at the end of the year	*	*
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	-	-
The amount of interest accrued and remaining unpaid at the end of the year .	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act.	-	-

* Amount is below the round off norms adopted by the Group

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

19 Revenue from operations

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products		
Sales of new vehicles	38,547.25	33,305.06
Sale of spare parts and accessories	8,244.88	6,820.19
Sale of pre-owned vehicles	3,663.62	3,705.97
	50,455.75	43,831.22
Sale of services	3,261.21	2,872.91
	53,716.96	46,704.13
Other operating revenues		
Income from schemes and incentives	1,620.23	1,358.23
Finance and insurance commission	726.69	613.84
Income from driving school	36.43	30.50
Other operating income	54.97	43.32
	56,155.28	48,750.02
Reconciliation of revenue from sale of products and services		
Gross revenue	55,603.18	48,639.47
Less: discount allowed	1,886.22	1,935.34
	53,716.96	46,704.13

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(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 Group 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 2024	Year ended 31 March 2023
Revenue by category		
Passenger cars (excluding luxury vehicles)	29,444.69	28,320.13
Luxury vehicles	3,621.77	1,823.38
Commercial vehicles	19,540.72	15,702.54
Others	3,548.10	2,903.97
	56,155.28	48,750.02
Revenue by contract type		
Fixed price	56,155.28	48,750.02
	56,155.28	48,750.02

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

(B) Contract balances

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Trade receivables	2,969.16	2,237.84
Contract liabilities (advance from customers)	687.47	728.94

(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.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Within 1 year	687.47	728.94
More than 1 year	-	-
Closing balance	687.47	728.94

20 Other income

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income based on effective interest rate		
Rent deposits	24.33	14.14
Fixed deposits with banks	5.98	2.96
Interest on income-tax refund	3.55	1.93
Gain on sale of property, plant and equipment (net)	17.82	-
Liabilities / provisions no longer required written back*	130.9	66.40
Net gain on financial assets measured at fair value through profit and loss	28.37	0.64
Gain on derecognition of right-of-use assets	26.61	36.21
Other non-operating income	73.96	53.98
	311.52	176.26

*Liabilities written-back for the year ended 31 March 2024 includes Rs.38.90 million, relating to refund received by one of its subsidiary from its principal, against KVAT paid on warranty charges, in earlier years.

21 Purchases of stock-in-trade

	Year ended 31 March 2024	Year ended 31 March 2023
New vehicles	38,835.41	32,720.02
Pre-owned vehicles	3,395.74	3,451.37
Spares, lubricants and accessories	6,930.88	5,580.12
	49,162.03	41,751.51

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

22 Changes in inventories of stock in trade

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening inventory	4,349.47	3,620.38
Add: inventory on acquisition	-	403.57
Closing inventory	5,928.70	4,349.47
	(1,579.23)	(325.52)

23 Employee benefits expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and allowances	3,224.04	2,696.60
Contribution to provident and other funds (Refer note 31)	240.70	208.92
Staff welfare expense	199.85	176.54
	3,664.59	3,082.06

24 Finance costs

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Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense on financial liabilities measured at amortised cost		
Interest on bank borrowings	518.97	319.35
Interest expense on lease liability (Refer note 33)	429.59	363.40
Other borrowing costs	31.67	22.59
	980.23	705.34

25 Depreciation and amortisation expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant and equipment	354.54	313.98
Depreciation on right-of-use asset (Refer note 33)	516.99	460.38
Amortisation on intangible assets	47.78	20.09
	919.31	794.45

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

26 Other expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Rent (Refer note 33)	175.02	133.94
Advertising and sales promotion	242.82	208.12
Consumables	356.07	338.30
Repairs and maintenance:		
Buildings	62.17	51.36
Plant and machinery	16.67	16.00
Others	153.25	138.94
Power, water and fuel	183.03	151.85
Travelling and conveyance	157.50	145.57
Housekeeping, security and work charges	392.18	288.75
Office expenses	109.33	106.09
Communication	66.74	66.70
Refurbishment charges on pre-owned vehicles	26.69	36.52
Loss on sale of property, plant and equipment (net)	-	11.24
Pre delivery inspection charges	105.90	87.16
Rates and taxes	34.35	31.17
Transportation charges	94.37	72.14
Bank charges	37.30	33.60
Insurance	43.35	42.51
Management fee on pre-owned vehicles	22.90	14.04
Legal and professional (Refer note below)	49.97	37.14
Donation and charity	0.72	0.44
Expenditure on corporate social responsibility (CSR)	13.31	5.50
Miscellaneous expenses	33.80	22.16
	2,377.44	2,039.24

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Note

Includes payment to statutory auditors (net of goods and services tax) as follows :

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Statutory audit	3.95	2.95
Other services		
- Expense in relation to Initial Public Offer *	14.56	1.47
- Certifications	-	-
	18.51	4.42

* Expense in relation to Initial Public Offer amounting to Rs. 14.56 million (31 March 2023 : Rs. 1.47 million) is offsetted with securities premium arising from the same.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

27 Taxes

	As at 31 March 2024	As at 31 March 2023
A Income taxes		
Income tax assets (current)	23.61	97.60
Income tax assets (non-current)	108.55	-
Income tax liabilities (current)	-	(12.29)
Income tax liabilities (non-current)	-	(2.46)
Net income tax assets/(liabilities) at the end of the year	132.16	82.85

(i) Tax expense recognised in the statement of profit and loss	Year ended 31 March 2024	Year ended 31 March 2023
Current tax		
Current year	273.95	240.57
Earlier years	(25.37)	(0.47)
Deferred tax (benefit)	(32.19)	(32.17)
Total tax expenses	216.39	207.93

(ii) Amount recognised in other comprehensive income	Year ended 31 March 2024	Year ended 31 March 2023
Remeasurement of the net defined benefit plans		
Gain / (loss) before tax	24.56	(12.47)
Tax (expense) / benefit	(6.19)	3.31
Net of tax	18.37	(9.16)

(iii) Reconciliation of effective tax rate	Year ended 31 March 2024	Year ended 31 March 2023
Profit before income tax	961.11	848.67
Enacted tax rates in India	25.17%	25.17%
Tax expenses	241.91	213.61
Other permanent differences	(30.41)	1.36
On account of change in tax rate	(0.67)	-
Income at differential rate - subsidiaries	5.56	(7.04)
Income at differential rate - long term capital gain	-	-
Tax expense	216.39	207.93
Effective tax rate	22.51%	24.50%

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

B (i) Deferred tax asset/ (liabilities)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax assets	187.22	161.22
Deferred tax liabilities	-	-
Net deferred tax asset/ (liability) at the end of the year	187.22	161.22

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

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax asset		
Impairment losses on financial and contract assets	11.68	18.80
Employee benefits expense	11.98	20.14
Interest on lease liabilities and depreciation on right-of-use asset	257.31	218.13
Other timing differences	14.37	9.25
Unabsorbed business losses	4.16	6.47
Total deferred tax assets (A)	299.50	272.79
Deferred tax liabilities		
Property, plant and equipment	(87.73)	(80.62)
Intangible assets on acquisition through business combination (Refer note 39)	(24.55)	(30.95)
Total deferred tax liability (B)	(112.28)	(111.57)
Net deferred tax asset/ (liability) at the end of the year (A+B)	187.22	161.22

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The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Group has recognised deferred tax assets arising out of tax losses (unabsorbed depreciation) to the extent of net deferred tax liability on account of taxable temporary differences.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

