DRAFT RED HERRING PROSPECTUS
Dated: August 4, 2021
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

POPULAR VEHICLES AND SERVICES LIMITED

Our Company was originally incorporated as Popular Vehicles and Services Limited on July 5, 1983 at Kochi, Ernakulam, Kerala, India as a public limited company under the Companies Act, 1956 and received its certificate for commencement of business on July 14, 1983. Our Company was converted to a private limited company pursuant to a special resolution passed by our Shareholders at the Extraordinary General Meeting ("**EGM**") held on December 29, 2014 and the name of our Company was changed to Popular Vehicles and Services Private Limited. A fresh certificate of incorporation consequent upon conversion of our Company to a private limited company was issued on March 24, 2015 by the Registrar of Companies, Kerala at Ernakulam ("**RoC**"). Our Company was subsequently converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on June 11, 2018 and the name of our Company was changed to Popular Vehicles and Services Limited. A fresh certificate of incorporation consequent upon conversion of our Company to a public limited company was issued on July 10, 2018 by the RoC. For details of change in name and Registered and Corporate Office of our Company, see "*History and Certain Corporate Matters*" on page 171**.**

Registered and Corporate Office: Kuttukaran Centre, Mamangalam, Cochin, Ernakulam 682 025, Kerala, India; **Tel**: +91 484 2341 134
Website: www.popularmaruti.com; **Contact Person**: Varun T.V.; Company Secretary and Compliance Officer; **E-mail**: cs@popularv.com
Corporate Identity Number: U50102KL1983PLC003741

OUR PROMOTERS: JOHN K. PAUL, FRANCIS K. PAUL AND NAVEEN PHILIP

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF POPULAR VEHICLES AND SERVICES LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹1,500 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 4,266,666 EQUITY SHARES BY BANYANTREE GROWTH CAPITAL II, LLC (THE "SELLING SHAREHOLDER", AND SUCH EQUITY SHARES, THE "OFFERED SHARES") AGGREGATING UP TO ₹[●] MILLION (THE "OFFER FOR SALE").

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREINAFTER) (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS "NET OFFER". THE OFFER AND NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs"), MAY OFFER A DISCOUNT OF UP TO ₹ [●] OF THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT").

THE FACE VALUE OF EQUITY SHARES IS ₹10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLMs AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, [●] EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITIONS OF [●], A MALAYALAM DAILY NEWSPAPER (MALAYALAM BEING THE REGIONAL LANGUAGE OF KERALA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED) EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholder may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**") provided that our Company and the Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective ASBA accounts and UPI ID (in case of RIBs), if applicable, in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Bank under the UPI Mechanism, as applicable. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 330.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Offer Price (determined by our Company and the Selling Shareholder in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 90), should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 23.

ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Selling Shareholder accepts responsibility for and confirms the statements specifically made or confirmed by it in this Draft Red Herring Prospectus to the extent of information specifically pertaining to itself and the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 353.

BOOK RUNNING LEAD MANAGERS TO THE OFFER			REGISTRAR TO THE OFFER
Axis Capital Limited 1st floor, Axis House C-2 Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India **Tel:** +91 22 4325 2183 **E-mail:** popular.ipo@axiscap.in **Website:** www.axiscapital.co.in **Investor Grievance E-mail:** complaints@axiscap.in **Contact Person:** Ankit Bhatia **SEBI Registration No.:** INM000012029	**DAM Capital Advisors Limited** (*Formerly IDFC Securities Limited*) One BKC, Tower C, 15th Floor Unit No. 1511, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India **Tel:** +91 22 4202 2500 **E-mail:** popular.ipo@damcapital.in **Website:** www.damcapital.in **Investor Grievance E-mail:** complaint@damcapital.in **Contact Person:** Gunjan Jain **SEBI Registration No.:** MB/INM000011336	**Centrum Capital Limited** Centrum House C.S.T. Road, Vidyanagari Marg Kalina, Santacruz (East) Mumbai 400 098 Maharashtra, India **Tel:** +91 22 4215 9000 **E-mail:** popular.ipo@centrum.co.in **Website:** www.centrum.co.in **Investor Grievance E-mail:** igmbd@centrum.co.in **Contact Person:** Pooja Sanghvi **SEBI Registration No.:** INM000010445	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg Vikhroli (West) Mumbai 400 083 Maharashtra, India **Tel**: +91 22 4918 6200 **E-mail**: popularvehicles.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Investor Grievance E-mail**: popularvehicles.ipo@linkintime.co.in **Contact Person**: Shanti Gopalkrishnan **SEBI Registration No.**: INR000004058

BID/ OFFER SCHEDULE

BID/ OFFER OPENS ON	[●][(1)]	**BID/ OFFER CLOSES ON**	[●][(2)]

(1) *Our Company and the Selling Shareholder, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.*

(2) *Our Company and the Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Special Tax Benefits", "Financial Statements", "Basis for Offer Price", "History and Certain Corporate Matters", "Financial Indebtedness", "Other Regulatory and Statutory Disclosures", "Outstanding Litigation and Material Developments", "Description of Equity Shares and Terms of Articles of Association" and "Offer Procedure" on pages 97, 166, 92, 205, 90, 171, 292, 311, 294, 346 and 330, respectively, shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
"our Company", "the Company", "the Issuer"	Popular Vehicles and Services Limited, a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at Kuttukaran Centre, Mamangalam, Cochin, Ernakulam 682 025, Kerala, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company, together with our Subsidiaries, on a consolidated basis

Company Related Terms

Term	Description
"Articles of Association" or "Articles" or "AoA"	Articles of association of our Company, as amended
Audit Committee	The audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 180
"Auditors" or "Statutory Auditors"	B S R & Associates LLP, Chartered Accountants, current independent statutory auditors of our Company
"Board" or "Board of Directors"	Board of directors of our Company or a duly constituted committee thereof
Chairman and Non-Executive Independent Director	Chairman of the Board, namely Jacob Kurian, as described in "*Our Management*" on page 180
CFO	Chief Financial Officer of the Company, namely John Verghese, as described in "*Our Management*" on page 180
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in "*Our Management*" on page 180
"Company Secretary and Compliance Officer" or "CS"	Company Secretary and Compliance Officer of the Company, namely Varun T.V., as described in "*Our Management*" on page 180
Director(s)	The directors on the Board of our Company, as described in "*Our Management*" on page 180
Equity Shares	Equity shares of our Company of face value of ₹10 each
Executive Directors	Executive Directors of our Company, namely John K. Paul and Francis K. Paul, as described in "*Our Management*" on page 180
Group Companies	Group Companies of our Company, namely: 1. Prabal Motors Private Limited (formerly known as Popular Kuttukaran Cars Private Limited); and 2. Keracon Equipments Private Limited For details, see "*Our Group Companies*" on page 201
Independent Chartered Account	R.G.N. Price & Co., Chartered Accountants
Independent Directors	Independent Directors on the Board, as disclosed in "*Our Management*" on page 180

Term	Description
IPO Committee	The IPO committee of our Company as described in "*Our Management*" on page 180
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 as disclosed in "*Our Management*" on page 180
KCPL	Kuttukaran Cars Private Limited
KGPL	Kuttukaran Green Private Limited (formerly known as Kuttukaran Pre Owned Cars Private Limited)
Managing Director	Managing Director of our Company, namely John K. Paul, as described in "*Our Management*" on page 180
Material Subsidiary(ies)	Together, Vision Motors Private Limited, Popular Auto Dealers Private Limited and Popular Mega Motors (India) Private Limited
"Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 180
Non-Executive Director	A Director not being an Executive Director, as described in "*Our Management*" on page 180
Promoters	Our promoters, namely, John K. Paul, Francis K. Paul and Naveen Philip
Promoter Group	Entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 198
Registered and Corporate Office	Registered and corporate office of our Company located at Kuttukaran Centre, Mamangalam, Cochin, Ernakulam 682 025, Kerala, India
"Registrar of Companies" or "RoC"	Registrar of Companies, Kerala at Ernakulam
Restated Financial Information	Our restated consolidated summary statements of assets and liabilities as at March 31, 2021, March 31, 2020, and March 31, 2019 and the restated consolidated statements of profit and loss (including other comprehensive income), cash flow statement and changes in equity for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 of the Company together with the summary statement of significant accounting policies, and other explanatory information thereon, derived from audited financial statements as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with Ind AS, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI
Selling Shareholder or BanyanTree	BanyanTree Growth Capital II, LLC, having its principal office 48A, Royal Road, Second Floor, Adjacent to Computer Gate, Belle Rose, Mauritius
Shareholders	Shareholders of our Company
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 180
Subsidiaries or individually known as Subsidiary	Subsidiaries of our Company, namely: (i) Kuttukaran Cars Private Limited (ii) Kuttukaran Green Private Limited (formerly known as Kuttukaran Pre Owned Cars Private Limited) (iii) Popular Auto Dealers Private Limited (iv) Popular Autoworks Private Limited (v) Popular Mega Motors (India) Private Limited (vi) Vision Motors Private Limited (vii) Avita Insurance Broking LLP* **Our Company has filed an application for striking off of this entity. For details, see "Risk Factors - Our Company is in the process of striking off its Subsidiary, Avita Insurance Broking, LLP, which may adversely affect our business and results of operations" on page 40.*
PADPL	Popular Auto Dealers Private Limited
PAPL	Popular Autoworks Private Limited
PMMPL	Popular Mega Motors (India) Private Limited
VMPL	Vision Motors Private Limited
Whole-time Director	Whole-time Director of our Company, namely Francis K. Paul, as described in "*Our Management*" on page 180

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholder in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholder in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
"Application Supported by Blocked Amount" or "ASBA"	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
ASBA Account	Bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an RIBs which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Bankers to the Offer	Collectively, Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Structure*" beginning on page 327
Bid	Indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid.

Term	Description
	Eligible Employees applying in the Employee Reservation Portion can apply at the Cut off Price and the Bid Amount shall be Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 in value. Only in the event of an under- subscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 in value.
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Malayalam daily newspaper (Malayalam being the regional language of Kerala, where our Registered and Corporate Office is located), each with wide circulation. Our Company and the Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Malayalam daily newspaper (Malayalam being the regional language of Kerala, where our Registered and Corporate Office is located), each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely, Axis, DAM Capital and Centrum
Broker Centres	Centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	Higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered amongst our Company, the Selling Shareholder, the BRLMs, Syndicate Members, the Bankers to the Offer and Registrar to the Offer for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Centrum	Centrum Capital Limited
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time

Term	Description
CRISIL	CRISIL Limited
CRISIL Report	A report dated July 2021, titled "Industry Assessment of Automobile Dealership Industry in India" prepared by CRISIL
Cut-off Price	Offer Price, finalised by our Company and the Selling Shareholder in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
DAM Capital	DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*)
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of RIBs using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus following which Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated August 4, 2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Eligible Employee(s)	All or any of the following: (a) a permanent employee of our Company and/or Subsidiary (excluding such employees who are not eligible to invest in the Offer under applicable laws) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company and/or Subsidiary, until the submission of the Bid cum Application Form; and (b) a Director of our Company and/or Subsidiary, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company and/or Subsidiary, until the submission of the Bid cum Application Form, but not including Promoter, Promoter Group and Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000

Term	Description
Employee Discount	Discount of ₹[●] per Equity Share to the Offer Price given to Eligible Employees bidding in the Employee Reservation Portion as may be decided by our Company and the Selling Shareholder in consultation with the BRLMs.
Escrow Account	Accounts to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s) which are clearing members and registered with SEBI as banker(s) to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account will be opened, in this case being [●]
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares, aggregating to ₹[●] available for allocation to Eligible Employees, on a proportionate basis, constituting up to 5% of the post-Offer paid-up Equity Share capital of our Bank.
First or sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	Lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹1,500 million by our Company
"GID" or "General Information Document"	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer less the Employee Reservation Portion.
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For details regarding the use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" on page 81
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs or Eligible Employees bidding in the Employee Reservation Portion)
Non-Institutional Portion	Portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	Person resident outside India, as defined under FEMA
"Non-Resident Indians" or "NRI(s)"	A non-resident Indian as defined under the FEMA
Offer	The initial public offer of Equity Shares comprising of the Fresh Issue and the Offer for Sale. The Offer comprises of the Net Offer and the Employee Reservation Portion.
Offer Agreement	Agreement dated August 4, 2021, 2021 entered amongst our Company, the Selling Shareholder and the BRLMs, pursuant to which certain arrangements have been agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 4,266,666 Equity Shares by the Selling Shareholder at the Offer Price aggregating up to ₹ [●] million in terms of the Red Herring Prospectus
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company and the Selling Shareholder in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company and the Selling Shareholder in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholder. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" beginning on page 81

Term	Description
Offered Shares	Up to 4,266,666 Equity Shares aggregating up to ₹[●] being offered for sale by the Selling Shareholder in the Offer for Sale
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholder in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Malayalam daily newspaper, (Malayalam being the regional language of Kerala, where our Registered and Corporate Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	Date on which our Company and the Selling Shareholder in consultation with the BRLMs will finalise the Offer Price
Prospectus	Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	Bank account to be opened with the Public Offer Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Offer Account will be opened, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer consisting of [●] Equity Shares which shall be available for allocation to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price
"Qualified Institutional Buyers" or "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" or "RHP"	Red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	Account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Offer and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered under SEBI (Stock Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated July 23, 2021 entered amongst our Company, the Selling Shareholder and the Registrar to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
"Registrar to the Offer" or "Registrar"	Link Intime India Private Limited
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price)
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https:/www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of

Term	Description
	SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on SEBI website
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered amongst our Company, the Selling Shareholder and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank	[●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI and carry out other responsibilities, in terms of the UPI Circulars
"Syndicate" or "Members of the Syndicate"	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement to be entered amongst our Company, the Selling Shareholder, the BRLMs and the Syndicate Members, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries (other than BRLMs) registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	Agreement to be entered amongst our Company and the Underwriters on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by an RIB in accordance with the UPI Circulars to make an ASBA Bid in the Offer
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Technical/Industry Related Terms/Abbreviations

Term	Description
AEV	All Electric Vehicles
AMC	Annual Maintenance Contract
ARDs	Authorised representative of the dealer
BEV	Battery operated electric vehicles
CAFÉ	Corporate Average Fuel Efficiency/Economy

Term	Description
CV	Commercial vehicle
DFC	Dedicated Freight Corridors
ECLGS	Emergency Credit Line Guarantee Scheme
EV	Electric Vehicle
FAME	Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles
FAME-II	Phase II of Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles
GDP	Gross Domestic Product
GNPA	Gross non- performing assets
GVW	Gross Vehicle Weight
GW	Giga watt
Honda	Honda Cars India Limited
ICV	Intermediate commercial vehicle
IMF	International Monetary Fund
JLR	Jaguar Land Rover India Limited
KWh	Kilowatt-hour
LCV	Light commercial vehicle
Maruti Suzuki/ MSIL	Maruti Suzuki India Limited
MSME	Micro-small and medium enterprise
Moody’s	Moody’s Investors Service
M&HCV/ MHCV	Medium and heavy commercial vehicle
NBFC	Non-banking financial company
NEMMP 2020	The National Electric Mobility Mission Plan 2020
NSO	National Statistics Office
OEM	Original Equipment Manufacturer
PHEV	Plug-in hybrid electric vehicles
PMP	Phased Manufacturing Plan
PV	Passenger vehicle
SCV	Small Commercial Vehicle
Tata Motors (Commercial)	Tata Motors Limited
ULCV	Upper-end light commercial vehicle
3S	Sales-service-spares
1S	Only sales

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AIFs	Alternative Investments Funds
BSE	BSE Limited
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon

Term	Description
	notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder
Cr.PC.	Code of Criminal Procedure, 1973
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as the Department of Industrial Policy and Promotion*)
DP ID	Depository Participant Identification
DP/ Depository Participant	Depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EGM	Extraordinary General Meeting
EMI	Equated Monthly Instalment
EPS	Earnings Per Share
FC-GPR	Foreign Currency-Gross Provisional Return
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
Financial Year/ Fiscal/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIR	First Information Report
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
"GoI" or "Government" or "Central Government"	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
India	Republic of India
IPO	Initial public offering
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income Tax Act, 1961
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
MCA	Ministry of Corporate Affairs
"Mn" or "mn"	Million
Mutual Fund (s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N/A	Not applicable
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
Net Worth	The total equity or total share capital of the Company and other equity as per the Restated Financial Information
NPCI	National Payments Corporation of India
NRI	Individual resident outside India, who is a citizen of India

Term	Description
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	Together, BSE and NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
U.S./USA/United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
USD/US$	United States Dollars
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(lll) of the SEBI ICDR Regulations

OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "Objects of the Offer", "Our Business", "Industry Overview", "Capital Structure", "The Offer", "Financial Statements", "Outstanding Litigation and Material Developments" ,"Offer Procedure" and "Description of Equity Shares and Terms of Articles of Association" on pages 23, 81, 142, 97, 62, 49, 205, 294, 330 *and* 346, *respectively.*

<table>
<tr><td>Summary of the primary business of the Company</td><td>We are a leading diversified automotive dealership in India in terms of revenue (Source: CRISIL Report), with a presence across the automotive retail value chain, including sale of new passenger and commercial vehicles, services and repairs, spare parts distribution, sale of pre-owned passenger vehicles and facilitation of sale of third-party financial and insurance products. We operate passenger vehicle dealerships of Maruti Suzuki, Honda and JLR and the commercial vehicle dealership of Tata Motors (Commercial)</td></tr>
<tr><td>Summary of the Industry in which our Company operates</td><td>Dealership forms an intrinsic part of the automobile sector playing the role of an intermediary between the customers and the manufacturers. There are more than 17,000 dealerships with nearly 27,000 touchpoints across India catering to customers of two-wheelers, passenger vehicles, CVs, three-wheelers and tractors. These dealerships employ 4-4.5 million people at sales outlets and associated service centres combined. Two-wheelers dominate the number of dealerships with nearly 60% share, followed by the passenger vehicles segment with ~15% share and CVs forming another ~10%. The remaining is formed by three-wheelers and tractor dealers. Presence of three-wheelers and tractor distributorships is relatively limited. (Source: CRISIL Report)</td></tr>
<tr><td>Name of Promoters</td><td>John K. Paul, Francis K. Paul and Naveen Philip</td></tr>
<tr><td>Offer size</td><td>The following table summarizes the details of the Offer size:
<table>
<tr><td>Offer of Equity Shares(1)(2)</td><td>Up to [●] Equity Shares aggregating up to ₹ [●] million</td></tr>
<tr><td>of which:</td><td></td></tr>
<tr><td>(i) Fresh Issue(1)</td><td>Up to [●] Equity Shares aggregating up to ₹ 1,500 million</td></tr>
<tr><td>(ii) Offer for Sale(2)</td><td>Up to 4,266,666 Equity Shares aggregating up to ₹[●] million</td></tr>
<tr><td>Employee Reservation Portion(3)</td><td>Up to [●] Equity Shares</td></tr>
<tr><td>Net Offer</td><td>Up to [●] Equity Shares aggregating up to ₹ [●] million</td></tr>
</table>
(1) The Offer has been authorised by our Board pursuant to resolution passed on June 10, 2021 and by our Shareholders pursuant to a resolution passed on July 8, 2021. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholder pursuant to its resolution dated August 4, 2021.
(2) The Selling Shareholder has specifically confirmed that the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. For details on the authorisation of the Selling Shareholder in relation to the Offered Shares, see "The Offer" beginning on page 49.
(3) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion, shall be added to the Net Offer.
The Offer shall constitute [●]% of the post Offer paid up Equity Share capital of our Company.
For details, see "Offer Structure" and "The Offer" beginning on pages 327 and 49. </td></tr>
<tr><td>Objects of the Offer</td><td>The objects for which the Net Proceeds shall be utilised are as follows:
<table>
<tr><th>Particulars</th><th>Amount (in ₹ million)</th></tr>
<tr><td>Repayment and/or pre-payment, in full or part, of certain borrowings, including working capital loans, availed by our Company and PAPL, PMMPL and VMPL, our Subsidiaries</td><td>1,200</td></tr>
<tr><td>General corporate purposes(1)</td><td>[●]</td></tr>
<tr><td>Net Proceeds</td><td>[●]</td></tr>
</table>
(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds
For further details see "Objects of the Offer" on page 81. </td></tr>
</table>

Aggregate pre-Offer shareholding of our Promoters and Promoter Group, and Selling Shareholder as a percentage of our paid-up Equity Share capital

(a) The aggregate pre-Offer shareholding of our Promoters and Promoter Group as a percentage of the pre-Offer Equity Share capital of the Company is set out below:

Name	No. of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)
Promoters		
John K. Paul	2,751,125	21.93
Francis K. Paul	2,751,125	21.93
Naveen Philip	2,751,125	21.93
Total (A)	**8,253,375**	**65.79**
Promoter Group		
Nil	-	-
Total (B)	-	-
Total (C=A+B)	**8,253,375**	**65.79**

(b) The aggregate pre-Offer shareholding of the Selling Shareholder as a percentage of the pre-Offer Equity Share capital of the Company is set out below:

Name	No. of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)
BanyanTree	4,266,666	34.01
Total	**4,266,666**	**34.01**

Summary of Selected Financial Information

(a) The details of our equity share capital, net worth, net asset value per Equity Share and total borrowings as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 derived from the Restated Financial Information are as follows:

(₹ in million, except per share data)

Particulars	As at March 31,		
	2021	2020	2019
(A) Equity share capital	125.44	125.44	125.44
(B) Net worth	2,460.02	2,127.72	1,978.48
(C) Net asset value per Equity Share	196.17	169.67	157.77
(D) Total Borrowings	3,530.42	3,491.02	5,583.95

(b) The details of our total income, profit after tax and restated earnings per Equity Share (basic and diluted) for FY 2020, 2019 and 2018 derived from Restated Financial Information are as follows:

(₹ in million, except per share data)

Particulars	For the period ending March 31,		
	2021	2020	2019
Total income	29,192.52	31,804.56	39,163.39
Profit after tax	324.55	124.91	213.74
Restated earnings per Equity Share			
- Basic	25.88	9.96	17.42
- Diluted	25.88	9.96	17.42

For details, please see "*Financial Information*" on page 205.

Auditor's qualifications which have not been given effect to in the Restated Financial Information

There are no auditor qualifications which have not been given effect to in the Restated Financial Information.

Summary table of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Promoters, Subsidiaries, Directors and Group Companies, as disclosed in "*Outstanding Litigation and Material Developments*" on page 294, in terms of the SEBI ICDR Regulations and the materiality policy approved by our Board pursuant to a resolution dated July 1, 2021, as of the date of this Draft Red Herring Prospectus is provided below:

(in ₹ million, unless otherwise specified)

Nature of cases	No. of cases	Total amount involved^
Litigation involving our Company		
Against our Company		
Material civil litigation proceedings	3	14.42
Criminal cases	6	3.58

Action taken by statutory and regulatory authorities	11	10.60
Notices	3	-
Taxation cases	88	303.29
By our Company		
Material civil litigation proceedings	Nil	Nil
Criminal cases	11	3.47
Litigation involving our Directors		
Against our Directors		
Material civil litigation proceedings	2	Nil
Criminal cases	2	1.36
Notices	7	-
Action taken by statutory and regulatory authorities	1	0.23
Taxation cases	Nil	Nil
By our Directors		
Material civil litigation proceedings	Nil	Nil
Criminal cases	Nil	Nil
Litigation involving our Promoters		
Against our Promoters		
Material civil litigation proceedings	2	Nil
Criminal cases	2	1.36
Notices	7	-
Action taken by statutory and regulatory authorities	1	0.23
Taxation cases	Nil	Nil
By our Promoters		
Material civil litigation proceedings	Nil	Nil
Criminal cases	Nil	Nil
Litigation involving our Subsidiaries		
Against our Subsidiaries		
Material civil litigation proceedings	8	70.55
Criminal cases	1	-
Action taken by statutory and regulatory authorities	4	-
Notices	2	-
Taxation cases	58	707.46
By our Subsidiaries		
Material civil litigation proceedings	3	15.86
Criminal cases	20	3.23

Our Group Companies are not party to any pending litigation which will have a material impact on our Company.

Risk Factors

For details of the risks applicable to us, please see "*Risk Factors*" on page 23.

Summary table of contingent liabilities

The following is a summary table of our contingent liabilities and commitments as at March 31, 2021:

(₹ in million)

Particulars	**As of March 31, 2021**
Contingent Liabilities	
Claims against the Group not acknowledged as debts	
Service tax related matters	16.80
KVAT related matters	127.67
Income tax matters	96.09
Employee's state insurance / provident fund demand	7.95
Customer claims	83.15
Commitments	
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	180.41
Corporate guarantees	-

For details of our contingent liabilities and commitments, see "*Financial Statements – Annexure VII – Notes to Restated Ind AS Summary Statements*" on page 263.

Summary of related party transactions	The details of related party transactions of our Company for FY 2021, 2020 and 2019, as per Ind AS 24 – Related Party Disclosures, read with the SEBI ICDR Regulations, derived from the Restated Financial Information, are set forth in the table below:

(₹ in million)

Name of party	Nature	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Enterprise over which Key Management Personnel exercise significant influence				
Kuttukaran Institute for Human Resource Development	Revenue from operations	0.04	0.01	-
Keracon Equipments Private Limited	Revenue from operations	36.83	37.17	-
Kuttukaran Trading Ventures	Revenue from operations	0.14	0.02	-
Prabal Motors Private Limited	Revenue from operations	1.37	-	-
Keracon Equipments Private Limited	Expense reimbursed by the Company	0.06	0.67	-
Kuttukaran Institute for Human Resource Development	Expense reimbursed by the Company	0.04	-	0.01
Kuttukaran Homes LLP	Expense reimbursed on behalf of the Company	0.16	0.08	-
Prabal Motors Private Limited	Expense reimbursed on behalf of the Company	0.68	2.03	0.19
Kuttukaran Trading Ventures	Repairs and maintenances	-	0.21	-
Prabal Motors Private Limited	Guarantee commission received	-	-	0.85
Kuttukaran Homes LLP	Rent paid	15.26	9.71	4.66
Prabal Motors Private Limited	Sale of asset	-	-	0.64
Kuttukaran Homes LLP	Sale of asset	41.32	300.50	-
Subsidiaries				
Popular Auto Dealers Private Limited	Expense met by the Company	0.05	0.13	8.22
Popular Auto Dealers Private Limited	Expense met on behalf of the Company	0.31	0.31	
Popular Auto Dealers Private Limited	Income from rent	2.17	2.27	0.43
Popular Auto Dealers Private Limited	Intercorporate loan given	-	-	38.50
Popular Auto Dealers Private Limited	Interest on loan to related parties	-	-	8.38
Popular Auto Dealers Private Limited	Investment	1.25	-	38.92
Popular Auto Dealers Private Limited	Purchase of assets	0.15		
Popular Auto Dealers Private Limited	Purchase of vehicles/accessories and spares	73.08	167.80	126.51
Popular Auto Dealers Private Limited	Repairs and maintenance	-	-	0.20
Popular Auto Dealers Private Limited	Revenue from operations	1.56	2.31	1.24
Popular Auto Dealers Private Limited	Sale of assets	-	0.43	-
Popular Auto Dealers Private Limited	Intercorporate loan repaid by subsidiaries	-	-	30.00
Popular Auto Dealers Private Limited	Guarantee commission received	0.64	0.32	0.29
Popular Autoworks Private Limited	Expense met on behalf of the Company	0.52	0.70	6.69
Popular Autoworks Private Limited	Guarantee commission received	-	0.45	0.75

	Popular Autoworks Private Limited	Intercorporate loan given	-	80.00	216.00
	Popular Autoworks Private Limited	Interest on loan to related parties	7.64	3.86	36.69
	Popular Autoworks Private Limited	Investment	-	-	218.16
	Popular Autoworks Private Limited	Revenue from operations	0.01	0.60	-
	Popular Autoworks Private Limited	Sale of assets	-	-	1.83
	Popular Autoworks Private Limited	Intercorporate loan repaid by subsidiaries	4.10	-	195.00
	Popular Mega Motors (India) Private Limited	Expense met by the Company	-	0.04	0.06
	Popular Mega Motors (India) Private Limited	Expense met on behalf of the Company	2.14	2.63	1.30
	Popular Mega Motors (India) Private Limited	Guarantee commission received	2.90	0.86	2.22
	Popular Mega Motors (India) Private Limited	Income from rent	0.36	0.47	0.54
	Popular Mega Motors (India) Private Limited	Intercorporate loan given	-	-	112.49
	Popular Mega Motors (India) Private Limited	Interest on loan to related parties	-	-	24.39
	Popular Mega Motors (India) Private Limited	Investment	-	110.00	113.59
	Popular Mega Motors (India) Private Limited	Lease Rental	0.11	0.11	-
	Popular Mega Motors (India) Private Limited	Purchase of assets	0.80	0.09	-
	Popular Mega Motors (India) Private Limited	Purchase of vehicles/accessories and spares	0.24	-	0.01
	Popular Mega Motors (India) Private Limited	Repairs and maintenance	0.41	0.42	0.29
	Popular Mega Motors (India) Private Limited	Revenue from operations	1.15	6.64	0.20
	Popular Mega Motors (India) Private Limited	Sale of assets	0.75	-	-
	Popular Mega Motors (India) Private Limited	Intercorporate loan repaid by subsidiaries	-	-	85.00
	Vision Motors Private Limited	Expense met by the Company	0.05	0.02	0.05
	Vision Motors Private Limited	Expense met on behalf of the Company	1.10	1.21	1.40
	Vision Motors Private Limited	Guarantee commission received	0.18	0.94	1.54
	Vision Motors Private Limited	Lease Rental	0.24	0.24	0.17
	Vision Motors Private Limited	Purchase of assets	0.01	0.38	-
	Vision Motors Private Limited	Purchase of vehicles/accessories and spares	33.78	19.80	32.07
	Vision Motors Private Limited	Repairs and maintenance	0.01	0.03	-
	Vision Motors Private Limited	Revenue from operations	0.16	-	0.05
	Kuttukaran Cars Private Limited	Expense met on behalf of the Company	-	0.12	0.11
	Kuttukaran Green Private Limited (formerly known as Kuttukaran Pre Owned Cars Private Limited)	Expense met on behalf of the Company	-	-	0.02
	Key Management Personnel				
	Francis K Paul	Rent Paid	5.03	6.32	6.14
	John K Paul	Rent Paid	-	0.77	0.71
	Naveen Philip	Rent Paid	2.66	3.06	2.68

	Francis K Paul	Loan (availed)/ repaid from directors	-	(0.10)	35.14
	John K Paul	Loan (availed)/ repaid from directors	(0.10)	-	35.79
	Naveen Philip	Loan (availed)/ repaid from directors	28.82	79.61	-
	Francis K Paul	Commission and incentive	1.50	-	9.00
	John K Paul	Commission and incentive	1.50	-	9.00
	Francis K Paul	Remuneration	5.67	7.26	6.60
	John K Paul	Remuneration	5.67	7.26	6.60
	Naveen Philip	Remuneration	7.17	8.31	9.15
	Mariam K Francis	Remuneration	-	-	0.60
	Philip Chacko Mundanilkunnathil	Remuneration	10.61	14.33	10.54
	John Verghese	Remuneration	5.46	6.13	5.41
	Varun Thazhathu Veedu	Remuneration	2.05	2.21	1.70
	Jacob Kurian	Sitting fees to independent directors	0.50	0.50	0.25
	Preeti Reddy	Sitting fees to independent directors	0.45	0.25	0.20
	Relatives of Key Management Personnel				
	Rushil John	Rent Paid	0.45	-	-
	Leela Philip	Rent Paid	0.05	0.60	0.60

For details of the related party transactions, see "*Other Financial Information – Related Party Transactions*" on page 266.

Details of all financing arrangements whereby the Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus	Our Promoters, members of our Promoter Group, our Directors and their relatives have not financed the purchase by any person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
Weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholder, in the last one year	Our Promoters and Selling Shareholder have not acquired any specified securities in the one year preceding the date of this Draft Red Herring Prospectus.
Average cost of acquisition of shares of our Promoters and the Selling Shareholder	The average cost of acquisition of Equity Shares held by our Promoters is as follows:

Name of the Promoter	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)
John K. Paul	2,751,125	2.05
Francis K. Paul	2,751,125	2.04
Naveen Philip	2,751,125	0.43

The average cost of acquisition of Equity Shares held by the Selling Shareholder is as follows:

Name of the Selling Shareholder	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)
BanyanTree	4,266,666	152.35

Size of the pre-IPO placement and allottees, upon completion of the placement	Not applicable.
Any issuance of Equity Shares in the last one year for consideration other than cash	Our Company has not issued any Equity Shares in the last one year from the date of this Draft Red Herring Prospectus, for consideration other than cash.
Any split/consolidation of Equity Shares in the last one year	Our Company has not undertaken any split/consolidation of its Equity Shares in the last one year from the date of this Draft Red Herring Prospectus

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and all references to the "US", "U.S." "USA" or "United States" are to the United States of America and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Financial Information. For further information, see "*Financial Statements*" beginning on page 205. In this Draft Red Herring Prospectus, figures for FY 2021, 2020 and 2019 have been presented.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, all references in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year or FY are to the 12 months ended March 31 of such year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Draft Red Herring Prospectus are to a calendar year.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 23, 142 and 267, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Financial Information.