B Deferred tax asset/ (liabilities) (continued)

(iii) Movement in temporary differences

Movement during the year ended 31 March 2024	As at 1 April 2023	Acquisition through business combination	Charge/ (credit) in the statement of profit and loss	Charge/ (credit) in other comprehensive income	As at 31 March 2024
Other timing differences	9.25	-	(5.12)	-	14.37
Impairment losses on financial and contract assets	18.80	-	7.12	-	11.68
Employee benefits expense	20.14	-	1.97	6.19	11.98
Unabsorbed business losses	6.47	-	2.31	-	4.16
Interest on lease liabilities and depreciation on right-of-use asset	218.13	-	(39.18)	-	257.31
Property, plant and equipment	(80.62)	-	7.11	-	(87.73)
Intangible assets on acquisition through business combination (Refer note 39)	(30.95)	-	(6.40)	-	(24.55)
Net deferred tax asset/ (liability) at the end of the year	161.22	-	(32.19)	6.19	187.22

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Movement during the year ended 31 March 2023	As at 1 April 2022	Acquisition through business combination	Charge/ (credit) in the statement of profit and loss	Charge/ (credit) in other comprehensive income	As at 31 March 2023
Other timing differences	5.47	-	(3.78)	-	9.25
Impairment losses on financial and contract assets	12.50	-	(6.30)	-	18.80
Employee benefits expense	6.85	-	(9.98)	(3.31)	20.14
Unabsorbed business losses	22.89	-	16.42	-	6.47
Interest on lease liabilities and depreciation on right-of-use asset	181.27	-	(36.86)	-	218.13
Property, plant and equipment	(71.29)	-	9.33	-	(80.62)
Intangible assets on acquisition through business combination (Refer note 39)	-	(31.95)	(1.00)	-	(30.95)
Net deferred tax asset/ (liability) at the end of the year	157.69	(31.95)	(32.17)	(3.31)	161.22

(iv) Tax losses carried forward

Particulars	As at 31 March 2024	Expiry date	As at 31 March 2023	Expiry date
Brought forward losses - allowed to carry forward for specific period	29.50	AY 2032-33	20.51	AY 2031-32
Long term capital loss - allowed to carry forward for specific period	0.11	AY 2031-32	0.89	AY 2031-32
Unabsorbed depreciation- allowed to carry forward for infinite period	15.38	-	8.08	-

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

28 Contingent liabilities and commitments

Particulars	As at 31 March 2024	As at 31 March 2023
Contingent liabilities		
Claims against the Group not acknowledged as debts:		
Service tax related matters	18.78	18.93
Excise related matters	3.03	3.03
KVAT related matters	111.44	112.54
Income tax matters	20.3	38.04
Customer claims	110.42	106.82
GST related matters	83.14	7.43
Other contingent liabilities		
Employees' state insurance/provident fund demand	8.89	7.95
Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	235.54	346.53

Details of claims against the Group

- a) Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timing of cash flows, if any, in respect of the above as it is determinable only on receipt of judgement/ decision pending with various forums/ authorities. The Group has received all its pending litigations and proceedings and has adequately provided for when provision is required and disclosed as contingent liabilities where applicable, in the financial information. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.
- b) There are certain claims raised by various customers, pending before various consumer forums. The management does not expect the outcome of the action to have a material effect on its financial position.
- c) On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Group has re-computed its liability towards PF for the month of March 2019. In respect of the earlier periods/years, the Group has been legally advised that there are numerous interpretative challenges on the application of the judgment retrospectively. Based on such legal advice, the management believes that it is impracticable at this stage to reliably measure the provision required, if any, and accordingly, no provision has been made towards the same. Necessary adjustments, if any, will be made to the books as more clarity emerges on this subject.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

29 Earnings per share

A. Basic earnings per share

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

i) Net profit attributable to equity share holders

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net profit for the year, attributable to the owners of the Company(A)	760.77	640.74

ii) Weighted average number of equity shares(basic and diluted)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Number of equity shares at the beginning of the year (Refer note 13)*	62.72	62.72
Weighted average number of shares issued during the year through IPO	0.42	-
Weighted average number of equity shares of INR 2 each outstanding during the period/year (B)*	63.14	62.72
Earnings per share, basic and diluted (A/B)	12.05	10.22

Number of equity shares are in millions

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* The basic and diluted earning per share for the current and the previous years presented have been calculated after considering the share split with effect from 8 September 2023.

B. Diluted earnings per share

There are no potential dilutive equity shares as at balance sheet dates.

30 Segment reporting

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). Members of Board of the Group have been identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108 "Operating Segments". All operating segments' operating results are reviewed regularly by the Group's CODM to make decisions about resources to be allocated to the segments and assess their performance.

Geographical segments

Geographical information analyses the company's revenue and non current assets by the Company's country of domicile (i.e.India) and other countries. The Company's sole geographical segment is India. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

Operational segments

The Group has structured its business broadly into four verticals – Passenger cars (excluding luxury vehicles), Luxury vehicles, Commercial vehicles and others. Others primarily comprises of spares parts retail sales - other than through the respective business segments and sale of electric vehicles - two-wheelers and three-wheelers. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Income, direct expenses, assets and liabilities in relation to segments are categorised based on items that are individually identifiable to that segment.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

There is no single customers in excess of 10% of the revenue from operations during any years.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Segment revenue		
Passenger cars (excluding Luxury vehicles)	29,444.69	28,320.13
Luxury vehicles	3,621.77	1,823.38
Commercial vehicles	19,540.72	15,702.54
Others	3,548.10	2,903.97
Total	56,155.28	48,750.02
Segment profits before income tax		
Passenger cars (excluding Luxury vehicles)	1,046.79	1,030.45
Luxury vehicles	282.35	95.15
Commercial vehicles	492.87	323.84
Others	155.46	122.16
Total	1,977.47	1,571.60
Less:		
Finance charges	980.23	705.34
Unallocated expenses (net of unallocated income)	36.13	17.59
Profit before tax and exceptional item	961.11	848.67
Exceptional item	16.05	-
Profit before tax	977.16	848.67

Particulars	As at 31 March 2024	As at 31 March 2023
Segment assets		
Passenger cars (excluding Luxury vehicles)	11,261.11	8,763.16
Luxury vehicles	1,202.22	1,115.37
Commercial vehicles	5,820.00	4,091.57
Others	1,283.11	1,067.70
Total	19,566.44	15,037.80
Segment liabilities		
Passenger cars (excluding Luxury vehicles)	7,759.97	6,713.88
Luxury vehicles	810.65	897.64
Commercial vehicles	3,704.01	3,263.27
Others	760.24	732.57
Total	13,034.87	11,607.36

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

31 Employee benefits

A Defined contribution plan

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

B Defined benefit plan

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

The Gratuity Plan entitles an employee, who has rendered atleast five years of continuous service, to receive one-half month's salary for each year of completed service (service of six months or above is rounded off to one year) at the time of retirement/ exit, restricted to a sum of Rs. 2.00 million.

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

Reconciliation of the projected defined benefit obligation

Particulars	As at 31 March 2024	As at 31 March 2023
Defined benefit liability	309.17	309.40
Plan assets	341.23	302.20
Net defined benefit (asset) / liability	(32.06)	7.20
Non-current defined benefit liability	10.20	9.24
Non-current defined benefit (asset)	(42.65)	-
Current defined benefit liability	0.39	-
Current defined benefit (asset)	-	(2.04)
Liability for compensated absences	86.83	82.89
Non-current defined benefit liability	50.63	50.19
Current defined benefit liability	36.20	32.70

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

C Reconciliation of net defined benefit (asset)/ liability

i) Reconciliation of present values of defined benefit obligation

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

Particulars	As at 31 March 2024	As at 31 March 2023	
Defined benefit obligation as at the beginning of the year	309.40	269.63	
Current service cost	45.58	39.40	
Past service cost	-		
Interest cost	20.87	16.95	
Benefits paid	(42.58)	(30.51)	
Liabilities assumed /(settled)	0.12	-	
Re-measurements	-		
Actuarial gain/(loss) recognised in other comprehensive income	-		
- changes in financial assumptions	(19.10)	12.88	
- changes in demographic assumptions	0.67	-	
- changes in experience over the past period	(5.79)	1.05	
Defined benefit obligation as at the end of the year	309.17	309.40	245

ii) Reconciliation of present value of plan assets

Particulars	As at 31 March 2024	As at 31 March 2023	
Plan assets at the beginning of the year	302.20	250.92	
Contributions paid into the plan	61.13	67.82	
Benefits paid	(43.46)	(34.67)	
Interest income	21.53	16.76	
Assets acquired/(settled)	0.26	-	
Re-measurements			
- changes in financial assumptions	-		
- changes in demographic assumptions	(0.87)	0.88	
- return on plan assets excluding amount included in net interest on the net defined (asset) / liability	0.44	0.49	
Balance at the end of the year	341.23	302.20	
Net defined benefit (asset) / liability	(32.06)	7.20	

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current service cost	45.59	39.40
Past service cost	-	
Net interest on net defined liability	0.62	0.17
Net gratuity cost	46.21	39.57

(ii) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Actuarial (gain)/ loss on defined benefit obligation	(25.95)	12.32
Loss on plan asset excluding interest income	1.39	0.15
Net gratuity (gain) / loss (before tax)	(24.56)	12.47

E Plan asset

Plan asset comprises of the following:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Funds managed by Life Insurance Corporation of India	341.23	302.20

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

F Defined benefit obligation

(i) Actuarial Assumptions for defined benefit liability

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Discount rate	7.15% - 7.20%	7.15% - 7.30%
Salary growth rate	7% p.a	7% p.a
Attrition rate	14% - 29% p.a	14% - 29% p.a
Weighted average duration of defined benefit obligation	3.32 Yrs - 8.82 Yrs	3.43 Yrs - 9 Yrs

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

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

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

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

(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 2024		As at 31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(43.82)	47.60	(62.40)	67.14
Future salary growth (1% movement)	47.30	(43.44)	66.32	(62.18)
Attrition rate (1% movement)	0.91	(1.06)	(0.10)	0.08

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

(iii) Actuarial Assumptions for compensated absences

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Discount rate	7.15% - 7.20%	7.15% - 7.30%
Salary growth rate	7% p.a	7% p.a
Attrition rate	14% - 29% p.a	14% - 29% p.a
Mortality rate	IALM 2012-14 Ult.	IALM 2012-14 Ult.

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G Expected employers contribution for next year to defined benefit plan

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Expected employers contribution	40.28	61.13

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

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 2024

Particulars	Note	Carrying amount			Fair value				
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value									
Cash and cash equivalents	11	549.53	-	-	549.53	-	-	-	-
Bank balances other than cash and cash equivalents	12	56.41	-	-	56.41	-	-	-	-
Trade receivables	10	2,969.16	-	-	2,969.16	-	-	-	-
Other financial assets	7	724.81	-	-	724.81	-	-	-	-
Financial assets measured at fair value									
Investments	6	-	282.79	-	282.79	25.34	257.45	-	282.79
Total		4,299.91	282.79	-	4,582.70	25.34	257.45	-	282.79
Liabilities									
Financial liabilities not measured at fair value									
Trade payables	18	-	-	1,542.69	1,542.69	-	-	-	-
Borrowings	14	-	-	4,446.35	4,446.35	-	4,402.90	-	4,402.90
Lease liabilities	33	-	-	4,803.57	4,803.57	-	-	-	-
Other financial liabilities	15	-	-	385.64	385.64	-	-	-	-
Total		-	-	11,178.25	11,178.25	-	4,402.90	-	4,402.90

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(All amounts in Indian Rupees million)

As at 31 March 2023

Particulars	Note	Carrying amount			Fair value				
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value									
Cash and cash equivalents	11	238.25	-	-	238.25	-	-	-	-
Bank balances other than cash and cash equivalents	12	43.35	-	-	43.35	-	-	-	-
Trade receivables	10	2,237.84	-	-	2,237.84	-	-	-	-
Other financial assets	7	423.90	-	-	423.90	-	-	-	-
Financial assets measured at fair value									
Investments	6	-	59.93	-	59.93	17.99	41.94	-	59.93
Total		2,943.34	59.93	-	3,003.27	17.99	41.94	-	59.93
Liabilities									
Financial liabilities not measured at fair value									
Trade payables	18	-	-	907.74	907.74	-	-	-	-
Borrowings	14	-	-	5,050.06	5,050.06	-	5,009.21	-	5,009.21
Lease liabilities	33	-	-	4,333.41	4,333.41	-	-	-	-
Other financial liabilities	15	-	-	228.00	228.00	-	-	-	-
Total		-	-	10,519.21	10,519.21	-	5,009.21	-	5,009.21

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The Group has not disclosed the fair values for financial instrument such as cash and cash equivalent, trade receivables, other financial assets, trade payables, borrowings and other financial liabilities because their carrying amount are 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 2024 and 31 March 2023 has not been disclosed as it is not material to the Group.

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(All amounts in Indian Rupees million)

B Measurement of fair values

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

The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments. Discounted cash flows consider the present value of the net cash flows expected to be generated from the facility, taking into account the budgeted EBITDA growth rate and budgeted capital expenditure growth rate; the expected net cash flows are discounted using a risk-adjusted discount rate. There are no movement in the fair value of the Level 3 investment for the year ended 31 March 2024 and 31 March 2023.

The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at balance sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

C Financial risk management

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

i) Risk management framework

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

ii) Credit risk

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

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 financial assets are monitored on a continuous basis by the receivables team.

The maximum exposure to credit risk for trade receivables and other financial assets was as follows;

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables	3,014.20	2,298.78
Other financial assets	5.79	5.00
	3,019.99	2,303.78

The movement in allowance for credit loss in respect of financial assets during the year was as follows:

Allowance for credit loss	As at 31 March 2024	As at 31 March 2023
Balance at the beginning	65.94	54.50
Amounts written off / written back	2.78	(19.09)
Impairment loss recognised / (reversed)	(18.68)	30.53
Balance at the end	50.04	65.94

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

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

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

The group allocates each exposure to a credit risk grade based on the historic trend of financial assets movement between the ageing buckets. The loss rates are calculated based on the simple average of the trend in receivable ageing.

Ageing Period	As at 31 March 2024	As at 31 March 2023
Not due	0.00%	0.00%
Less than 6 months	0.25%	0.43%
6 months - 1 year	13.95%	30.88%
1 - 2 years	83.32%	81.91%
2 - 3 years	70.42%	96.07%
More than 3 years	94.86%	95.29%

iii) Liquidity risk

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

The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2024:

Particulars	Carrying amount	Contractual maturities of financial liabilities		
		Payable within 1 year	More than 1 year	Total
Trade payables	1,542.69	1,542.69		1,542.69
Borrowings	4,446.35	4,312.44	133.91	4,446.35
Lease liabilities	4,803.57	347.23	8,243.53	8,590.76
Other financial liabilities	385.64	385.64	-	385.64

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

Particulars	Carrying amount	Contractual maturities of financial liabilities		
		Payable within 1 year	More than 1 year	Total
Trade payables	907.74	907.74	-	907.74
Borrowings	5,050.06	4,238.01	1,016.22	5,254.23
Lease liabilities	4,333.41	335.39	6,750.63	7,086.02
Other financial liabilities	228.00	228.00	-	228.00

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

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 and interest rates.