Certain non-GAAP financial measures relating to our financial performance such as, EBITDA, EBITDA Margin and other financial parameters have been included in this Draft Red Herring Prospectus. We compute and disclose such financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance for investors and other users. These financial measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.Such supplemental financial and operational information should not be considered in isolation or as a substitute for an analysis of our Restated Financial Information disclosed elsewhere in this Draft Red Herring Prospectus.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other currencies:

Currency	**As at**		
	March 31, 2021	**March 31, 2020**	**March 31, 2019**
1 USD	73.50	75.39	69.17*

Source: RBI reference rate and www.fbil.org.in

* *Exchange rate as on March 29, 2019 considered as exchange rate is not available for March 30, 2019 being Saturday and March 31, 2019 being a Sunday*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publication and sources. Further, the information has also been derived from the reported titled "Industry Assessment of Automobile Dealership Industry in India" dated July, 2021, prepared by CRISIL (the "**CRISIL Report**"), which was commissioned on April 27, 2021, 2021 and paid for by our Company. For risks in relation to commissioned reports, see "*Risk Factors – This Draft Red Herring Prospectus contains information from industry sources including the industry report commissioned from CRISIL and paid for by the Company. Investors are advised not to place undue reliance on such information."* on page 38.

Disclaimer

CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Popular Vehicles and Services Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been reclassified by us for the purposes of presentation.

Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 23.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" on page 90 includes information relating to our listed peer group companies. No investment decision should be made solely on the basis of such information.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "seek to", "shall", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industry in which we have businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- non-renewal or termination of any of the dealership agreements that we have entered into with our OEMs;

- our business operations are dependent upon the success and continued financial stability of the vehicle OEMs with which we have dealership agreements;

- the automotive retail industry is sensitive to changing economic conditions and various other factors which could have a material adverse effect on our business and results of operations;

- impact of COVID-19 on our business and financial conditions;

- our operations being subject to the significant influence of and restrictions imposed by OEMs pursuant to the terms of our dealership agreements

Certain information in "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations* on pages 97, 142 and 267, respectively, of this Draft Red Herring Prospectus have been obtained from the report titled "*Industry Assessment of Automobile Dealership Industry in India*" dated July 2021 by CRISIL, which has been commissioned and paid for by our Company. For risks in relation to commissioned reports, see "*Risk Factors – This Draft Red Herring Prospectus contains information from industry sources including the industry report commissioned from CRISIL and paid for by the Company. Investors are advised not to place undue reliance on such information.*" on page 38.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 23, 142 and 267, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Neither our Company, our Promoters, our Directors, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements of SEBI, our Company shall ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by them in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. Further, the Selling Shareholder shall ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings specifically made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. In order to obtain a complete understanding about us, investors should read this section together with "Industry Overview", "Our Business", "Key Regulations and Policies" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 97, 142, 166 and 267, respectively, as well as the Restated Financial Information, and other financial information included elsewhere in this Draft Red Herring Prospectus. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face or are relevant to us, our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially and adversely affect our business, prospects, financial condition and results of operations and cash flows. If any or some combination of the following risks, or other risks that we do not currently know about or believe to be material, actually occur, our business, financial condition and results of operations and cash flows could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Offer, including the merits and risks involved.

Unless specified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section, such as those relating to levels of consolidated indebtedness and our ability to comply with the covenants contained in the agreements that govern our indebtedness. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

Unless otherwise indicated, industry and market information included in this section is derived from the report titled "Industry Assessment of Automobile Dealership Industry in India" dated July, 2021 prepared by CRISIL and commissioned and paid for by our Company in connection with the Offer. Also see "Risk Factors—This Draft Red Herring Prospectus contains information from industry sources including the industry report commissioned from CRISIL and paid for by the Company. Investors are advised not to place undue reliance on such information." on page 38.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this document. For details, see "Forward Looking Statements" on page 21.

Unless otherwise indicated or the context requires otherwise, the financial information included herein are based on our Restated Financial Information, included in this Draft Red Herring Prospectus. For further information, see "Financial Statements" on page 205.

INTERNAL RISK FACTORS

Risks Relating to our Business

1. ***The non-renewal or termination of any of the dealership agreements that we have entered into with our OEMs, or any adverse material modifications thereto, will have a material and adverse impact on our business prospects and results of operations.***

We operate the passenger vehicle dealerships of Maruti Suzuki, Honda and JLR. We also operate the commercial vehicle dealership of Tata Motors (Commercial). Maruti Suzuki, Honda, JLR and Tata Motors (Commercial), comprised 74.00%, 7.00%, 0.40% and 19.00%, respectively of the vehicles sold by us in FY 2021**.** Further, our Maruti Suzuki, Honda, JLR and Tata Motors (Commercial) dealerships contributed towards 58.00%, 8.00%, 5.00% and 24.00%, respectively of our consolidated revenue in FY 2021. Further, we have also entered into dealership agreements for spare parts distribution with various OEMs. Pursuant to the dealership agreements entered into with the OEMs, we have been authorized as a dealer of such OEMs, on a non-exclusive and non-transferable basis, in identified geographies. The aforesaid dealership agreements have been entered into for fixed periods of time ranging between 12 months to five years and any renewal is subject to the mutual consent of both parties. The agreement with Maruti Suzuki for the operation of our Nexa dealerships is in the process of being renewed. There can be no assurance that we will be able to successfully obtain a renewal of such dealership agreements on similar or more favourable terms, as and when necessary, in a timely manner or at all. Additionally, there can be no assurance that the OEMs will not impose any additional onerous restrictions or conditions in the dealership agreements. Further, in accordance with the terms of such dealership agreements, the respective OEMs are entitled to unilaterally terminate such dealership agreements without cause by providing written notice ranging from 90 days to six months and in certain instances, forthwith, without notice, upon breach of terms of the agreement or upon the occurrence of certain events, including, *inter alia*, bankruptcy, failure to honour repayment terms under our loan agreements, conduct of our business not being satisfactory to the relevant OEMs etc**.**

Although we have been successful in obtaining renewals for our dealership agreements in the past, there can be no assurance that we may be able to continue to do so in the future. In the event that one or more OEMs are unwilling to renew such agreements or impose terms and conditions at the time of renewal that are less favourable to us than existing terms and conditions, or in the event one or more OEMs exercise their right to unilaterally terminate their dealership agreements, whether upon the occurrence of any of the events described hereinabove or otherwise, or in the event that there are any disputes initiated between us and the OEMs, it may materially and adversely impact our ability to carry on our business operations and also impact our future financial performance.

2. ***Our business operations are dependent upon the success and continued financial stability of the OEMs with which we have dealership agreements.***

The success of our dealerships is dependent on the success and continued financial stability of our OEMs, namely Maruti Suzuki, Honda, JLR, Tata Motors (Commercial), as well as the OEMs with whom we have entered into spare parts distribution arrangements. Maruti Suzuki, Honda, JLR and Tata Motors (Commercial), comprised 74.00%, 7.00%, 0.40% and 19.00%, respectively of the vehicles sold by us in FY 2021**.** Further, our Maruti Suzuki, Honda, JLR and Tata Motors (Commercial) dealerships contributed towards 58.00%, 8.00%, 5.00% and 24.00%, respectively of our consolidated revenue in FY 2021.We rely exclusively on our OEMs for our new passenger and/or commercial vehicle inventory. Our ability to sell new passenger and/or commercial vehicles is dependent on the OEM's ability to produce and allocate an attractive and desirable product mix to our showrooms, in line with our requirements and at the appropriate time, in order to satisfy customer demand.

The OEMs also provide extended warranty and maintenance contracts to customers. Our authorised service centres perform warranty work for vehicles under OEM product warranties and maintenance contracts and directly bill the OEM as opposed to invoicing the customer. At any particular time, we have significant receivables from our OEMs for warranty work performed for customers under manufacturer product warranties and maintenance contracts. In addition, we rely on our OEMs to varying extents for OEM-authorised replacement parts, training, product brochures and point of sale materials, and other items for our showrooms and sales outlets.

The OEMs may be adversely impacted by economic downturns, governmental laws and regulations, import restrictions, significant declines in the sales of their new vehicles, natural disasters including floods, earthquakes, landslides etc., pandemics such as COVID-19, increase in interest rates, decline in their credit ratings, labour strikes, supply shortages or rising raw material costs, rising employee benefit costs, vehicle recall campaigns, product defects, unappealing vehicle designs, adverse publicity that may reduce consumer demand for their vehicles, competition from other OEMs, poor product mix or other adverse events. These and other risks could materially adversely affect the OEMs and impact their ability to profitably design, market, produce or distribute new vehicles, which in turn could materially adversely affect our business operations.

We are subject to a concentration risk in the event of any adverse events or financial distress, including bankruptcy, impacting one or more of these OEMs. Our OEMs are entitled to unilaterally terminate and could attempt to terminate all or certain of their dealership arrangements with us in the event they become insolvent or bankrupt and we may be unable to collect some or all of the receivables due from such OEM(s). Further, consumer demand for such OEM's vehicles could be materially adversely affected. Our business, results of operations, and financial condition could be materially adversely affected as a result of any event that has a material adverse effect on our OEMs.

3. ***The automotive retail industry is sensitive to changing economic conditions and various other factors which could have a material adverse effect on our business and results of operations***

We believe that there are several factors which affect the sales of new and pre-owned vehicles in India which are difficult to predict, including but not limited to the state of the economy, fuel prices, credit availability, interest rates, consumer preferences, the level of personal discretionary spending, unemployment rates, vehicle production levels and capacity, auto emission and fuel economy standards, the rate of inflation, currency exchange rates, tariffs, incentives, intensity of industry competition, product quality, the rise of ride-sharing platforms, improvement in public transport infrastructure, technological innovations, restrictions under environmental laws etc.

Any tightening of the credit markets and credit conditions in India may decrease the availability of automotive loans and adversely impact our new and pre-owned vehicle sales and margins. In particular, if banks and NBFCs apply higher credit standards in respect of loans provided by them generally or in respect of vehicle loans or if there is a decline in the overall availability of credit in the lending market, the ability of consumers to purchase vehicles could be adversely impacted, which could have a material adverse effect on our business and results of operations.

Further, volatile fuel prices may also affect consumer preferences in relation to purchase of vehicles. Rising fuel prices may make consumers less likely to purchase larger, more expensive vehicles, such as sports utility vehicles or luxury automobiles, and more likely to purchase smaller, less expensive and more fuel-efficient vehicles. Conversely, lower fuel prices could have the opposite effect. Volatility in fuel prices can cause rapid changes in consumer preferences which may be difficult to accommodate in terms of inventory management and may also lead to higher demand for vehicles which may provide lower level of margins. Increases or sharp declines in fuel prices in the future could have a material adverse effect on our business and results of operations.

For instance, sales of passenger vehicles recorded 6.60% growth during FY 2016 - FY 2019, driven by the expansion in the addressable market, increase in disposable incomes, development of infrastructure, and stable cost of vehicle ownership, as crude oil prices remained subdued. After a healthy growth during this period, demand for passenger vehicles turned sluggish due to regulatory changes such as the introduction of the national goods and services tax ("**GST**") regime, tightening emission and safety norms, etc. FY 2020 witnessed lower private consumption and inventory adjustment on account of a change in emission norms from Bharat Emission Stage IV compliance to Bharat Emission Stage VI compliance and a liquidity crisis which caused a significant drop in sales which was further exacerbated by the onset of the COVID-19 pandemic, resulting in a steep decline in demand for passenger vehicles in FY 2021 (*Source: CRISIL Research*). Major supply chain issues on account of the COVID-19 pandemic and shortage of semiconductors also restricted the growth in the sales of passenger vehicles in FY 2021 (*Source: CRISIL Research*). Similarly, while sales of commercial vehicles grew by 14.00% between FY 2016 and FY 2019 driven by a pick-up in domestic rural industrial activity growth and government focus on infrastructure investment post FY 2015, the economic slowdown in FY 2020 and the lockdown and restrictions imposed due to the COVID-19 pandemic in FY 2021 caused a decline of 27.00% and 23.00%, respectively, in commercial vehicles sales (*Source: CRISIL Research*).

The imposition of new tariffs, duties or any increase in prices for vehicles and vehicle components imported into India can adversely impact demand for such vehicles. For instance, fully built units of JLR that are being imported are prone to customs duty variation relating to input cost, which would lead to increase in cost of the vehicle, leading to an adverse impact on the demand of the car. Our vehicle sales, service and spares businesses could also be adversely affected by changes in the automotive industry driven by new technologies, including autonomous and electric vehicles, and accident avoidance technology. If new vehicle production exceeds the new vehicle industry selling rate, our new vehicle gross profit per vehicle retailed could be adversely impacted by excess supply and any resulting changes in incentive, marketing, and other programs of OEMs. See the risk factor "*Our new vehicle sales are impacted by the incentive, marketing, and other programs of OEMs*" on page 28.

4. ***The extent to which the COVID-19 pandemic affects our business, financial condition and results of operations will depend on future developments, which are uncertain and cannot be predicted.***

In late 2019, COVID-19 emerged and by March 11, 2020 was declared a global pandemic by the World Health Organization. The COVID-19 pandemic has had, and may continue to have, repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for 2020 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have reacted by taking measures, including in the regions in which we operate, such as prohibiting people from assembling in heavily populated areas, instituting quarantines, restricting travel, issuing lockdown orders and restricting the types of businesses that may continue to operate, 'stay-at-home' orders, and enforcing remote working regulations. These measures have led to a significant decline in economic activities. No prediction can be made of when any of the restrictions currently in place will be relaxed or when further restrictions will be announced.

On March 14, 2020, India declared COVID-19 as a 'notified disaster' and imposed a nationwide lockdown announced on March 24, 2020. Subsequently, progressive relaxations have been granted for movement of goods and people and cautious re-opening of businesses and offices. However, recently India faced the second wave of the impact of COVID-19 and different states in India faced lockdown restrictions, due to which there was a slowdown in certain business which were not falling in the essential category.

The scale of the pandemic and the speed at which the local and global community has been impacted, has affected our quarterly and annual revenue growth rates and expenses as a percentage of our revenues, particularly, in FY 2021, and may differ significantly from our historical rates, and our future operating results may fall below expectations. The impact of the pandemic on our business, operations and future financial performance may include, but are not limited to, the following:

- a complete or partial closure of, or disruptions or restrictions on our ability to conduct business operations to comply with government imposed measures;

- a significant percentage of our workforce being unable to work, including because of travel or government restrictions in connection with COVID-19, which could result in a slowdown in our operations;
- disruptions in supply of spare parts or equipment due to lockdown or any other measures imposed by government;
- impact on production levels of our OEMs;
- impact our ability to travel, pursue partnerships and other business transactions and delayed shipments of our vehicles;
- reduced demand for our vehicles due to lockdown restrictions;
- our inability to access debt and equity capital on acceptable terms, or at all;
- the potential negative impact on the health of our employees, particularly if a significant number of them are afflicted by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption.

As a result of the complete suspension of commercial activities (excluding essential services), due to lockdown restrictions in India and globally, followed by partial and gradual easing of the lockdown, we experienced overall low consumer demand in the automotive markets, and consequently reduced footfalls at our showrooms during the first and second quarter of FY 2021. We faced a de-growth in revenue of 70.00% and 17.00%, respectively in the first and second quarters of FY 2021. We ended FY 2021 with an overall de-growth of 8% in revenue. Also, see "*Our Business – Impact of COVID 19 pandemic*" on page 103. The COVID-19 pandemic may cause additional disruptions to operations if our employees or staff become sick, are quarantined, or are otherwise limited in their ability to travel or work. We cannot assure you that we will be able to generate sufficient revenue to meet our working capital requirements. All of the foregoing developments may have a significant effect on our operations and on our financial performance.

Any resulting financial impact due to the above cannot be reasonably estimated at this time. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers and OEMs and each of their financial conditions; however, any material effect on these parties could adversely impact us. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this section.