Foreign currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currency of the Group. The functional currency of the Group is INR and the Group does not have any material foreign currency transactions during the years ended 31 March 2024 and 31 March 2023.

Cash flow and fair value interest rate risk

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

(a) Interest rate risk exposure

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

Financial liabilities (bank borrowings)	As at 31 March 2024	As at 31 March 2023
Variable rate long term borrowings including current maturities	31.69	1,091.02

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Sensitivity

Particulars	Impact on profit or (loss)	
	As at 31 March 2024	As at 31 March 2023
1% increase in variable rate	(0.32)	(10.91)
1% decrease in variable rate	0.32	10.91

Particulars	Impact on equity, net of tax	
	As at 31 March 2024	As at 31 March 2023
1% increase in variable rate	(0.24)	(8.16)
1% decrease in variable rate	0.24	8.16

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

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

33 Leases

Group as a lessee

The Group has taken showrooms and service centres on lease from various parties from where business operations are performed. The leases typically run for a period of 2 year - 60 years. Lease payments are renegotiated nearing the expiry to reflect market rentals.

(i) Lease liabilities

Following are the changes in the lease liabilities for the year ended;

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	4,333.41	3,840.01
On account of acquisition of a subsidiary	-	268.76
Additions	935.37	631.74
Finance cost accrued during the year	429.59	363.40
Payment during the year:		
Principal payment of lease liabilities	(333.24)	(297.75)
Interest on lease liabilities	(429.59)	(363.40)
Rent concession received *	-	-
Remeasurement on account of modification	110.93	-
Derecognition of lease liability during the year	(242.90)	(109.35)
Balance as at end of the year	4,803.57	4,333.41
Non-current lease liabilities	4,456.34	3,998.02
Current lease liabilities	347.23	335.39

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(ii) Maturity analysis – contractual undiscounted cash flows

Particulars	As at 31 March 2024	As at 31 March 2023
Less than one year	347.23	335.39
One to five years	2,865.71	2,533.01
More than five years	5,377.82	4,217.62
Total undiscounted lease liabilities	8,590.76	7,086.02

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

(iii) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at beginning of the year	3,479.87	3,129.94
On account of acquisition of a subsidiary	-	245.88
Addition to right-of-use assets	935.37	638.03
Depreciation for the year	(516.99)	(460.38)
Remeasurement on account of modification	110.93	-
Derecognition of right-of-use assets	(216.19)	(73.60)
Balance at end of the year	3,792.99	3,479.87

(iv) Amounts recognised in statement of profit or loss

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest on lease liabilities	429.59	363.40
Depreciation on right-of-use assets	516.99	460.38

(v) Amounts recognised in statement of cash flows

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Total cash outflow for leases	(762.83)	(661.15)

(vi) Low value and short term leases

The Group is obligated under cancellable low value and short term leases for its certain office premises which are renewable at the option of both the lessor and lessee. Total rental expenses under such leases amounted to Rs. 175.02 million (31 March 2023 : Rs 133.94 million). These arrangements do not qualify as a lease as per the requirements of Ind AS 116.

34 Capital Management

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

Particulars	As at 31 March 2024	As at 31 March 2023
Total equity attributable to the equity shareholders of the Company (A)	6,531.57	3,430.44
Non-current borrowings	133.91	911.32
Current borrowings	4,312.44	4,138.74
Total borrowings	4,446.35	5,050.06
Less: cash and cash equivalents	549.53	238.25
Adjusted net debt (B)	3,896.82	4,811.81
Adjusted net debt to total equity ratio (B/A)	0.60	1.40

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

35 Non-controlling interest

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013 - 'General instructions for the preparation of consolidated financial statements'.

Name of the entity	As at / For the year ended 31 March 2024							
	Net assets		Share in profit / (loss)		Share in other comprehensive income/ (loss)		Share in total comprehensive income / (loss)	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income	Amount
Parent								
Popular Vehicles and Services Limited	75.39%	4,924.28	33.95%	258.19	96.83%	17.79	35.42%	275.98
Subsidiaries								
Popular Auto Dealers Private Limited	6.57%	428.98	12.00%	91.27	(1.69%)	(0.31)	11.67%	90.96
Kuttukarn Green Private Limited	(0.05%)	(3.02)	(0.95%)	(7.24)	(0.16%)	(0.03)	(0.93%)	(7.27)
Popular AutoWorks Private Limited	5.05%	329.57	19.88%	151.22	(0.38%)	(0.07)	19.40%	151.15
Vision Motors Private Limited	7.72%	504.10	14.79%	112.48	0.65%	0.12	14.45%	112.60
Kuttukaran Cars Private Limited	(0.29%)	(18.82)	(1.43%)	(10.86)	0.00%	-	(1.39%)	(10.86)
Popular Mega Motors (India) Private Limited	17.78%	1,161.38	14.89%	113.30	8.06%	1.48	14.73%	114.78
Keracon Equipments Private Limited	0.01%	0.40	0.26%	2.00	0.00%	0	0.25%	2.00
Prabal Motors Private Limited	3.05%	199.33	9.11%	69.45	(3.31%)	(0.61)	8.84%	68.84
		7,526.20		779.81		18.37		798.18
Adjustment arising out of consolidation	(15.23%)	(994.63)	(2.50%)	(19.04)	0.00%	-	(2.44%)	(19.04)
Non controlling interest in subsidiaries	-	-	-	-	-	-	-	-
Consolidated net assets / profit after tax	100.00%	6,531.57	100.00%	760.77	100.00%	18.37	100.00%	779.14

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

Name of the entity	As at / For the year ended 31 March 2024							
	Net assets		Share in profit / (loss)		Share in other comprehensive income/ (loss)		Share in total comprehensive income / (loss)	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income	Amount
Parent								
Popular Vehicles and Services Limited	67.81%	2,326.31	45.79%	293.37	85.26%	(7.81)	45.21%	285.56
Subsidiaries								
Popular Auto Dealers Private Limited	9.85%	338.03	11.98%	76.79	6.66%	(0.61)	12.06%	76.18
Kuttukarn Green Private Limited	(0.02%)	(0.76)	(1.34%)	(8.60)	(1.85%)	0.17	(1.33%)	(8.43)
Popular AutoWorks Private Limited	5.20%	178.45	3.59%	22.98	(5.34%)	0.49	3.72%	23.47
Vision Motors Private Limited	11.41%	391.51	18.80%	120.45	0.98%	(0.09)	19.06%	120.36
Kuttukaran Cars Private Limited	(0.23%)	(7.99)	(0.70%)	(4.46)	0.00%	-	(0.71%)	(4.46)
Popular Mega Motors (India) Private Limited	30.50%	1,046.14	18.34%	117.56	8.29%	(0.76)	18.49%	116.80
Avita Insurance Broking LLP *	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Keracon Equipments Private Limited	(0.05%)	(1.61)	0.51%	3.29	0.00%	-	0.52%	3.29
Prabal Motors Private Limited	0.72%	24.64	3.52%	22.53	6.00%	(0.55)	3.48%	21.98
		4,294.72		643.91		(9.16)		634.75
Adjustment arising out of consolidation	(25.19%)	(864.28)	(0.49%)	(3.17)	0.00%	-	(0.50%)	(3.17)
Non controlling interest in subsidiaries	-	-	-	-	-	-	-	-
Consolidated net assets / profit after tax	100.00%	3,430.44	100.00%	640.74	100.00%	(9.16)	100.00%	631.58