Our Statutory Auditors have included an emphasis of matter in their examination reports relating to our Restated Financial Information for FY 2020 and FY 2021, relating to the impact of the COVID-19 pandemic on our financial statements. It is stated that given that the impact assessment of COVID-19 on our financial statements is subject to significant estimation uncertainties given its nature and duration and accordingly, the actual impact in future may be different from those estimated as at the date of approval of the respective financial statements. For additional details in respect thereof, see "*Financial Statements – Restated Financial Information – Note 36 of Annexure VI*" on page 262. While the aforesaid examination reports are not qualified in respect of the aforesaid matter, investors should consider said emphasis of matter in evaluating our financial condition and results of operations. There can be no assurance that our Statutory Auditors will not include such matters of emphasis or other similar comments in the audit reports to our audited financial statements in the future.

5. *We are subject to the significant influence of and restrictions imposed by OEMs pursuant to the terms of our dealership agreements that may adversely impact our business, financial condition, results of operations, cash flows, and prospects, including our ability to acquire additional dealerships.*

We operate our dealerships pursuant to dealership agreements entered into with each of our OEMs. Pursuant to the terms of the dealership agreements, the OEMs are able to exert influence over the day to day operations of our dealerships. For instance, the OEMs may unilaterally discontinue associations with vendors where we might have entered into long term contracts and made advance payments to such vendors for services. The OEMs are also entitled from time to time to prescribe the minimum requirements and specifications that each of our showrooms and service centres are required to adhere to which may require significant capital expenditure from time to time. For instance, we are subject to numerous operational requirements and restrictions relating to inventory levels, working capital levels, the sales process, marketing and branding, showroom and service facilities, signage, personnel, changes in management, and monthly financial reporting, among other things. We are also required to adhere to certain service and customer satisfaction levels prescribed by the OEMs in operating our dealerships and our failure to do so may lead to the termination of the dealership agreement. The terms and conditions of our dealership arrangements and the OEMs' interests and objectives may, in certain circumstances, conflict with our interests and objectives. For instance, we are precluded under these agreements from acquiring additional dealerships with other OEMs unless we obtain prior consent from the OEMs. Further, we are not entitled to an exclusive right to any given geographic area. The OEMs are also entitled to establish new dealerships in the same geographical area or relocate existing dealerships. The establishment of or relocation of dealerships in our markets could have a material adverse effect on the business, financial condition and results of operations of our dealerships in the market in which the action is taken. Sale of vehicles for use as taxis, car rentals or as a reward in any competition is subject to the prior consent of the OEMs. Further, any reduction in margins or capping of service fees by the OEMs may impact our revenues and profitability. For further details, see "- *Margins earned from our services and repair vertical may be impacted by pricing guidelines set by our OEMs"* on page 28. The significant influence of and restrictions imposed by OEMs could impact our business financial condition, results of operations, cash flows, and prospects.

6. ***Large portion of our business operations are concentrated in South India. Our vehicle dealerships are located across all 14 districts of Kerala, in Bengaluru and Mangaluru in Karnataka and in Chennai, Chengalpet, Dharmapuri, Krishnagiri and Thiruvallur in Tamil Nadu, and any adverse developments in these states or cities could have an adverse effect on our business, results of operations, financial condition and cash flows.***

As of March 31, 2021, our Maruti Suzuki dealerships were operated through nine showrooms, 70 sales outlets and booking offices and 43 service centres in Kerala and four showrooms and five service centres in Tamil Nadu. Our Maruti Suzuki dealership accounted for 58.00%, of our total income for FY 2021.

Our Honda dealership is operated out of seven showrooms and seven service centres in Kerala, as of March 31, 2021 and our JLR dealership is operated out of three showrooms and three service centres in Karnataka, as of March 31, 2021. Our Honda and JLR dealerships accounted for 8% and 5%, respectively, of our total income for FY 2021.

Further, our Tata Motors (Commercial) dealerships were operated out of 11 showrooms, 21 sales outlets and 23 service centres in Kerala and 2 showrooms, 7 sales outlets and 2 service centres in Tamil Nadu as of March 31, 2021 accounting for 24.00% of our total income for Financial Year 2021.

In the event of a slowdown in the economic activity in these states/cities, or any other developments including natural disasters, political unrest, disruption or sustained economic downturn, we may experience an adverse impact on our financial condition and results of operations, which are largely dependent on the performance and other prevailing conditions affecting the economies of these states. For instance, owing to the rains and consequent flooding in various parts of Kerala during August 2018, the sales at our dealerships declined during August 2018 by 22.00%, as compared to sales in August 2017. Further, there have been instances of unprecedented monsoons and high alerts due to various climatic changes in the states and cities in which we have a business presence such as various districts of Kerala and in Chennai, Chengalpet, Dharmapuri, Krishnagiri and Thiruvallur. There have been instances of damage to our property as well as our inventory of new and pre-owned vehicles at our showrooms, yards, warehouses and service centres in the past on account of such natural disasters.

The market for new or pre-owned vehicles in these states may be different from, and be subject to, market and regulatory developments that are different from the requirements in other states of India. For instance, in the northern region of India, heavy truck and vehicles are more in demand. There can be no assurance that the sales of vehicles will grow or will not decrease in the future in these states and that there will not be any significant disruptions in our operations in the future. In addition, the increase in the number of Maruti Suzuki, Honda, JLR or Tata Motors (Commercial) dealerships in the states and/ or cities in which we operate may reduce the revenues we can generate from our dealerships, due to increased competition. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition and cash flows.

7. ***Changes to the automotive industry and consumer views on car ownership could have a material adverse effect on our business, results of operations, financial condition and cash flows.***

The automotive industry is expected to experience rapid changes in the future, including increases in ride-sharing services, advances in electric vehicle production and driverless technology. Ride-sharing services provide consumers with varied mobility options reducing dependence on privately owned vehicles. The overall impact of these options on the automotive industry is uncertain and may influence levels of new vehicle sales. Further, OEMs continue to invest in research and development of all-electric vehicles, which generally require less maintenance than traditional passenger and commercial vehicles. While we have taken steps to enter the electric vehicle segment, the effects of all-electric vehicles on the automotive industry are uncertain and may include reduced parts and service revenues. Technological advances are also facilitating the development of driverless vehicles. The eventual timing of availability of driverless vehicles is uncertain due to regulatory requirements, technological hurdles, and uncertain consumer acceptance of these technologies. The effect of driverless vehicles on the automotive industry is uncertain and could include changes in the level of new and pre-owned vehicle sales, the price of new vehicles, and the role of dealerships, any of which could materially and adversely affect our business, results of operations, financial condition and cash flows.

8. ***Our vehicle sales are impacted by the incentive, marketing, and other programs of the OEMs. Further, any adverse impact on our sales directly impacts our profit margins and adversely affects our financial conditions and results of operations.***

Our OEMs from time to time establish various marketing and sales incentive programs designed to increase consumer demand for their vehicles, particularly during Indian festivals or periods of excess supply and/or in a flat or declining new or pre-owned vehicle market. These programs impact our operations, particularly our sales of new vehicles. Since these programs are often not announced in advance, they can be difficult to plan for when budgeting for inventory. Furthermore, OEMs may modify or discontinue these marketing and incentive programs from time to time depending on various factors which could have a material adverse effect on our results of operations and cash flows. Our business is also dependent on customers' perception of our OEM's brands and marketing campaigns. Any negative public sentiment towards a particular OEM or its marketing campaigns could also have a bearing on our financial conditions and results of operations. A decline in the quality and brand reputation of the vehicles, or other products we distribute, as a result of events such as manufacturer recalls or legal proceedings, may adversely affect our business. Considering our high capital investment in the vehicles, any adverse change in the sales volume may reduce the profit margins which may adversely affect our cash flows and results of operations.

9. ***Margins earned from our services and repair vertical may be impacted by pricing guidelines set by our OEMs.***

We offer fully integrated services and repair offerings through our authorised service centres at each of our dealerships. Our authorised service centres contributed to 14.50%, 14.60% and 10.10% of our total revenue and 51.00%, 53.00% and 36.00% of our EBITDA during FY 2021, 2020 and 2019, respectively; and our spare parts distribution vertical contributed to 6.20%, 5.50% and 5.80% of our EBITDA during FY 2021, 2020 and 2019, respectively.. We serviced 549,023 passenger vehicles and 97,257 commercial vehicles through our network of 83 authorised service centres during FY 2021. Pursuant to the terms of our dealership agreements, our OEMs are entitled to determine the prices we may charge for certain types of repairs and services undertaken at our authorised service centres. The OEMs are entitled to change the prices, or the discounts offered thereon, without prior notice and without incurring any liability towards us. Margins earned from our services and repairs vertical may be impacted by the ability of our vehicle manufacturers to periodically revise rates to be charged by our dealerships for the services and repair work done by us, to keep the total cost low for the customers. For instance, certain OEM fix the per hour labour charges for services and repair work undertaken by us which varies from city to city, while such caps are not applicable to collision repair services undertaken by us, we cannot assure you that such caps will not be introduced in future for collision repair services or that such caps will not be further revised to our detriment. Further, we are restricted from undertaking and selling services which are not approved by our OEMs. For instance, certain OEMs restrict us from providing certain value-added services which do not form part of their portfolio, thereby reducing the scope of services that we may offer. Given the volume of vehicles serviced by us, any capping of services fees or restrictions on scope of service offerings may significantly affect our business operations and profitability.

10. ***Increasing competition among automotive dealerships through online and offline marketing reduces our profit margins on vehicle sales and related businesses.***

Automobile retailing is a highly competitive business. Our competitors include private and public companies, some of whom may be larger with access to greater financial and marketing resources than us. Our competitors sell the same or similar makes of new and pre-owned vehicles that we offer in our markets at competitive prices.

Further, the internet has become a significant part of the sales process in our industry. Customers are using the internet to compare pricing for vehicles and related finance and insurance services, which may further reduce margins for new and pre-owned vehicles and profits for related finance and insurance services. Our competitors may align themselves with services offered on the internet or invest in the development of their own internet capabilities. Apart from the existing competitors, we also face competition from online portal dealers and other new age disruptive models. Further, our OEMs may seek to directly retail their vehicles through online platforms, thus decreasing their reliance on us, which could materially adversely affect our business, results of operations, financial condition and cash flows. We cannot assure that we will be able to match the online presence that is being offered by our competitors or maintain creativity in our existing online presence.

In addition, our dealership agreements do not grant us the exclusive right to sell vehicles manufactured by the OEMs within a given geographic area. Our revenues or profitability could be materially adversely affected if any of the OEMs award dealerships to others in the same markets where we operate or if existing dealerships increase their market share in our markets. Further, our OEMs could in certain cases set up their own dealerships in the markets in which we operate. Further, our revenues may also be impacted on account of expansion of dealerships of competing brands of vehicles in the markets in which we operate.

We may also face increasingly significant competition as we strive to gain market share through acquisitions or otherwise. Our operating margins may decline over time as we expand into markets where we do not have a leading position.

Further, we face competition from the unorganized sector, comprising unauthorised service centres, which may be able to provide servicing and maintenance services at lower prices. Consumers' opting for such unauthorised service centres in place of our authorised service centres could have an adverse impact on our business, cash flows, operational results, financial condition and prospects.

11. ***Our operations are subject to various governmental laws and regulations and certain state specific notifications and guidelines. If we are found to be in purported violation of or subject to liabilities under any of these laws or regulations, or if new laws or regulations are enacted that adversely affect our operations, our business, operating results, and prospects could suffer.***

The automotive retail industry, including our facilities and operations, are subject to certain state specific guidelines and notifications pertaining to display of number plates, road transport office rules and various other laws and regulations, including those relating to new and pre-owned motor vehicle sales, finance and insurance, consumer protection, consumer privacy, environment, vehicle emissions and fuel economy, health and safety, and employment practices. For details, see "*Key Regulations and Policies*" on page 166. We currently devote significant resources to comply with applicable laws and regulations and we may need to spend additional time, effort, and money to keep our operations and existing or acquired facilities in compliance therewith. Further, the approvals that we obtain may stipulate certain conditions requiring our compliance. If we fail to abide by the conditions mentioned in our existing approvals or fail to obtain any of the approvals or licenses required for our operations, or renewals thereof, in a timely manner, or non-compliance with applicable laws and regulations could result in imposition of fines and penalties which could adversely impact our business, results of operations, financial condition, cash flow, and prospects. For further details, please see the section entitled "*Government and Other Approvals*".

Further, OEMs are subject to government-mandated fuel economy and greenhouse gas, or GHG, emission standards, which continue to change and become more stringent over time. New vehicles in India are currently required to be Bharat Emission Stage VI compliant. These and other laws and regulations could materially adversely affect, the ability of OEMs to produce, and our ability to sell, vehicles in demand by consumers at affordable prices, which could materially adversely impact our business, results of operations, financial condition, cash flow, and prospects.

12. ***We may fail to successfully implement our growth strategy, which includes acquiring existing dealerships, diversifying our portfolio and penetrating deeper into existing geographic locations.***

In order to continuously grow our operations, we need to increase our penetration by partnering with new OEMs, expand our existing dealerships by opening new showrooms, sales outlets and service centres or acquire existing dealerships and integrating them into our business which is dependent on a multitude of factors including our ability to identify suitable locations or suitable businesses to acquire, receipt of consent from the OEMs, limitation on our capital resources etc. Our ability to partner with different brands of OEMs may also depend on certain additional factors such as overall product mix, customer preferences, brand value etc.

In determining whether to approve an acquisition or set up a new showroom, the OEMs may consider many factors, including our financial condition, ownership structure, the number of dealerships currently operated by us and our performance in such dealerships, frequency of acquisitions, ownership of dealerships in adjoining markets, percentage of market share that may be controlled by our dealerships etc. Further, in determining whether to approve any proposal for us to partner with different brands of OEMs, our existing OEMs may evaluate factors such as competition, geographical considerations, financial performance etc. Obtaining consent of the OEMs may also take a considerable amount of time. We cannot assure you that the OEMs will approve future acquisitions or expansions in a timely manner or at all.

Further, we may not be able to complete future acquisitions at acceptable costs and terms or identify suitable brands or dealerships. In addition, increased competition in the future for acquisition targets could result in fewer acquisition opportunities for us and higher acquisition prices. Further, we may also face additional risks encountered with growth through acquisitions. These risks include, without limitation:

- failing to assimilate the operations and personnel of acquired dealerships;
- straining our existing systems, procedures, structures and personnel;
- failing to achieve predicted sales levels;

- incurring significantly higher capital expenditures and operating expenses, which could substantially limit our operating or financial flexibility;
- entering new, unfamiliar markets;
- encountering undiscovered liabilities and operational difficulties at acquired dealerships;
- disrupting our ongoing business;
- diverting our management resources;
- failing to maintain uniform standards, controls and policies;
- impairing relationships with employees, OEMs and customers;
- incurring increased expenses for accounting and computer systems, as well as integration difficulties;
- incorrectly valuing entities to be acquired; and
- incurring additional facility renovation costs or other expenses required by the OEM.

Although we conduct what we believe to be a prudent level of investigation, an unavoidable level of risk remains regarding the actual operating condition of acquired dealerships and we may not have an accurate understanding of each acquired dealership's financial condition and performance. However, in the event that the dealerships that we acquire do not have financial statements, we may not have an accurate understanding of the historical financial condition and performance of our acquired businesses. Until we assume control of the business, we may not be able to ascertain the actual value or understand the potential liabilities of the acquired businesses and their earnings potential. These risks may not be adequately mitigated by the indemnification obligations that we may have negotiated with sellers. Further, limitations on our capital resources would restrict our ability to complete new acquisitions or could limit our operating or financial flexibility.

13. ***Our success depends upon our ability to attract, develop and retain trained manpower while also controlling our labour costs.***

Our customers expect a high standard of customer service and product knowledge from our technicians and our store representatives. Further, modern vehicles are increasingly complex and require sophisticated equipment and specially trained technicians to perform certain services. We also market third-party finance and insurance contracts to our customers. For details, see '*Our Business*' on page 142. To meet the needs and expectations of our customers, we must attract, train and retain a number of qualified service technicians, store managers and sales representatives, while at the same time controlling labour costs. While we undertake in-house training for our store managers and sales representatives, we cannot assure you that we will be able to retain the right personnel.

We will need to continue to recruit, train and retain a greater number of sales representatives and trained manpower, including service labour like technicians and service staff, at various levels. Our ability to control labour costs is subject to numerous external factors, including prevailing wage rates, as well as the impact of legislation or regulations governing labour relations and minimum wages. An inability to provide wages and/or benefits that are competitive within the markets in which we operate could adversely affect our ability to retain and attract qualified personnel, which in turn may affect our business, prospects and financial condition. For instance, we have implemented measures to undertake reductions in salaries for some of our employees on account of the COVID-19 pandemic, any such downward revisions in salaries in future could adversely affect our ability to retain our employees.

14. ***Some of our Directors (who are also our Promoters) operate in the same line of business as us, which may lead to competition with such persons or entities***

Some of our Directors (who are also our Promoters), are involved in ventures which are in the similar line of business as our Company. For instance, John K. Paul and Francis K. Paul are directors in our Group Companies, Keracon and Prabal and Naveen Philip is a director in our Group Company, Keracon, which are involved in the business of operating spare parts distributorships and commercial vehicle dealerships. We may in the future have to compete with such persons or entities for business, which may impact our business, financial condition and results of operations. The interests of our Promoter Group may also conflict in material aspects with our interests or the interests of our Shareholders. For further details, see "*Our Promoter and Promoter Group*" on page 198.

15. ***We are required to obtain certain licenses, regulatory permits and approvals for setting up our dealership and undertake our operation. Any delay or inability to obtain such approvals may have an adverse impact on our business.***

We are required to obtain certain statutory and regulatory permits, licenses and approvals to operate our business, including approvals from the pollution control board. Applications need to be made at appropriate stages for such approvals, as and when the approvals expire. While we have applied for some of these approvals and permits, we cannot assure you that we will receive these approvals on time or at all in relation to execution of our business operations. If we fail to obtain the necessary approvals and permits or if there is any delay in obtaining such approvals and permits, it may disrupt our operations, result in the application of penalties and may materially and adversely affect our business and financial condition.

In the future we will be required to apply for fresh approvals and permits for any new dealerships. While we believe we will be able to obtain such approvals or permits at such times as may be required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time frames anticipated by us or at all.

16. ***We may be subject to labour unrest, slowdowns and increased wage costs, which may adversely affect our business and results of operations.***

As of March 31, 2021, we operate through our expansive network of 59 showrooms, 99 sales outlets and booking offices, 83 authorised service centres, 29 retail outlets, and 25 warehouses located across all 14 districts of Kerala, in Bengaluru, Mysuru, Mangaluru, Hubballi, Hosapete, Vijayapur and Shivamoga in Karnataka and in Chennai, Chengalpet, Dharmapuri, Krishnagiri and Thiruvallur in Tamil Nadu and are subject to stringent labour legislations to protect the interests of workers. While our employees are not unionized currently, there is no assurance that our employees will not seek unionization in the future. In the event that employees at our showrooms, stores or service centres seek to unionize, it may become difficult for us to maintain flexible labour policies, and may increase our costs and adversely affect our business. Any strikes or lock-outs, work stoppages, slowdowns, shut downs, supply interruptions or costs or other factors beyond our control, may disrupt our operations and could negatively impact our financial performance or financial condition.

17. ***Our inability or failure to maintain optimum inventory levels or any theft of inventory may adversely affect our business, results of operations and financial condition.***

We retail multiple models of vehicles through each of our dealerships and also service new passenger and commercial vehicles through our service centers. Additionally, we retail spare parts and accessories of vehicles through our distributorship channel. For undertaking the above activities, we are required to have strong inventory management in place. We strive to keep optimum inventory at our showrooms, service centers, retail outlets and warehouses to control our costs and working capital requirements. We are also required to accurately predict the market demand for each of the vehicle models that we retail as well as for the levels of inventory including oils, paints and lubricants that we utilize at our service centers and retail outlets. Our inability or failure to maintain adequate inventory levels may affect our quality of service, relationships with the OEM and our business reputation. Conversely, an inaccurate forecast may result in an over-supply or shortage of products, which may lead to increase inventory costs, negatively impact cash flow and ultimately lead to reduction in margins. Further, any inability on our part to prevent theft of inventory, or any illegal use/ misuse of the inventory can have an adverse impact on our operations.

18. ***The agreements governing our indebtedness contain certain restrictive covenants under our loan agreements could adversely affect our financial condition and results of operations.***

As of June 30, 2021, our consolidated indebtedness aggregated ₹3,538.40 million. We have entered into agreements for short-term and long-term loans, working capital facilities and other borrowings. Some of these agreements contain requirements to maintain certain security margins, financial ratios and contain restrictive covenants relating to issuance of new shares, changes in capital structure, making material changes to constitutional documents, implementing any expansion scheme, incurring further indebtedness, encumbrances on or disposal of assets, paying dividends and making investments over certain thresholds. For further details, see "*Financial Indebtedness*" on page 292. Furthermore, some of our financing arrangements specify that upon the occurrence of an event of default, the lender shall have the right to, *inter alia*, cancel the outstanding facilities available for drawdown, declare the loan to be immediately due and payable with accrued interest and enforce rights over the security created. There can be no assurance that we will be able to comply with these financial or other covenants.

Our lenders also have the ability to recall or accelerate all or part of the amounts owed by us, subject to the terms of the financing arrangement. Such recalls may be contingent on happening of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls. There can be no assurance that we will be able to repay our loans in full, or at all, at the receipt of a recall or acceleration notice, or otherwise. Our inability to comply with the conditions prescribed under the financing arrangements, or repay the loans as per the repayment schedule, may have an adverse impact on our credit rating, business operations and future financial performance. Further, if we are unable to service our existing debt, our ability to raise debt in the future will be adversely affected, which will have a significant adverse effect on our results of operations, financial condition and our business.

We have availed unsecured loans aggregating ₹76.34 million as of June 30, 2021. Our lenders may recall all or part of unsecured amounts borrowed by us on short or no notice. Such recalls on borrowed amounts may be contingent upon happening of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls, which may adversely affect our results of operations and cash flows.

Further, we propose to utilise the Net Proceeds from the Offer for repayment/ pre-payment, in full or part, of certain borrowings, including working capital loans, availed by our Company and our Subsidiaries, PMMPL, PAPL and VMPL and other general corporate purposes. Our Company and our Subsidiaries, PMMPL, PAPL and VMPL may be subject to certain prepayment penalty or pre-payment charges. For further details of the proposed objects of the Offer, see "*Objects of the Offer*" on page 81.

Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the proceeds of the Offer in a timely or an efficient manner, it may affect our business and results of operations.

19. ***Our Promoters, John K Paul, Francis K Paul and Naveen Philip, have provided personal guarantees for loan facilities obtained by us, and any failure or default by us to repay such loans could trigger repayment obligations on our Promoters, which may impact our Promoters' ability to effectively service their obligations as our Promoters and thereby, adversely impact our business and operations.***

As of June 30, 2021, majority of our secured and unsecured loans are backed by personal guarantees provided by our Promoters, John K Paul, Francis K Paul and Naveen Philip. Any default or failure by us to repay our loans in a timely manner or at all could trigger repayment obligations on the part of our Promoters in respect of such loans. This, in turn, could have an impact on their ability to effectively service their obligations as Promoters of our Company, thereby having an adverse effect on our business, results of operation and financial condition. Further, in the event that our Promoters withdraw or terminate the guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our business prospects, financial condition, results of operations and cash flows.

20. ***A failure of our information systems or any security breach or unauthorized disclosure of confidential information could have a material adverse effect on our business.***

Our business is dependent upon the efficient operation of our information systems. We rely on our information systems to manage, among other things, our sales, inventory, and service efforts, including through our digital channels, and customer information, as well as to prepare our consolidated financial and operating data. The failure of our information systems to perform as designed or the failure to maintain and enhance or protect the integrity of these systems could disrupt our business operations, impact sales and results of operations, expose us to customer or third-party claims, or result in adverse publicity. Additionally, we collect, process, and retain sensitive and confidential customer information in the normal course of our business. Despite the security measures we have in place and any additional measures we may implement in the future, our facilities and systems, and those of our third-party service providers, could experience security breaches, computer viruses, lost or misplaced data, programming errors, human errors, acts of vandalism or other events.

Any security breach or event resulting in the misappropriation, loss, or other unauthorized disclosure of confidential information, whether by us directly or our third-party service providers, could damage our reputation, expose us to the risks of litigation and liability, disrupt our business or otherwise affect our results of operations.

With the proposed enactment of the Personal Data Protection Bill, 2019 ("**PDP Bill**"), and the ongoing regulatory discussions along proposed Indian regulation to govern non-personal data, the privacy and data protection laws are set to be closely administered in India, and we may become subject to additional potential compliance requirements. The PDP Bill proposes a legal framework governing the processing of personal data, where such data has been collected, disclosed, shared or otherwise processed within India, as well as any processing of personal data by the Government of India, Indian companies, Indian citizens or any person or body of persons incorporated or created under Indian law. The PDP Bill defines personal data and sensitive personal data, prescribes rules for collecting, storing and processing of such data and creates rights and obligations of data-subjects and processors. The Indian Government has also been mooting a legislation governing non-personal data. In September 2019, the Ministry of Electronics and Information

Technology formed a committee of experts ("**NPD Committee**") to recommend a regulatory regime to govern non-personal data ("**NPD**"). The NPD Committee has released two reports till date, which recommend, among other items, a framework to govern NPD (defined as any data other than personal data), access and sharing of NPD with government and corporations alike and a registration regime and for "data businesses", being business that collect, process or store data, both personal and non-personal.

As part of our operations, we are required to comply with the IT Act and the rules thereof, which provides for civil and criminal liability including compensation to persons affected, penalties and imprisonment for various cyber related offenses, including unauthorized disclosure of confidential information and failure to protect sensitive personal data. India has already implemented certain privacy laws, including the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 and the recently introduced the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, which impose limitations and restrictions on the collection, use, disclosure and transfer of personal information.

21. ***We may be required to make significant capital improvements to our existing showrooms, sales outlets, service centers and other premises, the cost of which we may be unable to recoup.***

In order to maintain the look and feel in terms of branding and to keep up with requirements of our OEMs, we are required to make significant capital improvements to our existing showrooms, sales outlets, service centers and other premises. This includes carrying out regular repairs and maintenance, replacement of furniture and adopting new interiors in line with the OEM requirements. We may also be required to invest in additional power supply infrastructure at our locations. We cannot assure you that we will be able to obtain such approvals, in a timely manner or at all, and this may have an adverse effect on our business, financial condition and results of operations.

We cannot assure you that investments made in upgrading or refurbishments in our showrooms, sales outlets, service stations and other premises or further capital expenditure in newer locations or power infrastructure will result in maintaining or increasing our customer base or sales, resulting in increased profits. This may in turn have an adverse effect on our business, financial condition and results of operations.

22. ***Our business is capital intensive. Difficult conditions in the global as well as Indian capital markets and economy generally may cause us to experience limited availability of funds, which may adversely affect our business and results of operations. We cannot assure you that we will be able to raise sufficient financing on acceptable terms, or at all.***

Our business is capital intensive, requiring substantial capital to maintain our inventory, showrooms and service centres. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. There may be limited availability of financing due to market disruptions, including due to the COVID-19 pandemic, volatile financial market conditions and restrictive regulations. Further, additional debt financing, if available, could increase our interest cost and require us to comply with additional restrictive covenants in our financing agreements.

Our ability to obtain additional financing on favourable commercial terms, if at all, will depend on a number of factors, including our results of operations and cash flows; the amount and terms of our existing indebtedness; general market conditions in India; and general condition of the global and Indian debt and equity markets. In addition, changes in the global and Indian credit and financial markets may affect the availability of credit to our customers and decrease in demand for our development.

Our inability to obtain funding on reasonable terms, or at all, would have an adverse effect on our business and results of operations.

23. ***Our success depends, in large part, upon our management team and skilled personnel and on our ability to attract and retain such persons.***

We are highly dependent on the continued services of our management team, including our Managing Director and our Executive Director for their strategy and vision. We are also dependent on our experienced Key Management Personnel for their expertise. Our future performance is dependent on the continued service of these persons.

If one or more of these key personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skills and expertise.

We also face a continuing challenge to hire and assimilate skilled personnel. Competition for management and other skilled personnel is intense, and we may not be able to attract and retain the personnel we need in the future. The loss of key personnel or our inability to replace key personnel may restrict our ability to grow, to execute our strategy, to raise the profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our results of operations and financial position.

24. ***Our success depends on the value, perception and marketing of our brands.***

Our Maruti Suzuki dealership is operated under the 'Popular' brand, our Honda dealership is operated under the 'Vision' brand and our JLR dealership is operated under the 'Marqland' brand. Further, our Tata Motors dealership for commercial vehicles is operated under the 'Popular Mega Motors' brand. We believe that our continued success will depend on our ability to maintain and enhance the value of our brands. Consumers are increasingly shopping for new and pre-owned vehicles, automotive repair and maintenance services, and other automotive products and services online and through mobile applications, including through online sales platforms. Further, we may not be able to invest adequately in marketing or customer engagement which could lead to loss of customers to competitors. If we fail to preserve the value of our retail brands, maintain our reputation, or attract consumers to our own digital channels, or provide good after-sale services to our customers, our business could be adversely impacted.

Our brands could be damaged by negative publicity on social media platforms or by claims or perceptions about the quality of our services, regardless of whether such claims or perceptions are true. Any untoward incidents such as litigation or negative publicity, whether isolated or recurring and whether originating from us or otherwise, affecting our business, franchisees or suppliers, can significantly reduce the brand value and consumer trust. If our marketing teams lead us to adopt unsuccessful programs through print or social media, we may only incur expenses without the benefit of higher revenues or our competitors may increase their advertising spend which we may not be able to match. Our competitors may launch promotional activities, concepts, branding and advertising activities, which may increase their brand visibility and we may not be able to match them.

25. ***We have licensed certain trademarks that we use as part of our operations from Kuttukaran Trading Ventures. We do not have control on the activities of Kuttukaran Trading Ventures and any change in operation of this entity could adversely affect our reputation and results of operations.***

Our Company has executed a brand license agreement with Kuttukaran Trading Ventures, a partnership firm, in which two of our Promoters and certain Promoter Group members are partners, for a non-exclusive and assignable license to use the trademarks "Kuttukaran Group", "Kuttukaran", "Popular", "POPULAR", "Kuttukaran" (logo) and "Kuttukaran journeys with you" (logo). Kuttukaran Trading Ventures has obtained trademark registration for the trademarks "Kuttukaran Group", "Kuttukaran", "Kuttukaran" (logo) and "Kuttukaran journeys with you" (logo) for a one-time license fee of ₹53.00 million.

The application of laws governing intellectual property rights in India is continuously evolving and there may be instances of infringement or passing-off of our brand in Indian markets. Our failure to adequately protect our brand, trademarks and other related intellectual property rights may adversely affect our business, financial condition and results of operations. In addition, some of the aforementioned marks are used by other entities in the Kuttukaran Group including businesses managed by relatives of our Promoters. We have no control over the operations of these entities or businesses and in case any of these entities or businesses do something that adversely affects their reputation it could have an adverse impact on our reputation, and in turn on our business, financial condition, results of operations and cash flows.

26. ***Our Company was incorporated in 1983 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the untraceable filings and corporate records, which may impact our financial condition and reputation.***

We have been unable to trace certain secretarial records, including the form filings made by the Company. We may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions. For instance, we have been unable to trace copies of the following corporate records and regulatory filings of our Company:

- Copies of certain internal secretarial records, including board and shareholders minutes and certain RoC form filings from the date of incorporation until 2005;
- Form-2 filed with the RoC, along with board and shareholders minutes, in relation to the allotment of an aggregate of 43,000 Equity Shares of our Company to K.P. Paul, John K. Paul, Francis K. Paul, Saju K. Thomas and Elsy Thomas on December 30, 1983;
- Form-2 filed with the RoC, along with board and shareholders minutes, in relation to the allotment of an aggregate of 50,700 Equity Shares of our Company to 584 individuals on June 25, 1985; and
- Form 8 filed by the Company for registration of charge created in favour of various banks.

We have been unable to trace these documents despite commissioning a search at the relevant Registrar of Companies through an independent practicing company secretary and may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions.

While no legal proceedings or regulatory action has been initiated against our Company in relation to the unavailable filings and statutory lapses as of the date of this Draft Red Herring Prospectus, we cannot assure you that such proceedings or regulatory actions will not be initiated against our Company in the future in relation to the missing filings and corporate records. The actual amount of the penalty which may be imposed or loss which may be suffered by our Company cannot be ascertained at this stage and depends on the circumstances of any potential action which may be brought against our Company. We cannot assure you that any such proceedings will not have a material adverse effect on our financial condition or reputation.