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

36 Related parties

A Disclosure post elimination of intra-group transactions;

i. Names of related parties and description of relationship:

(a) Other related parties with whom the Company had transactions during the year

-	Key management personnel and their relatives (KMP)	<ul style="list-style-type: none"> Mr. Francis K Paul, Whole Time Director Mr. John K Paul, Whole Time Director Mr. Naveen Philip, Managing Director (w.e.f 14 June, 2022) Mr. Jacob Kurian, Director Mrs. Preeti Reddy, Director Mr. George Joseph, Director Mr. Rahul Kurup, Nominee Director (till 27 September,2022) Mr. Abhishek Giridharilal Poddar, Nominee Director (w.e.f 27 September 2022 till 19 June 2023) Mr. Rakesh Bhutoria (w.e.f 14 August 2023) Mr . John Verghese , Chief Financial Officer Mr . Philip Chacko Mundanilkunnathil , Chief Executive Officer (till 7 January 2022) Mr. Raj Narayan,Chief Executive Officer (w.e.f 10 October, 2022) Mr .Varun Thazhathu Veedu , Company Secretary Mr. Rushil John, Relative of KMP Mrs. Leela Philip, Relative of KMP
-	Entities in which KMP has significant influence	<ul style="list-style-type: none"> Prabal Motors Private Limited, India (till 31 January 2023) Kuttukaran Institute for Human Resource Development, India Keracon Equipments Private Limited, India (till 31 January 2023) Kuttukaran Trading Ventures, India Kuttukaran Homes LLP, India K P Paul Foundation, India BanyanTree Growth Capital II, LLC, Mauritius Regiis Insurance Brokers Pvt Ltd

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

II. Related party transactions:

(a) The Group has entered into the following transactions with related parties;

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations - Sale of new vehicles / Sale of spares and accessories / Sale of services		
Kuttukaran Institute for Human Resource Development	0.08	0.03
Mr. Jacob Kurian	1.93	-
Prabal Motors Private Limited	-	3.06
Kuttukaran Trading Ventures	-	0.17
Kuttukaran Engine Rebuilders	0.55	-
Income from rent		
Regiis Insurance Brokers Pvt Ltd	0.15	-
Expense reimbursed by the Company		
Kuttukaran Institute for Human Resource Development, India	0.19	-
Kuttukaran Trading Ventures	0.90	0.86
Prabal Motors Private Limited	-	0.14
Expense reimbursed on behalf of the Company		
Kuttukaran Institute for Human Resource Development	0.50	0.58
Regiis Insurance Brokers Pvt Ltd	0.04	-
Kuttukaran Homes LLP	-	0.41
Prabal Motors Private Limited	-	2.36
Kuttukaran Trading Ventures	0.18	0.49
Repairs and maintenances		
Kuttukaran Trading Ventures	0.81	0.79
Rent paid		
Francis K Paul	6.75	9.03
John K Paul	0.97	0.92
Naveen Philip	3.40	3.48
Kuttukaran Trading Ventures	11.68	12.31
Kuttukaran Homes LLP	23.80	20.69
Kuttukaran Institute for Human Resource Development	0.06	-
Rushil John	0.83	0.79
Sale of asset		
Raj Narayan	3.78	-
Loan (availed)/ repaid from directors		
Francis K Paul	-	(3.12)
John K Paul	-	(6.12)
Naveen Philip	(5.00)	(22.04)

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Corporate social responsibility expenses		
K P Paul Foundation	10.24	4.15
Remuneration to KMP		
Short term employee benefits		
- Salaries and allowances*		
Francis K Paul	11.91	10.75
John K Paul	9.66	8.78
Naveen Philip	9.66	8.78
Raj Narayan	13.49	5.60
Others	10.69	13.35
Post employment benefits		
Raj Narayan	0.44	-
Others	0.06	-
- Commission and incentive to KMP		
Francis K Paul	-	3.00
John K Paul	-	3.00
Naveen Philip	-	3.00
Others	3.08	3.90
Sitting fees to independent directors	4.20	4.00

* Managerial remuneration paid to key managerial personnel does not include retirement benefits such as gratuity and compensated absences since provision for these are based on actuarial valuation as it is carried out for the Group as a whole.

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

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables		
Regiis Insurance Brokers Pvt Ltd	0.09	-
Raj Narayan	0.04	-
Kuttukaran Institute for Human Resource Development	-	0.19
Dues to creditors for expenses and others		
Kuttukaran Homes LLP	-	(1.06)
Kuttukaran Institute for Human Resource Development	(0.11)	-
Kuttukaran Trading Ventures	(0.64)	(0.39)
Kuttukaran Engine Rebuilders	(0.06)	-
Post Employment Benefits payable		
Raj Narayan	(0.57)	(0.13)
Varun T V	(0.33)	(0.27)

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(All amounts in Indian Rupees million)

Particulars	As at 31 March 2024	As at 31 March 2023
Payable to KMP		
Naveen Philip	(0.31)	(0.04)
Rushil John	(0.06)	(0.06)
John K Paul	(0.07)	(3.00)
Francis K Paul	(0.62)	(3.37)
Others	(3.08)	(3.90)
Share Issue Expense recoverable		
BanyanTree Growth Capital II, LLC	235.26	-
Loan from director		
John K Paul	(36.02)	(36.12)
Francis K Paul	(35.52)	(35.43)
Naveen Philip	(22.30)	(27.30)

37 Asset held for sale and exceptional item

The Group had classified following land and buildings as Asset held for sale as at balance sheet dates and the same has stated at carrying value (being lower of fair value less cost to sell or net book value).

Entity	As at 31 March 2024	As at 31 March 2023
Popular Vehicles and Services Limited	-	15.42
Holding Company	-	15.42

(i) The Group received notice from the NH authorities to acquire a portion of the land on 10 August 2020 for the acquisition of 25.79 acres of land with an acquisition award of Rs. 31.47 million. The group received an amount of Rs. 31.47 million on 1 June 2023 as total compensation thus recording the sale during the current period. The net gain on account of this transaction has been disclosed as an exceptional item.

Exceptional item

Particulars	As at 31 March 2024	As at 31 March 2023
Gain on sale of property	16.05	-
	16.05	-

38 The analytical ratios have not been disclosed in the consolidated financial statements as per the clarification in general instructions to the preparation of consolidated financial statements in paragraph 12.1 of the "Guidance Note on Division II - IND AS Schedule III to the Companies Act, 2013".

39 Business combination - Goodwill on acquisition

Keracon Equipments Private Limited

During the year ended 31 March 2023, the Group has acquired 100% equity shares of Keracon Equipments Private Limited ('Keracon') at a consolidated price of Rs 301.46 million. Keracon has a 100% subsidiary - Prabal Motors Private Limited ('Prabal') which is in the business of trading and servicing of commercial vehicles (Bharat Benz).