27. ***Accidents and natural disasters could result in the slowdown or stoppage of our business and could also cause us to incur liabilities arising from human fatalities and damage to property.***

Our machines and operations at our service centers are subject to hazards inherent to our operations. Risks related to work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe loss or damage to property and environment may be present on our premises. For instance, in 2020, one of the vehicles that we were servicing caught fire in one of our service centres. Similarly, in 2017, six parked vehicles at one of our service centres caught fire. While no legal proceedings or penalties were imposed on us on account of this in the past, any such incidents in future, may result in imposition of civil or criminal penalties on us irrespective of whether the incidents were caused by our negligence or any fault on our part. In addition, such events could affect our business, reputation, financial condition or results of operations. Further, natural disasters or severe weather conditions, including earthquakes, fires, heavy rains, flooding etc. could adversely affect our business operations. Owing to the rains and consequent flooding in various parts of Kerala, during August 2018, the sales of our dealerships declined during August 2018 by 22.00%, as compared to sales in August 2017. Further, there were certain instances of damage to our inventory of new and pre-owned vehicles at our showrooms, yard, warehouses and service centres, which may have an adverse impact on our results of operations.

28. ***Our passenger vehicles and commercial vehicles sales is subject to seasonality, which may contribute to fluctuations in our results of operations and financial condition.***

Sale of passenger cars and commercial vehicles is subject to seasonality as we typically see a dip in sales during the first quarter of each financial year. Our sales are considerably higher during the second and third quarter of the year due to the festival season like Onam and Diwali. Accordingly, our results of operations in one quarter may not accurately reflect the trends for the entire financial year and may not be comparable with our results of operations for other quarters.

29. ***We are subject to risks associated with leasing space subject to long-term agreements and we may not be able to operate our dealerships successfully.***

We lease most of the property occupied by our automotive dealerships. Further, a significant number of our lease agreements for our showrooms, sales outlets, service centres and other premises may not be duly registered or adequately stamped. Payments under the leases accounted for a significant portion of our cash outflow, being ₹ 468.40 million, ₹ 467.56 million, and ₹ 346.01 million, for the FY 2021, FY 2020 and FY 2019, respectively, and we expect any dealerships which we open in the future to be on leased property. Further, a number lease deeds are currently under renewal process and we cannot assure that we will be able to renew the lease deeds on favorable terms. The effect of inadequate stamping and non-registration is that the document is not admissible as evidence in legal proceedings, and parties to that agreement may not be able to legally enforce it, except after paying a penalty for inadequate stamping and non-registration. Further, the insolvency of the lessor or instances of litigations involving the lessor are also a major concern. In the event of any dispute arising out of such unstamped or inadequately stamped and/or unregistered lease agreements, we may not be able to effectively enforce our leasehold rights arising out of such agreements which may have a material adverse impact on our business.

Further, in most of the leases for our showrooms, sales outlets, service centres and other premises, we cannot terminate the lease agreement, unless we provide the owners with a written notice for the same. As our leases expire, we may fail to negotiate renewals, either on commercially acceptable terms or at all, which could cause us to pay increased occupancy costs or to close showrooms, sales outlets, service centres in desirable locations or to shift them, which may not necessarily yield best results.

30. ***There are outstanding legal proceedings involving our Company, Subsidiaries, Promoters and Directors, and adverse outcomes in such proceedings may negatively affect our business and results of operations.***

As on the date of this Draft Red Herring Prospectus, our Company, Subsidiaries, Promoters and Directors are involved in certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals and appellate authorities. A summary of outstanding litigation in relation to criminal matters, tax proceedings and certain other material civil and consumer litigation involving our Company, Subsidiaries, Promoters and Directors has been set out below.

A summary of such outstanding material legal proceedings as on the date of this Draft Red Herring Prospectus is set out below:

(in ₹ million, unless otherwise specified)

Nature of cases	No. of cases	Total amount involved^
Litigation involving our Company		
Against our Company		
Material civil litigation proceedings	3	14.42
Criminal cases	6	3.58
Action taken by statutory and regulatory authorities	11	10.60
Notices	3	-
Taxation cases	88	303.29
By our Company		
Material civil litigation proceedings	Nil	Nil
Criminal cases	11	3.47
Litigation involving our Directors		
Against our Directors		
Material civil litigation proceedings	2	Nil
Criminal cases	2	1.36
Notices	7	-
Action taken by statutory and regulatory authorities	1	0.23
Taxation cases	Nil	Nil
By our Directors		
Material civil litigation proceedings	Nil	Nil
Criminal cases	Nil	Nil
Litigation involving our Promoters		
Against our Promoters		
Material civil litigation proceedings	2	Nil
Criminal cases	2	1.36
Notices	7	-
Action taken by statutory and regulatory authorities	1	0.23
Taxation cases	Nil	Nil
By our Promoters		
Material civil litigation proceedings	Nil	Nil
Criminal cases	Nil	Nil
Litigation involving our Subsidiaries		
Against our Subsidiaries		
Material civil litigation proceedings	8	70.55
Criminal cases	1	Nil
Action taken by statutory and regulatory authorities	4	-
Notices	2	-
Taxation cases	58	707.46
By our Subsidiaries		
Material civil litigation proceedings	3	15.86
Criminal cases	20	3.23

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. Such proceedings could divert management time and attention and consume financial resources in their defence or prosecution. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. For further details of legal proceedings involving our Company, Subsidiaries, Group Companies, Promoters and Directors, see "*Outstanding Litigation and Material Developments*" on page 294. We cannot assure you that these legal proceedings will be decided in favour of our Company, Subsidiaries, Promoters and Directors, or that no further liability will arise out of these proceedings. Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, results of operations, financial condition and prospects. Even if we are successful in defending such cases, we will be subject to legal and other associated costs, which may be substantial.

31. ***Our Promoters, who are also Directors and Key Management Personnel have interests in our business other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters who are also Directors and Key Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. Further, our Executive Directors receive payments towards repayment of unsecured interest-free borrowings provided by them to certain Subsidiaries and towards rent for property provided by them to the Company and certain Subsidiaries on lease, amounting to ₹ 8.38 million for FY 2021. For further information on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management*" and "*Our Promoters and Promoter Group*" on pages 180 and 198, respectively.

32. ***Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition and results of operations.***

Our operations are subject to various risks inherent to the automobile retail industry, as well as other risks such as theft, robbery, acts of terrorism and other force majeure events. We maintain insurance coverage for anticipated risks which are standard for our type of business and operations. As of March 31, 2021, we had a total insurance coverage of ₹6,553.00 million aggregating 98.00% of our total assets. Our insurance policies cover our showrooms, sales outlets, booking offices, service centres and retail outlets from losses in the case of fire, special perils, burglary, theft etc. We have also obtained inventory insurance, money insurance for cash in transit. directors' and officers' liability insurance, plate glass insurance for accidental breakage of fixed plate glass in our showrooms, service centres and other units and internal risk insurance for cases of bodily injuries, property damage, and damage to our vehicles. As of the date of this Draft Red Herring Prospectus we have an insurance coverage for all of our assets. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain business risks. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected.

33. ***Any closure of our showrooms, retail outlets and service centres, which may affect our revenue and result of operations.***

We have in the past permanently terminated certain dealerships owing to market conditions. For instance, we closed our dealership for Skoda cars in 2011 which we operated for a period of 3 years on account of commercial considerations.

Further, our facilities were required to be closed down on account of the COVID-19 induced lock-down restrictions imposed by State Governments in the jurisdictions in which we operate. For details see "*Our Business – Impact of the COVID-19 Pandemic*" on page 164. Such opposition or circumstances may be beyond our control. Permanent or temporary closure of a large number of our showrooms, sales outlets or service centres for prolonged periods of time or termination of dealerships in the future may result in a reduction of revenue and materially affect the results of our operations.

34. ***We rely on independent contractors to execute ancillary services and any failure on their part to perform their obligations could adversely affect our reputation, business, results of operations and cash flows.***

We utilize independent contractors to execute certain ancillary services such as security services and housekeeping. The timely execution of these services depends on the availability and skill of these contractors, as well as contingencies affecting them, including labour shortages due to various reasons including the COVID-19 pandemic and industrial action such as strikes and lockouts. If a contractor fails to perform its obligations satisfactorily or within the prescribed time periods with regard to payment to its labour, we shall be liable to perform their obligations and restore the due amount to labour which could result in reduced profits or, in some cases, significant penalties and losses which we may not be able to recover from the relevant independent contractor. Since we utilize third-party service providers, we cannot control all of the factors that might affect the quality and fulfilment of these services and products. If the third parties on which we depend are unable to continue to provide their services, experience difficulty in meeting our requirements or standards, or revoke or fail to renew our service contracts or license agreements with them, we could have difficulty operating key aspects of our business, which could damage our business and reputation. We cannot assure you that the services rendered by any of our independent contractors will always be satisfactory or match our requirements for quality, which may affect our results of operations and cash flows.

35. ***Our results of operations could be adversely affected as a result of any disputes with our employees.***

Our operations are personnel-driven, and we place a lot of emphasis on the effective training of our personnel. However, a failure to train and motivate our employees may lead to an increase in our employee attrition rates, erode the quality of customer service, divert management resources and impose significant costs on us which may have an adverse impact on our business and future financial performance. Further, in case of any disputes with the employees in in connection with tasks performed by them in the course of their employment, including in relation to the collection of payments from customers may have an adverse impact of the business operations and financial collections.

As of March 31, 2021, we have a total of 8,465 employees, and lay significant emphasis on our employees' overall welfare. However, there can be no assurance that there will not be any future disruptions in our operations due to any disputes with our employees or that such disputes will not adversely affect our business and results of operations.

Further, in the event of a labour dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations, which could materially and adversely affect our business, future financial performance and results of operations.

36. ***We may be subject to significant liability should there be any deficiencies in any of the vehicles sold by us or services provided by us resulting in injury or death.***

There could be deficiencies in vehicles sold by us or services performed by us at our service centers which could lead to serious injury or death. Claims, including product liability claims may be asserted against us (along with our OEMs) with respect to any of the vehicles we sell or service. Until date, we have not been involved in any matter where the financial impact is material or where the judgement has been unfavorable, however, a product liability judgment against us, with material financial impact, could have a material, adverse effect on our business, financial condition or results of operations.

37. ***This Draft Red Herring Prospectus contains information from industry sources including the industry report commissioned from CRISIL and paid for by the Company. Investors are advised not to place undue reliance on such information.***

This Draft Red Herring Prospectus includes information derived from third party industry sources and from a report dated July 2021, titled "Industry Assessment of Automobile Dealerships Industry in India" prepared by CRISIL, which has been commissioned and paid for by our Company. Such data may also be produced on different bases from those used in the industry publications we have referenced and paid by Company.. Further, the reports use certain methodologies for market sizing and forecasting. There are no standard data gathering methodologies in the markets in which we operate, and methodologies and assumptions vary widely among different industry sources. Such assumptions may change based on various factors. We cannot assure you that such assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources typically take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report.

Further, the CRISIL Report or any other industry data or sources are not recommendations to invest in our Company. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report. You are advised not to place undue reliance on the CRISIL Report or extracts thereof as included in this Draft Red Herring Prospectus, when making your investment decision. Also see *Certain Conventions, Presentation of Financial, Industry and Market Data—Industry and Market Data* and "*Industry Overview*" on pages 19 and 97, respectively.

38. ***Our Promoters will continue to hold a significant equity stake in our Company after the Offer and their interests may differ from those of the other shareholders.***

Upon completion of the Offer, our Promoters will hold [●]% of our paid-up Equity Share capital. For details, see "*Capital Structure*" on page 62. Our Promoters will therefore have the ability to influence our operations significantly. This will include the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings including issue of Equity Shares, payment of dividends, determining business plans and mergers and acquisitions strategies. Further, if, in the future, our Promoters are unwilling to dilute their equity stake in our Company and do not, or are unable to, fund us, our growth may be affected. In addition, the trading price of the Equity Shares could be materially adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in the hands of our Promoters.

39. ***We have entered into, and will continue to enter into, related party transactions.***

In the ordinary course of our business, we have entered into, and will continue to enter into, transactions with related parties. We have entered into certain transactions with related parties, including with respect to the payment of remuneration of certain of our Directors and our Key Managerial Personnel, receipt and repayment of loans obtained from our Promoters and purchase, payment of rent to our Promoters etc. While we believe that all such related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favorable terms had such arrangements not been entered into with related parties. Further, we cannot assure you that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and prospects. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company. For further details regarding our related party transactions, see the section "*Financial Statements-Statement of Related Party Transactions*" as disclosed on page 257.

40. ***Our Subsidiaries may not pay cash dividends on shares that we hold in them. Consequently, our Company may not receive any return on investments in our Subsidiaries.***

Our Subsidiaries are separate and distinct legal entities, having no obligation to pay dividends and may be restricted from doing so by law or contract, including applicable laws, charter provisions and the terms of their financing arrangements. We cannot assure you that our Subsidiaries will generate sufficient profits and cash flows, or otherwise be able to pay dividends to us in the future.

41. ***Conflicts of interest may arise out of common business objects between our Company and certain Group Companies and Subsidiaries.***

One of our Group Companies, Keracon is involved in the business of spare parts distribution in Kerala and another Group Company, Prabal is involved in the operation of the Bharat Benz dealership for commercial vehicles in Tamil Nadu. Further, our Subsidiaries, PMMPL is involved in the business of dealership of Tata Motors (Commercial) in Kerala and Tamil Nadu and VMPL is involved in the business of dealership of Honda passenger vehicles in Kerala. While we have not perceived any conflicts of interest in this regard as on date, in the event that we perceive any conflicts of interest in the future, we may be required to assess such potential conflicts of interest and take appropriate steps to address such conflicts of interest. For further details, see " *History and Certain Corporate Matters - Common Pursuits between our Subsidiaries and our Company*" and "*Our Group Companies - Common Pursuits between our Group Companies and our Company*" on pages 177 and 203.

42. ***We have had negative cash flows in the past and it is possible that we may experience negative cash flows in the future.***

We have had negative cash flows in the past. The table below sets forth selected information from our statements of cash flows in the periods indicated below.

(₹ in million)

Particulars	FY		
	2021	2020	2019
Net cash generated from/(used in) operating activities	951.84	3,392.95	(470.84)
Net cash generated from/(used in) investing activities	(66.50)	(275.69)	(503.02)
Net cash (used in)/generated from financing activities	(706.86)	(2,989.98)	843.89
Net increase/(decrease) in cash and cash equivalents	178.48	127.28	(129.97)
Cash and cash equivalents at the beginning of the year	374.93	247.65	377.62
Cash and cash equivalents at the end of the year	553.41	374.93	247.65

For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 205 and 267, respectively. We cannot assure you that we will not experience negative cash flows in the future.

43. ***We have certain contingent liabilities and commitments, which, if they materialize, may affect our financial condition.***

As of March 31, 2021, we had the following contingent liabilities and commitments:

Particulars	As of March 31, 2021 ***(₹ in million)***
Contingent Liabilities	
Claims against the Group not acknowledged as debts	

Particulars	As of March 31, 2021 (₹ in million)
Service tax related matters	16.80
KVAT related matters	127.67
Income tax matters	96.09
Employee's state insurance / provident fund demand	7.95
Customer claims	83.15
Commitments	
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	180.41
Corporate guarantees	-

For details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Contingent Liabilities*" on pages 205 and 288 for more information. Any or all of these contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

44. *Our Company is in the process of striking off its Subsidiary, Avita Insurance Broking, LLP, which may adversely affect our business and results of operations.*

Our Company intends to wind up operations of our Subsidiary, Avita Insurance Broking, LLP. As on March 31, 2021, Avita was not operational. Avita was incorporated on December 14, 2018 and was set up to run the business of insurance broking service approved by Insurance Regulatory and Development Authority of India. However, for operational efficiencies, the Subsidiary is proposed to be wound up and a strike off application dated October 16, 2020 has been filed with the RoC. While no business operations were being carried out by Avita, we cannot assure you that winding down of our subsidiary, Avita, will not adversely affect our business and results of operations. For details, see "*History and Certain Corporate Matters – Our Subsidiaries*" on page 174.

45. *We cannot assure you that the deployment of the Net Proceeds in the manner intended by us will result in an increase in the value of your investment.*

We intend to use the Net Proceeds of the Fresh Issue for the purposes described in "*Objects of the Offer*" on page 81. The objects of the Fresh Issue have not been appraised by any bank or financial institution. Whilst a monitoring agency will be appointed for monitoring utilization of the Net Proceeds, the proposed utilization of Net Proceeds is based on current conditions, internal management estimates, contracts and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Further, pending utilization of Net Proceeds towards the Objects of the Offer, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds them temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1939, as may be approved by our Board or IPO Committee. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds.

46. *Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.*

We propose to utilise the Net Proceeds for repayment/ pre-payment, in full or part, of certain borrowings, including working capital loans, availed by our Company and general corporate purposes.

For further details of the proposed objects of the Offer, see "*Objects of the Offer*" beginning on page 81. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Fresh Issue, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

EXTERNAL RISKS

47. ***Any downturn in the macroeconomic environment in India and globally would adversely affect our business, financial condition, results of operations and cash flows.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Therefore, any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operations and cash flows. The Indian economy could be adversely affected by various factors, such as the impact of COVID-19 or other pandemics, epidemics, political and regulatory changes, including adverse changes in the Government's liberalisation policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, volatility in interest rates, volatility in commodity and energy prices, a loss of investor confidence in other emerging market economies and any worldwide financial instability. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby adversely affect our business, financial condition, results of operations and cash flows.

48. ***The occurrence of natural disasters and man-made disasters could adversely affect our business, financial condition results of operations and cash flows. In addition, terrorist attacks and other acts of violence or war as well as civil unrest or rioting in India could create a perception that investment in Indian companies involves a higher degree of risk, thereby adversely affecting the market price of the Equity Shares.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, fires, explosions, pandemics (such as COVID-19) and epidemics, and man-made disasters, including acts of terrorism, other acts of violence and war, could adversely affect our business, financial condition, results of operations and cash flows. In addition, terrorist attacks and other acts of violence or war as well as civil unrest or rioting in India could create a perception that investment in Indian companies involves a higher degree of risk, thereby adversely affecting the market price of the Equity Shares.

49. ***Changing laws, rules and regulations and legal uncertainties, including any adverse application of tax laws and regulations across the multiple states we operate in, could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our business and financial condition could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations.

The governmental and regulatory bodies may notify new regulations and/ or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations, including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/ or may require us to apply for additional approvals.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges that are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Moreover, the central and state tax schemes in India are extensive and subject to change from time to time. For instance, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017 that combines taxes and levies by the central and state governments into a unified rate structure. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If the tax costs associated with certain transactions because of a particular tax risk materializing are greater than anticipated, it could affect the profitability of such transactions.

Further, the Government of India has announced the union budget for FY 2022, pursuant to which the Finance Bill, 2021 (**"Finance Bill"**), has introduced various amendments. The Finance Bill has received assent from the President of India on March 28, 2021, and has been enacted as the Finance Act, 2021. We have not fully determined the impact of these recent and proposed laws and regulations on our business.

We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time-consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

50. ***If inflation rises in India, increased costs may result in a decline in profits.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation in the recent past. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

51. ***Investors may not be able to enforce a judgment of a foreign court against our Company outside India.***

Our Company is incorporated under the laws of India. Our Company's assets are located in India and all of our Company's Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, Singapore and Hong Kong have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

52. ***Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition.***

The financial statements included in this Draft Red Herring Prospectus have been prepared in accordance with Ind AS, restated in accordance with the requirements of Section 26 of part I of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are restated in accordance with the SEBI ICDR Regulations included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

53. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

54. ***We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

55. ***Any adverse change in India's credit rating by an international rating agency could materially adversely affect the Group's business and profitability.***

Any adverse credit rating outlook on India would impact the country's outlook and cascade into interest rate and currency depreciation. In September 2014, S&P affirmed the "BBB minus" sovereign credit rating on India and revised the outlook on India's long-term rating from "negative" to "stable", citing improvement in the Government's ability to implement reforms and encourage growth, which in turn would lead to improving the country's fiscal performance. In April 2015, Moody's revised India's sovereign rating outlook from "stable" to "positive" and retained the long-term rating at "Baa3" as it expected actions of policymakers to enhance India's economic strength in the medium term. In July 2016, Fitch revised its outlook for the Indian banking sector to "Negative" from "Stable" due to the increase in nonperforming loans. In November 2017, Moody's has raised India's credit rating from the lowest investment grade of Baa3 to Baa2 and changed the outlook to stable from positive. In November 2019, Moody's cut India's rating outlook to negative, while retaining the rating to Baa2, citing worsening shadow banking crunch, prolonged slowdown in the economy and rising public debt. Further, on 1 June 2020, Moody's downgraded Government of India's foreign currency and local currency long-term issuer ratings to "Baa3" from "Baa2" while maintaining the "negative outlook" due to relatively weak implementation of reforms since 2017, sustained period of relatively low growth, significant deterioration in the fiscal position of the government and the rising stress in the financial sector. On 18 June 2020, Fitch Ratings downgraded the outlook on India's long-term foreign currency Issuer Default Rating to "negative" from "stable" and affirmed the rating at BBB. This was due to the coronavirus pandemic having significantly weakened India's growth outlook for the year and the challenges associated with a high public debt burden. However, India's sovereign ratings from S&P is BBB- with a "stable" outlook in September 2020.

There can be no assurance that these ratings will not be further revised or changed by S&P, Fitch or Moody's or that any of the other global rating agencies will not downgrade India's credit rating. As the Group's foreign currency ratings are pegged to India's sovereign ratings any adverse revision to India's credit rating for international debt will have a corresponding effect on the ratings of the Company's business. Therefore, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact the ability of the Company's business to raise additional financing and the interest rates and other commercial terms at which such financing is available. Any of these developments may materially and adversely affect the Group's business, cash flows, financial condition and results of operations.

RISKS RELATING TO THE EQUITY SHARES AND THE OFFER

56. ***The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchanges. Investors bear the risk of fluctuations in the price of Equity Shares and there can be no assurance that a liquid market for our Equity Shares will develop following the listing of our Equity Shares on the Stock Exchanges.***

There has been no public market for our Equity Shares prior to the Offer. The determination of the Price Band is based on various factors and assumptions and will be determined by our Company and the Selling Shareholder in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholder, in consultation with the BRLMs, through the Book Building Process. This price will be based on numerous factors, as described under in "*Basis for Offer Pric*e" on page 90. This price may not necessarily be indicative of the market price of the Equity Shares after the Offer is completed. You may not be able to re-sell your Equity Shares at or above the Offer price and may as a result lose all or part of your investment.

The price at which the Equity Shares will trade at after the Offer will be determined by the marketplace and may be influenced by many factors, including:

- our financial condition, results of operations and cash flows;
- the history of and prospects for our business;

- an assessment of our management, our past and present operations and the prospects for as well as timing of our future revenues and cost structures;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial condition, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- additions or departures of Key Managerial Personnel;
- changes in interest rates;
- fluctuations in stock market prices and volume; and
- general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our financial condition, results of operations and cash flows.

The Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

57. ***A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

58. ***Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Offer Price may not be indicative of the market price of the Equity Shares after the Offer.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

59. *Investors will not be able to immediately sell on an Indian stock exchange any of the Equity Shares they purchase in the Offer.*

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid/ Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/ Offer Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

60. *We will not receive any proceeds from the Offer for Sale.*

The Offer consists of a Fresh Issue and an Offer for Sale. The Selling Shareholder will be entitled to their respective portion of the proceeds from the Offer for Sale in proportion of the Equity Shares offered by the Selling Shareholder as part of the Offer for Sale. Our Company will not receive any proceeds from the Offer for Sale. See "*Objects of the Offer*" on page 81.

61. *Our ability to pay dividends in the future will depend on our financial condition, results of operations, cash flows, capital requirements, capital expenditures and restrictive covenants of our financing arrangements*

We have not adopted a formal dividend policy. While our declaration of dividends is at the discretion of our Board and subject to Shareholder approval as set out in the section titled "*Dividend Policy*" on page 204, the amount of future dividend payments by our Company, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. Our Company may decide to retain all of its earnings to finance the development and expansion of its business and therefore, we may not declare dividends on the Equity Shares. Additionally, we may, in the future, be restricted by the terms of our loan agreements to make any dividend payments unless otherwise agreed with our lenders.

62. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by us may dilute your shareholding and any sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options, if any, issued by us in future, shareholders may dilute your shareholding in our Company. Further any such future issuance of the Equity Shares or future sales of the Equity Shares by any of our major shareholders may also adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our major shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that our existing Shareholders including our Promoters will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

63. *You may be subject to stamp duty and Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India. Until March 31, 2018, any gain realized on the sale of equity shares, listed on a stock exchange and held for more than 12 months was not subject to capital gains tax in India if STT was paid on the transaction. However, with the enactment of the Finance Act, 2018 the exemption previously granted in respect of payment of long-term capital gains tax has been withdrawn and such taxes are now payable by the investors with effect from April 1, 2018. The Finance Act, 2018 provides that existing investors are eligible for relief on such capital gains accrued until January 31, 2018 and any long-term capital gains made after January 31, 2018 shall be subject to taxation.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty and clarifies that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident.

Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows.

64. ***QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Therefore, QIBs and Non-Institutional Bidders would not be able to withdraw or lower their Bids, notwithstanding adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition, or otherwise, between the dates of the submission of their Bids and the Allotment.

While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the Bidders' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

65. ***Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our results of operations.***

The Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend received by investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rate between the Rupee and other currencies (such as the U.S. dollar, the Euro, the pound sterling, the Hong Kong dollar and the Singapore dollar) has changed substantially in the past and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from our Equity Shares in foreign currency terms, independent of our operating results.

66. ***Foreign investors are subject to investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the valuation and reporting requirements specified under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of the relevant regulatory authority is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020, which came into effect from April 22, 2020, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 345. Our ability to raise foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, financial condition, results of operations and cash flows.

67. ***The requirements of being a listed company may strain our resources.***

The requirements of being a listed company may strain our resources. We are not a listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

SECTION III: INTRODUCTION

THE OFFER

The following table sets forth details of the Offer:

Equity Shares Offered	
Offer of Equity Shares[(1)#]	Up to [●] Equity Shares, aggregating up to ₹ [●] million
of which:	
Fresh Issue[(1)]	Up to [●] Equity Shares, aggregating up to ₹ 1,500 million
Offer for Sale[(2)]	Up to 4,266,666 Equity Shares, aggregating up to ₹[●] million
of which:	
Employee Reservation Portion[(6)]	Up to [●] Equity Shares aggregating up to ₹ [●] million
Net Offer	Up to [●] Equity Shares aggregating up to ₹ [●] million
QIB Portion[(3)(4)]	Not more than [●] Equity Shares
of which:	
- Anchor Investor Portion	Up to [●] Equity Shares
- Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
a) Mutual Fund Portion	[●] Equity Shares
b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
Non-Institutional Portion	Not less than [●] Equity Shares
Retail Portion[(5)]	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as of the date of this Draft Red Herring Prospectus)	12,544,289 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" on page 81 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

(1) *The Offer has been authorised by our Board of Directors and our Shareholders pursuant to the resolutions passed at their meetings dated June 10, 2021 and July 8, 2021, respectively. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholder pursuant to its resolution dated August 4, 2021.*

(2) *The Selling Shareholder has confirmed and approved its participation in the Offer for Sale as set out below*:

S. No.	Name of Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of resolution	Date of consent letter
1.	BanyanTree	Up to 4,266,666 Equity Shares	July 26, 2021	August 2, 2021

(3) *Our Company and the Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 330.*

(4) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law. Under-subscription, if any, in the Net QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Under subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, the BRLMs and the Designated Stock Exchange, subject to applicable law. In the event of an undersubscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Offer prior to the Equity Shares offered pursuant to the Offer for Sale. However, after receipt of minimum subscription of 90% of the Fresh Issue, the Offered Shares shall be allocated prior to the Equity Shares offered pursuant to the Fresh issue.*

(5) *Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For details, see "Offer Procedure" on page 330.*

(6) *In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹500,000), shall be added to the Net Offer. Our Company and the Selling Shareholder, in consultation with the BRLMs, may offer a discount of up to [●]% (equivalent to up to ₹[●] per Equity Share) to the Eligible Employees Bidding under the Employee Reservation Portion. The amount of Employee Discount will be advertised in all newspapers wherein the pre-Offer advertisement will be published*

For details, including in relation to grounds for rejection of Bids, see "*Offer Structure* "and "*Offer Procedure*" on pages 327 and 329, respectively. For details of the terms of the Offer, see "*Terms of the Offer*" on page 322.

SUMMARY OF FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 205 and 267.

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RESTATED SUMMARY OF BALANCE SHEET

(₹ in million, except per share data)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Assets			
Property, plant and equipment	2,244.20	2,258.72	2,061.40
Capital work-in-progress	173.09	293.67	276.23
Right-of-use assets	2,329.47	2,401.24	1,940.66
Goodwill	11.80	-	-
Intangible assets	49.87	55.92	61.56
Financial assets			
Investments	49.21	21.81	17.00
Loans	277.57	329.20	346.89
Income tax assets (net)	67.73	156.45	105.85
Deferred tax assets (net)	177.84	227.29	162.48
Other non-current assets	143.19	178.61	147.09
Total Non-current assets	**5,523.97**	**5,922.91**	**5,119.16**
Current assets			
Inventories	3,116.83	2,873.28	3,577.30
Financial assets			
Investments	-	90.01	-
Trade receivables	1,607.27	1,088.91	2,629.33
Cash and cash equivalents	555.08	375.28	247.70
Bank balances other than cash and cash equivalents	38.92	47.48	43.15
Loans	46.36	15.83	-
Other current assets	285.51	873.87	443.27
Total current assets	**5,649.97**	**5,364.66**	**6,940.75**
Assets classified as held for sale	15.42	24.00	56.46
Total assets	**11,189.36**	**11,311.57**	**12,116.37**
Equity and liabilities			
Equity			
Equity share capital	125.44	125.44	125.44
Other equity	2,334.58	2,002.28	1,853.04
Total equity	**2,460.02**	**2,127.72**	**1,978.48**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	893.29	472.99	462.62
Lease liabilities	2,665.08	2,656.52	2,206.59
Other non-current liabilities	204.48	156.97	102.05
Provisions	48.19	56.66	117.01
Income tax liabilities (net)	2.09	0.00	0.00
Total non-current liabilities	**3,813.13**	**3,343.14**	**2,888.27**
Current liabilities			
Financial liabilities			
Borrowings	2,361.64	2,766.56	4,827.72
Lease liabilities	304.35	304.94	179.17
Trade payables			
Total outstanding dues of micro and small enterprises	1.94	0.65	4.13
Total outstanding dues of creditors other than micro and small enterprises	406.77	1,340.62	741.29
Other financial liabilities	687.11	684.31	820.06
Provisions	36.49	30.28	29.32
Income tax liabilities (net)	3.15	0.00	0.00
Other current liabilities	1,114.76	713.35	647.93
Total current liabilities	**4,916.21**	**5,840.71**	**7,249.62**
Total equity and liabilities	**11,189.36**	**11,311.57**	**12,116.37**

RESTATED SUMMARY OF PROFIT AND LOSS

(₹ in million, except per share data)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Income			
Revenue from operations	28,935.25	31,716.22	39,019.62
Other income	257.27	88.34	143.77
Total income	**29,192.52**	**31,804.56**	**39,163.39**
Expenses			
Purchases of stock-in-trade	24,573.83	26,110.20	35,175.46
Changes in inventories of stock-in-trade	(243.55)	704.02	(1,405.65)
Employee benefits expense	2,035.07	2,385.71	2,341.70
Finance costs	551.10	698.94	626.06
Depreciation and amortisation expense	724.91	610.93	482.13
Impairment loss on trade receivables and contract assets	24.76	37.62	30.84
Other expenses	1,053.88	1,438.45	1,596.31
Total expenses	**28,720.00**	**31,985.87**	**38,846.85**
Profit / (loss) before tax and exceptional item	472.52	(181.31)	316.54
Exceptional item	0.00	261.28	0.00
Profit before tax	**472.52**	**79.97**	**316.54**
Income tax expense			
Current tax	99.86	33.11	155.28
Deferred tax charge / (credit)	48.11	(78.05)	(52.48)
Total tax expense/ (income)	**147.97**	**(44.94)**	**102.80**
Profit after tax for the year	**324.55**	**124.91**	**213.74**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit plan income / (loss)	9.09	37.57	(4.68)
Income tax charge / (credit) relating to the above	1.34	13.24	(1.23)
Other comprehensive income / (loss) for the year, net of income tax	7.75	24.33	(3.45)
Total comprehensive income for the year	**332.30**	**149.24**	**210.29**
Earnings per share (equity share of face value of ₹ 10 each)			
Basic (in ₹)	25.88	9.96	17.42
Diluted (in ₹)	25.88	9.96	17.42