The identifiable assets and liabilities acquired at the date of acquisition of Keracon / Prabal comprises of various showrooms and service centers, inventories, brand and supplier relationships etc. The Group has determined

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business and acquisition from Keracon falls within the ambit of Ind AS 103 "Business Combination".

Consequent to this acquisition, Keracon and Prabal have become wholly-owned subsidiaries of the Company, with effect from 1 February 2023. The acquisition is expected to increase the footprint of the group to other states in South India.

For the two months ended 31 March 2023, Keracon / Prabal contributed revenue of Rs. 1,297.07 million and profit of Rs. 25.82 million to the Group's results. If the acquisition had occurred on 1 April 2022, management estimates that consolidated revenue would have been Rs.51,346.33 million, and consolidated profit for the year would have been Rs.690.49 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2022.

a Purchase consideration transferred

Particulars	Amount
Consideration paid in cash	301.46

As per the share transfer agreement, entire purchase consideration is settled in cash and there are no settlement by issue of equity shares, share basement rewards or any contingent consideration.

b Assets and Liabilities recognised as a result of the acquisition

Particulars	Amount
Non-current assets	497.44
Current assets	611.31
Non-current liabilities	(292.98)
Current liabilities	(713.23)
Other intangibles	127.20
Deferred tax liability	(31.95)
Net Identifiable assets acquired	197.79

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c Goodwill

Particulars	Amount
Purchase consideration (a)	301.46
Less net identifiable assets acquired (b)	(197.79)
Goodwill (a) - (b)	103.67

(i) Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Brand - The Fair Value of an acquired Brand is established using a form of the income approach known as the relief from-royalty method. The notional price paid by the operating company to the brand company is expressed as a royalty rate. The Net Present Value (NPV) of all forecast royalties represents the value of the brand to the business.

Supplier Relationship - The Fair Value of an acquired Supplier relationship is established using a form of the income approach known as Multi Period Excess Earnings method (MPEEM). This method discounts company earnings based on two capitalization rates: a rate of return on tangible assets and a rate attributable to company's goodwill. This method is often described as hybrid method because takes into accounts the company's asset values as well as discounts expected cash flows.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

Property, plant and equipment - Market comparison technique and cost technique: The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

Inventories - Market comparison technique: The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(ii) Acquired receivable

Fair value of the acquired trade receivables at the date of acquisition is Rs. 107.89 millions.

40 Events occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of 28 May 2024 there are no subsequent events and transactions to be recognised or reported that are not already disclosed.

41 Utilisation of IPO proceeds

The Company had completed initial public offering (IPO) of Rs. 6,015.54 million (including fresh issue of Rs. 2,500 million) comprising of :

- (i) 84,53,803 equity shares of Rs. 2 each at an issue price of Rs. 295 per share (including a share premium of Rs. 293 per share) towards fresh issue of equity shares
- (ii) 1,19,17,075 equity shares of Rs. 2 each at an issue price of Rs. 295 per share (including a share premium of Rs. 293 per share) towards offer for sale and ;
- (iii) 22,950 equity shares of Rs. 2 each at an issue price of Rs. 267 per share (including a share premium of Rs. 265 per share) for employee quota towards fresh issue.

The company has estimated Rs. 421.06 million (including provision) (excluding taxes) as IPO related expenses and allocated such expenses between the company Rs. 178.01 million and selling shareholders Rs. 243.05 million in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by selling shareholders respectively. The amount attributable to the company amounting to Rs. 178.01 million has been adjusted to securities premium.

The equity shares of the Company were listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 19 March 2024.

Details of IPO net proceeds are as follows as on 31 March 2024:

Particulars	Amount (As per Offer Document)
Gross proceeds from the issue	2,500.00
Less: Estimated issue related expenses (proportionate to Company's share)*	210.10
Net Proceeds	2,289.90

* Issue related expenses (net of GST) amounting to Rs. 178.01 million have been adjusted against securities premium as per Section 52 of the Companies Act, 2013.

Details of the utilisation of the IPO proceeds is summarised below:

Particulars	Utilisation as per prospectus	Utilised upto 31 March 2024	Unutilised as on 31 March 2024
Pre-payment, in full or in part, of borrowings availed by our subsidiaries	1,920.00	1,920.00	-
General Corporate purposes	369.90	360.00	9.90
Total utilisation of funds	2,289.90	2,280.00	9.90

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees million)

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

(b) No funds have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

43 Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act, 2013, for the years ended 31 March 2024 and 31 March 2023

- i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- ii) The Group does not have any transactions with companies struck off.
- iii) The Group has not traded or invested in Crypto currency or Virtual Currency.
- iv) The Group has not revalued its property, plant and equipment, right-of-use assets or intangible assets or both.
- v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the respective years in the tax assessments under the Income Tax Act, 1961.
- vi) None of the entities in The Group have been declared wilful defaulter by any bank or financial institution or government or any government authority.
- vii) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- viii) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

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for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W-100024

Baby Paul

Partner

Membership No.: 218255

Kochi

28 May 2024

for and on behalf of the Board of Directors of

Popular Vehicles and Services Limited

CIN: U50102KL1983PLC003741

Naveen Philip

Managing Director

DIN: 00018827

John Verghese

Chief Financial Officer

Kochi

28 May 2024

Francis K Paul

Whole Time Director

DIN: 00018825

Varun T V

Company Secretary

Membership no. A22044

Raj Narayan

Chief Executive Officer

Notice

Notice is hereby given that the 40th Annual General Meeting of the Popular Vehicles and Services Limited will be held on Tuesday, 24th September 2024 at 04:00 P.M (time IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following businesses.

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2024 together with the Reports of the Board of Directors and Auditors thereon and the audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2024 with the Report of the Auditors thereon.
- 2) To appoint a Director in place of Mr. Naveen Philip (DIN: 00018827), who retires by rotation and, being eligible, offers himself for re-appointment. The information required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as **Annexure A** to this Notice.
- 3) To declare final dividend of Rs. 0.50 per equity shares for the financial year ended 31st March 2024.
- 4) To fix remuneration of Statutory Auditors and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

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

SPECIAL BUSINESS:

- 5) To increase managerial remuneration payable to the Executive Directors in excess of 5% of the net profits of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as

a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("the Act"), if any, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17 (6) (e) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee ("NRC") and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded for payment of remuneration in aggregate of a sum which may exceed 5% of Net Profits (computed in a manner laid down under Section 198 of the Companies Act, 2013) to the Executive Directors (being Mr. John K. Paul and Mr. Francis K. Paul receiving remuneration from the Company and Mr. Naveen Philip receiving remuneration from the wholly-owned subsidiary of the Company, Popular Mega Motors (India) Private Limited) for each of the financial years during their respective tenure of service as approved by the members in the respective general meetings or postal ballot, to take retrospective effective from 01st April, 2024."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

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

VARUN T.V.

COMPANY SECRETARY & COMPLIANCE OFFICER
(MEMBERSHIP NO: A22044)

Registered Office:

Kuttukaran Centre,
Mamangalam, Cochin,
Ernakulam, Kerala-682025
CIN : L50102KL1983PLC003741
e-mail : cs@popularv.com
Website : www.popularmaruti.com
Tel. : +91 484 2341134
Cochin, 13th August, 2024

Notes:

1. The Ministry of Corporate Affairs ("MCA") with reference to Circular Nos. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020, 20/2020 dated 05th May, 2020, 2/2022 dated 05th May, 2022, 10/2022 dated 28th December, 2022 and 09/2023 dated 25th September, 2023 and all other relevant circulars issued from time to time (hereinafter collectively referred to as "MCA Circulars") has allowed companies whose AGMs are due in the year 2024, to conduct their AGM through VC/ OAVM, in accordance with the requirements laid down in paragraphs 3 and 4 of the General Circular No. 20/2020 dated 05th May, 2020. Further, the Securities and Exchange Board of India ("SEBI") Circulars dated 12th May, 2020, 15th January, 2021, 13th May, 2022, 05th January, 2023 and 07th October, 2023 (hereinafter referred as "SEBI Circulars") has provided some relaxation from compliance with the certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). Hence, in compliance with these Circulars, the AGM of the Company will be conducted through VC/ OAVM. National Securities Depositories Limited (NSDL), shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/ OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/ OAVM is explained at Note No. 20 below.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held through VC/ OAVM, pursuant to the applicable MCA Circulars read with Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated 07th October, 2023 physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/Institutional Members intending to authorise their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board Resolution/ Authorisation Letter with the attested specimen signature(s) of the duly authorized signatory(ies) to the Scrutiniser at e-mail ID cfccochoin@gmail.com with a copy marked to evoting@nsdl.com and to the Company at cs@popularv.com, authorising its representative(s) to attend through VC/OAVM and vote on their behalf at the Meeting, pursuant to section 113 of the Act.
4. Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/ OAVM and vote.
5. The Board has appointed Mr. M.C. Sajumon, Practicing Company Secretary, (Membership No ACS 9868) as the Scrutinizer to scrutinize the process of e-voting in a fair and transparent manner.
6. In accordance with the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
7. The Explanatory Statement as required under section 102 of the Act is annexed hereto. Further, additional information with respect to Item No. 5 is also annexed hereto. The Board of Directors has considered and decided to include Item No. 5 given above as Special Business in the AGM in view of the business requirements and as such unavoidable in nature.
8. In terms of the aforesaid MCA Circulars and SEBI Circulars, the Company has sent the Annual Report for FY 2023-24 and the Notice of AGM only in electronic form to the registered email addresses of the Members whose name appears in the Register of Members / Depositories at the close of the business hours on 23rd August, 2024. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
 - a) Members holding shares in physical form, are requested to register/ update their email addresses by submitting physical copy of Form ISR-1 to the RTA along with relevant documents at below mentioned address:

Link Intime India Private Limited
C-101,1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai,
Maharashtra, India-400 083
 - b) Members holding shares in dematerialized form, are requested to register/ update their email addresses with the Depository Participants with whom the demat account is maintained.

9. The Notice of the 40th AGM and the Annual Report for the FY 2023-24 including Audited Financial Statements for the FY 2023-24, will be available on the website of the Company at www.popularmaruti.com and the website of stock exchanges at BSE Limited www.bseindia.com and National Stock Exchanges of India Limited www.nseindia.com. The Notice of 40th AGM will also be available on the website of National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com.
10. Members desirous of obtaining physical copies of the said Notice and the Annual Report for the financial year 2023-2024 may send a request to the Company, mentioning their name and DP ID & Client ID / folio number, through e-mail at cs@popularv.com.
11. AGM through Video Conference (VC):
- National Securities Depository Limited (NSDL) will be providing facility for convening 40th AGM through VC/OAVM Facility, voting through remote e-voting and e-voting during the 40th AGM.
 - Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with.
 - Corporate/Institutional Members are required to send a scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting or e-voting during the AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to cfccochoin@gmail.com with a copy marked to evoting@nsdl.com. Corporate/ Institutional Members (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
 - Members may join the AGM through VC/OAVM facility, by following the procedure as mentioned in point number 20, which shall be kept open for the Members from 03:30 P.M. IST i.e. 30 minutes before the time scheduled to start the AGM. The facility for participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis ("FCFS"). No restrictions on account of FCFS entry into AGM will apply in respect of large shareholders (shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, etc.
- e) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 12. Submission of questions or queries prior to AGM/ Registration of Speakers:**
- Members seeking any information with regard to the Financial Statements or any other matter to be placed at the AGM, are requested to write to the Company latest by Friday, 20th September, 2024 through email on cs@popularv.com. Such questions shall be taken up during the meeting or replied by the Company suitably.
- Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and client ID/Folio no, No. of shares, PAN, mobile number to cs@popularv.com on or before Friday, 20th September, 2024. Those Members who have registered themselves as a speaker will be allowed to express their views, ask questions during the AGM. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.
- 13. Inspection**
- All documents referred to in the Notice along with the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e., 24th September, 2024. Members seeking to inspect such documents can send an email to cs@popularv.com.
- 14. Nomination**
- Members can avail nomination facility in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to the Registrar and Transfer Agent (RTA), Link Intime India Private Limited at the address mentioned in Point No.8. Members holding shares in electronic form may contact their respective DPs for availing this facility.
- As per SEBI circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated 10th June, 2024, Non-submission of 'choice of nomination' shall not result

in freezing of Demat Accounts as well as Mutual Fund Folios. Security holders holding securities in physical form shall be eligible for receipt of any payment including dividend, interest or redemption payment as well as to lodge grievance or avail any service request from the RTA even if 'choice of nomination' is not submitted by these security holders.

15. Dividend and Book Closure:

- a) Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer books of the Company will remain closed from 18th September, 2024 to 24th September, 2024 (both days inclusive) for the purpose of 40th AGM of the Company and for determining the entitlement of the Members for final dividend for the financial year 2023-24, if approved by the Members at the meeting.
- b) Final Dividend for the financial year 2023-24, as recommended by the Board, if approved at the AGM will be paid to the Members within 30 days from the date of approval to those Members/beneficial owners whose names appear in the Register of Members/depository records as at close of business hours on 17th September, 2024.
- c) Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants with whom they maintain their demat accounts will be used by the Company for payment of dividend. The Company cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars or bank mandates. Members holding shares in demat form are, therefore, requested to intimate any change in their addresses and/or bank mandate immediately to their Depository Participants.
- d) Members may note that the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 01st April, 2020, shall be taxable in the hands of the Members. The Company shall therefore be required to deduct Tax at Source ("TDS") at the time of making payment of the final dividend, if approved at AGM. In order to enable the Company to determine the appropriate TDS rate, as applicable, Members are requested to submit their documents in accordance with the provisions of the IT Act. Members are requested to write to the RTA

at rnt.helpdesk@linkintime.co.in in case of any queries/ questions in this regard.

16. Cut-off Date:

The Company has fixed 17th September, 2024 as the Cut-off date for remote e-voting. The remote e-voting/ voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off Date i.e. 17th September, 2024. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.

17. Remote e-voting:

Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of voting by electronic means viz. 'remote e-voting' (e-voting from a place other than venue of the AGM) through NSDL, for all Members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the Notice of 40th AGM of the Company.

The remote e-voting period begins on Saturday, 21st September, 2024 at 09:00 am. (IST) and ends on Monday, 23rd September, 2024 at 05:00 pm (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form as on the Cut-off Date i.e. 17th September, 2024 may cast their votes electronically. The remote e-voting module shall be disabled after Monday, 23rd September, 2024 at 05:00 pm (IST). The facility for electronic voting system, shall also be made available at the 40th AGM. The Members attending the AGM, who have not cast their votes through remote e-voting, shall be able to exercise their voting rights at the AGM. The Members who have already cast their votes through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the AGM. The Members desirous of voting through remote e-voting are requested to refer to the detailed procedure given hereinafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.

18. The Company will be webcasting the proceedings of the AGM on its corporate website www.popularmaruti.com. The transcript of the AGM proceedings will also be made available on the Company's website.

19. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

20. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Saturday, 21st September, 2024 at 09:00 A.M. and ends on Monday, 23rd September, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, 17th September, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 17th September, 2024.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on

 App Store  Google Play



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?

- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- [Physical User Reset Password?](#) (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - Now, you will have to click on "Login" button.
 - After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cfccochoin@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.com.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@popularv.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@popularv.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.](#)
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user

id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

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INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop

connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@popularv.com. The same will be replied by the company suitably.
6. Registration of Speaker related point needs to be added by company.

Shareholders who would like to express their views/have questions to be asked during the meeting may register themselves as a speaker by sending their request on or before 05.00 PM IST on Friday, 20th September, 2024 mentioning their name, demat account number, email address and mobile number at cs@popularv.com. Members who do not wish to speak during the AGM but have queries may send their queries before 05.00 PM IST on Friday, 20th September, 2024, mentioning their name, demat account number, email address and mobile number at cs@popularv.com. The same will be replied by the company suitably.

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

EXPLANATORY STATEMENT

Statement setting out material facts in respect of the special businesses pursuant to Section 102 of The Companies Act, 2013 (The Act), Secretarial Standard-2 on General Meetings and Regulation 36 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The Listing Regulations).

Item No 5

The Company's Equity shares were listed on stock exchange (both BSE Limited (BSE) and National Stock Exchange Limited (NSE)) on 19th March 2024. Hence,

SEBI Regulations became applicable to the Company with effect from 19th March 2024. Therefore, pursuant to Regulation 17 (6) (e) of SEBI (LODR) Regulations, 2015 the fees or compensation payable to Executive Directors who are promoters or members of the promoter group shall be subject to the approval of the shareholders by special resolution in a general meeting, if-

- (i) the annual remuneration payable to such executive director exceeds Rs. 5 Crores or 2.5 per cent of the net profits of the listed entity calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity calculated as per the provisions of Section 198 of the Companies Act, 2013.

At present there are three Executive Directors who are promoters on the Board of the Company namely, Mr. Naveen Philip, Managing Director; Mr. John K. Paul, Whole Time Director and Mr. Francis K. Paul, Whole Time Director.

Mr. John K. Paul (DIN: 00016513) and Mr. Francis K. Paul (DIN: 00018825) are the Executive Directors drawing remuneration from the Company and Mr. Naveen Philip (DIN: 00018827), Managing Director draws remuneration from the wholly owned subsidiary Popular Mega Motors (India) Private Limited (PMMIL).

The remuneration payable to the Executive Directors were as approved by the shareholders in the 39th Annual General Meeting for Mr. Francis K. Paul (DIN: 00018825) and via postal ballot to Mr. John K. Paul (DIN: 00016513) on 11th July, 2024. The terms of remuneration is as follows for the Executive Directors:

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

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

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

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

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

e) **Other Benefits:**

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

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

The remuneration to Mr. Naveen Philip, Managing Directors was approved by the shareholders of the Company at the 38th Annual General Meeting of the Company subject to a maximum ceiling of 10% increase per annum. The performance incentive and other terms remains the same for Mr. Naveen Philip as mentioned above.

Payment of perquisites to the Managing Director and the Whole Time Director was approved by the members in the 39th Annual

General Meeting held on 18th August, 2023.

Consent of the shareholders was also accorded to pay the above agreed remuneration where in any financial year, the Company has no profits or inadequate profit.

The Executive Directors being the Promoter Directors of the Company and considering their knowledge of various aspects and long business experience, the above mentioned remuneration is consistent with the remuneration in the industry of similar size for similarly placed persons.

In order to comply with Regulation 17(6) (e), the Executive Directors waived their performance incentive for the financial year 2024 and the excess remuneration paid to the said directors during the remaining days in the Financial Year 2023-24 after the Company's shares were listed on Stock Exchange was refunded by the Directors and necessary entries were passed in this regard. As a good governance practise, even though the remuneration and incentive paid to Mr. Naveen Philip, Managing Director is from the wholly owned subsidiary, the same was also refunded and waived as was done by the remaining two Executive Directors.

Though Regulation 17(6)(e) considers only the listed entity on a standalone basis, the performance of the Executive Directors are evaluated based on the consolidated performance which is evident from basing the performance incentive to Executive Directors based on the overall consolidated net profit.

The standalone business is only at 47% of the consolidated revenue and 33.94% of consolidated net profit of the Listed entity for the financial year 2023-24. Considering this the Nomination and Remuneration Committee and the Board of Directors in its meeting held on 13th August, 2024 recommended to seek shareholders' approval to pay remuneration to the Executive Directors, in excess of 5% of the net profits of the Company during the tenure of their appointment.

Except Executive Directors, and their relatives, no other Director and Key Managerial Personnel of the Company including their relatives are interested or concerned, financially or otherwise, in the resolutions set out at item no. 5 of the accompanying notice.

Your Directors recommend the Special Resolution at item no. 5 of the Notice of the AGM for approval.

ANNEXURE A

DETAILS OF DIRECTORS RECOMMENDED FOR RE-APPOINTMENT AS REQUIRED UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA.

Name of the Director	Mr. Naveen Philip
Brief Profile	Mr. Naveen Philip Managing Director of the Company has over 27 years of experience in the automobile industry. He is the member of the Federation of Automobile Dealers Association's Governing Council. Previously he held the position of a manager at Godrej Telecom Limited.
Age	54
Date of First Appointment on the Board	01 st April, 2018
Qualifications	Post Graduate Diploma in Management from the Xavier Institute of Management, Bhubaneswar and Bachelor's Degree in Mechanical Engineering from the University of Calicut.
Nature of expertise, experience in specific functional areas.	Over 27 years of experience in Automobile Industry.
Past Remuneration	Details have been provided in the Corporate Governance Report which forms part of the Annual Report 2023-24.
Terms and conditions of appointment/ re-appointment including Remuneration to be paid.	Re-appointment as a Director, liable to retire by rotation.
Number of shares held in the Company including shares held as a Beneficial Owner as on March 31, 2024.	1,45,19,362
Relationship with other Directors / KMPs.	Relative (Nephew) of Mr. Francis K. Paul, Whole Time Director and Mr. John K. Paul Whole Time Director.
Directorships / Committee Membership and Chairmanship held in other Companies.	Managing Director at Popular Mega Motors (India) Private Limited. Director at Vision Motors Private Limited, Popular Auto Dealers Private Limited, Popular Autoworks Private Limited, Kuttukaran Cars Private Limited, Kuttukaran Green Private Limited, Memorytrain Creatives Private Limited, Bluetimbre Music Private Limited, Keracon Equipments Private Limited, Regiis Insurance Brokers Private Limited and Haeal Enterprises Private Limited.
Resignation from Listed entities in the past three years.	NIL
No. of Board Meetings of the Company attended during the Financial year 2023-24.	9 Meetings

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

VARUN T.V.
COMPANY SECRETARY & COMPLIANCE OFFICER
(MEMBERSHIP NO: A22044)

Registered Office:

Kuttukaran Centre,
Mamangalam, Cochin,
Ernakulum, Kerala-682025
CIN : L50102KL1983PLC003741
e-mail : cs@popularv.com
Website : www.popularmaruti.com
Tel. : +91 484 2341134
Cochin, 13th August, 2024



Kuttukaran
journeys with you

Popular Vehicles and Services Limited

CIN: L50102KL1983PLC003741

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