RESTATED SUMMARY OF STATEMENT OF CASH FLOWS

(₹ in million, except per share data)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Cash flows from operating activities			
Profit / (loss) before tax and exceptional item	472.52	(181.31)	316.54
Adjustments:			
Finance costs	551.10	698.94	626.06
Depreciation and amortisation	724.91	610.93	482.13
Impairment loss on trade receivables and contract assets	24.76	37.62	30.84
Liabilities/ provisions no longer required written back	(56.67)	(54.51)	(43.63)
Interest income	(26.13)	(15.27)	(15.79)
Rent concession received	(70.35)	-	-
Gain on derecognition of right-of-use assets	(28.10)	-	-
Impairment on non-current investments	-	-	2.40
Net gain on financial assets measured at fair value through profit and loss	(19.24)	-	(0.21)
Gain on sale of non-current investment (net)	-	-	(5.26)
(Gain)/ loss on sale of property, plant and equipment (net)	(20.74)	(1.68)	2.79
Operating cash flow before working capital changes	**1,552.06**	**1,094.72**	**1,395.87**
Working capital movements:			
(Increase) / decrease in inventories	(243.55)	704.02	(1,405.65)
(Increase) / decrease in trade receivables	(543.12)	1,488.61	(521.27)
Decrease / (increase) in loans and other financial assets and other assets	604.90	(449.09)	(226.49)
(Decrease)/ increase in liabilities and provisions	(423.00)	638.40	490.19
Cash generated from operations	**947.29**	**3,476.66**	**(267.35)**
Income taxes refund/ (paid), net	4.55	(83.71)	(203.49)
Net cash generated from/ (used in) operating activities (A)	**951.84**	**3,392.95**	**(470.84)**
Cash flows from investing activities			
Sale / (acquisition) of investments	81.85	(92.42)	(1.38)
Interest received	15.68	15.27	15.79
Purchase of property, plant and equipment including capital advances	(273.41)	(576.63)	(576.59)
Acquisition of intangible assets	(20.87)	(12.29)	(3.44)
Sale of property, plant and equipment	130.25	390.38	62.60
Net cash used in investing activities (B)	**(66.50)**	**(275.69)**	**(503.02)**
Cash flows from financing activities			
Proceeds from issue of equity share capital	-	-	5.87
Interest paid	(277.86)	(429.39)	(424.40)
Long-term borrowings availed	638.99	481.61	486.96
Long-term borrowings repaid	(194.67)	(513.38)	(360.39)
Short-term borrowings availed/ (repaid), net	(404.92)	(2,061.26)	1,481.86
Lease payments during the year	(468.40)	(467.56)	(346.01)
Net cash (used in)/ generated from financing activities (C)	**(706.86)**	**(2,989.98)**	**843.89**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**178.48**	**127.28**	**(129.97)**
Cash and cash equivalents at the beginning of the year	374.93	247.65	377.62
Cash and cash equivalents at the end of the year	**553.41**	**374.93**	**247.65**

GENERAL INFORMATION

Registered and Corporate Office

Popular Vehicles and Services Limited
Kuttukaran Centre
Mamangalam, Cochin
Ernakulam 682 025
Kerala, India

CIN: U50102KL1983PLC003741
Registration number: 003741

Address of the RoC

Our Company is registered with the RoC situated at the following address:

Registrar of Companies, Kerala at Ernakulam

Company Law Bhawan
B. M. C. Road, Thrikkakara
Kochi 682 021
Kerala, India

Company Secretary and Compliance Officer

Varun T. V.
Kuttukaran Centre
Mamangalam, Kochi
Ernakulam 682 025
Kerala, India
Tel: +91 484 2341 134
E-mail: cs@popularv.com

Board of Directors

As on the date of this Draft Red Herring Prospectus, our Board of Directors of the Company comprises of the following:

Name	Designation	DIN	Address
Jacob Kurian	Chairman and Non-Executive Independent Director	00213259	104 Tefilah Tranquille, 154 Wheeler Road, Near Sameer House, Fraser Town, Bangalore 560 005, Karnataka, India
John K. Paul	Managing Director	00016513	42/1058, Kuttukaran House, St. Benedict Road, Ernakulam, Kochi 682 018, Kerala, India
Francis K. Paul	Whole-time Director	00018825	34/542, A1 Kuttukaran House, N.H. Bye Pass Road Padivattom, Edapally. P.O., Ernakulam 682 024, Kerala, India
Naveen Philip	Non-Executive Director	00018827	Valiyathottathil House, Dewans Road, Kochi, M.G. Road, Ernakulam 680 016, Kerala, India
Preeti Reddy	Non-executive Independent Director	07248280	C 478, Second Floor, Defence Colony, Lajpat Nagar, South Delhi 110024, Delhi, India
George Joseph	Non-Executive Independent Director	00253754	Melazhakath, Idukki, Arakulam 685591, Kerala, India.
Rahul G. Kurup	Non-Executive Nominee Director	07496119	1:2, C2-11, Sector 16, Near Fire Station, Vashi, Navi Mumbai 400 703, Maharashtra, India

For details of our Board of Directors, see "*Our Management*" on page 180.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically with SEBI at cfddil@sebi.gov.in and on SEBI's online portal, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD".

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the Registrar of Companies, Kerala at Ernakulam, India and a copy of the Prospectus shall be filed under Section 26 of the Companies Act, 2013 with the RoC.

Book Running Lead Managers

Axis Capital Limited
1st floor, Axis House
C-2 Wadia International Centre
P.B. Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 4325 2183
E-mail: popular.ipo@axiscap.in
Website: www.axiscapital.co.in
Investor Grievance E-mail: complaints@axiscap.in
Contact Person: Ankit Bhatia
SEBI Registration No.: INM000012029

DAM Capital Advisors Limited
(*Formerly IDFC Securities Limited*)
One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4202 2500
E-mail: popular.ipo@damcapital.in
Website: www.damcapital.in
Investor Grievance E-mail: complaint@damcapital.in
Contact Person: Gunjan Jain
SEBI Registration No.: MB/INM000011336

Centrum Capital Limited
Centrum House
C.S.T. Road, Vidyanagari Marg
Kalina, Santacruz (East)
Mumbai 400 098
Maharashtra, India
Tel: +91 22 4215 9000
E-mail: popular.ipo@centrum.co.in
Website: www.centrum.co.in
Investor Grievance E-mail: igmbd@centrum.co.in
Contact Person: Pooja Sanghvi
SEBI Registration No.: INM000010445

Syndicate Members

[●]

Legal Counsel to the Company and the Selling Shareholder as to Indian Law

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Towers
19, Brunton Road
Bengaluru 560 025,
Karnataka, India
Tel: +91 80 6792 2000

Legal Counsel to the BRLMs as to Indian Law

J. Sagar Associates
Sandstone Crest
Opposite Park Plaza Hotel
Sushant Lok - Ph 1
Gurgaon 122 009, India
Tel: +91 124 4390 600

J. Sagar Associates
Vakils House,
18 Sprott Road
Ballard Estate,
Mumbai 400 001, India
Tel: +91 22 4341 8600

Statutory Auditors to our Company

B S R & Associates LLP, Chartered Accountants
49/179 A, 3rd Floor, Syama Business Centre,
NH 47 Bypass Road, Vyttila,
Kochi -682 019
Kerala, India
Tel: +91 484 4148 500
Email: babypaul@bsraffiliates.com
Firm Registration Number: 116231W/W-100024
Peer Review Certificate Number: 011719

There have been no changes in our auditors in the last three years preceding the date of filing of this Draft Red Herring Prospectus.

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor
247 Park

Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6200
E-mail: popularvehicles.ipo@linkintime.co.in
Investor Grievance E-mail: popularvehicles.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Bankers to the Offer

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Bank(s)

[●]

Sponsor Bank

[●]

Bankers to the Company

Axis Bank Limited Ground Floor, Chicago Plaza, Rajaji Road, Kochi 682 035 Kerala, India **Tel**: + 0484 44110012 **E-mail**: nishanth7.s@axisbank.com **Website**: www.axisbank.com	**State Bank of India** First Floor, Joy's Building, Near Padma Junction, M. G. Road, Emakulam 682 035 Kerala, India **Tel**: +91 0484 2374042, +91 0484 2355133, +91 0484 2383250 **E-mail**: sbi.05387@sbi.co.in **Website**: www.sbi.co.in	**The Federal Bank Limited** Branch Ernakulam/ Palarivattom Metro Pillar 529, 35/37A, Main Road, Palarivattom, Emakulam 682 025 Kerala, India **Tel**: +91 97462 82263 **E-mail**: arunjp@federalbank.co.in **Website**: www.federalbank.co.in	**ICICI Bank Limited** Zonal Office, 2nd floor, Pushpamangalam Estates, Near Bhima Jewellery, Edappally Kerala, India **Tel:** +91 81291 70576 **E-mail:** anand.raj@icicibank.com **Website:** www.icicibank.com

Designated Intermediaries

Self-Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on SEBI website from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated August 4, 2021 from B S R & Associates LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated August 4, 2021 on our Restated Financial Information; and (ii) their report dated August 4, 2021 on the statement of tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated August 4, 2021 from R.G.N. Price & Co., Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Independent Chartered Accountants, and in respect of their reports/certificates/letters included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Monitoring Agency

Our Company will appoint a monitoring agency to monitor utilization of the Net Proceeds, prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of SEBI ICDR Regulations. For details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Offer*" on page 81.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an Offer of Equity Shares, there is no credit rating required for the Offer.

IPO Grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Debenture Trustees

As this is an offer of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Inter-se allocation of responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing	Axis, Centrum, DAM	Axis
2.	Drafting and approval of statutory advertisements	Axis, Centrum, DAM	Axis
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	Axis, Centrum, DAM	Centrum
4.	Appointment of intermediaries viz., Registrar's, Printers, Advertising Agency, Syndicate, Sponsor Bank, Bankers to the Issue and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	Axis, Centrum, DAM	DAM
5.	Preparation of road show marketing presentation and frequently asked questions	Axis, Centrum, DAM	Centrum
6.	International Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	Axis, Centrum, DAM	Axis
7.	Domestic Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule	Axis, Centrum, DAM	DAM
8.	Retail marketing of the Offer, which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget; • Finalizing media, marketing and public relations strategy; • Finalizing centres for holding conferences for brokers, etc.; • Finalizing collection centres; • Arranging for selection of underwriters and underwriting agreement; and • Follow-up on distribution of publicity and offer material including form, Prospectus and deciding on the quantum of the offer material	Axis, Centrum, DAM	Centrum
9.	Non-Institutional marketing of the Offer, which will cover, inter alia: • Finalizing media, marketing and public relations strategy; and • Finalizing centres for holding conferences for brokers, etc.	Axis, Centrum, DAM	Centrum
10.	Managing the book and finalization of pricing in consultation with the Company and the Selling Shareholders.	Axis, Centrum, DAM	Axis
11.	Coordination with Stock-Exchanges for book building software, bidding terminals and mock trading; anchor co-ordination and intimation of anchor allocation.	Axis, Centrum, DAM	Centrum
12.	Payment of 1% security deposit to the designated stock exchange.	Axis, Centrum, DAM	Axis
13.	Post- Issue activities, which shall involve essential follow-up with bankers to the Issue and SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, based on correct figures, finalization of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Issue activity such as Registrar to the Issue, Bankers to the Issue, SCSBs including responsibility for underwriting arrangements, as applicable and submission of all post Offer reports	Axis, Centrum, DAM	DAM

Sr. No.	Activity	Responsibility	Co-ordination
	including the final post Offer report to SEBI, co-ordination with designated exchange and SEBI for release of 1% security deposit.		

Book Building Process

Book Building Process, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band, and minimum Bid Lot size will be decided by our Company and the Selling Shareholder in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Malayalam daily newspaper (Malayalam being the regional language of Kerala, where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company and the Selling Shareholder in consultation with the BRLMs after the Bid/Offer Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids on or before the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Offer Period. Allocation to the QIBs (other than Anchor Investors) and Non-Institutional Buyers will be on a proportionate basis while allocation to the Anchor Investors will be on a discretionary basis.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Bidders should note that the Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For details on the method and procedure for Bidding, see "*Offer Structure*" and "*Offer Procedure*" on pages 327 and 330, respectively.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure*" on page 330.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. Our Company and the Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone number and Email address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]

(The above table has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

The abovementioned underwriting commitments are indicative and will be finalised after pricing of the Offer, the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus is set forth below.

(In ₹, except share data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A.	**AUTHORIZED SHARE CAPITAL[1]**		
	15,000,000 Equity Shares	150,000,000	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	12,544,289 Equity Shares	125,442,890	[●]
C.	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer of up to [●] Equity Shares[2][3]	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares	[●]	[●]
	Offer for Sale of up to 4,266,666 Equity Shares[3]	[●]	[●]
	Which includes		
	Employee Reservation Portion of up to [●] Equity Shares[4]	[●]	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	[●] Equity Shares (assuming full subscription in the Offer)	[●]	[●]
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		636,676,670
	After the Offer		[●]

* *To be included upon finalisation of Offer Price.*

(1) *For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 171*

(2) *The Offer has been authorized by our Board of Directors pursuant to a resolution passed on June 10, 2021 and by our Shareholders pursuant to a special resolution passed on July 8, 2021. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated August 4, 2021*

(3) *The Selling Shareholder confirms that the Offered Shares have been held by the Selling Shareholder for a period of at least one year prior to filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. For details on the authorization of the Selling Shareholder in relation to the Offered Shares, see "The Offer" on page 49.*

(4) *Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount.*

Notes to the Capital Structure

1. **Share Capital History of our Company**

   (a) Equity Share capital

The history of the Equity Share capital of our Company is set forth in the table below:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
June 28, 1983	7,000	10	10.00	Cash	Initial subscription to the MoA[1]	7,000	70,000
December 30, 1983^	43,000	10	10.00	Cash	Preferential Allotment[2]	50,000	500,000
June 25, 1985^	50,700	10	10.00*	Cash	Preferential Allotment[3]	100,700*	1,007,000
January 7, 2008	399,300	10	10.00	Cash	Preferential Allotment[4]	500,000	5,000,000

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
September 28, 2010	1,500,000	10	N/A	N/A	Bonus issue in the ratio of three Equity Shares for every one fully paid-up Equity Share held(5)	2,000,000	20,000,000
December 31, 2015	100	10	100.00	Cash	Preferential allotment(6)	2,000,100	20,001,000
March 9, 2017	1,333,233	10	487.54	Cash	Conversion of compulsorily convertible debentures(7)	3,333,333	33,333,330
September 14, 2018	586,745	10	10	Cash	Rights issue in the ratio of five Equity Shares for every 17 Equity Shares(8)	3,920,078	39,200,780
September 18, 2018	8,624,211	10	N/A	N/A	Bonus issue in the ratio of 11 Equity Shares for every five fully paid-up Equity Shares(9)	12,544,289	125,442,890
Total	**12,544,289**					**12,544,289**	**125,442,890**

^ The secretarial records, namely the board and shareholder minutes and Form 2s filed with the RoC, in connection with the allotment of 43,000 Equity Shares and 50,700 Equity Shares undertaken on December 30, 1983 and June 25, 1985, respectively are untraceable. For further details, please see "Risk Factors – Our Company was incorporated in 1983 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the untraceable filings and corporate records, which may impact our financial condition and reputation." on page 34.

**The Equity Shares were partly paid as on the date of allotment. Please refer to footnote 3.*

(1) 1,000 Equity Shares were allotted to K.P. Paul, 1,000 Equity Shares were allotted to Francis K. Paul, 1,000 Equity Shares were allotted to John K. Paul, 1,000 Equity Shares were allotted to Saju K. Thomas, 1,000 Equity Shares were allotted to Daisy Paul, 1,000 Equity Shares were allotted to Susan Francis and 1,000 Equity Shares were allotted to Elsy Thomas

(2) 10,000 Equity Shares were allotted to K.P. Paul, 10,000 Equity Shares were allotted to Francis K. Paul, 11,000 Equity Shares were allotted to John K. Paul, 11,000 Equity Shares were allotted to Saju K. Thomas and 1,000 Equity Shares were allotted to Elsy Thomas

(3) 50,700 Equity Shares were allotted to 584 individuals. The Equity Shares were partly paid as on the date of allotment to the extent of ₹5.00 per Equity Share (i.e., ₹2.50 per Equity Share towards share application money and ₹2.50 per Equity Share towards allotment money). While 37,300 Equity Shares were fully paid up on October 31, 1992, the balance 13,400 Equity Shares were forfeited on March 23, 1994, due to failure of the allottees in paying the balance amount of allotment money due on their respective Equity Shares when called upon. Of the 13,400 forfeited Equity Shares, 3,200 Equity Shares were re-issued to John K. Paul, 3,400 Equity shares were re-issued to Francis K. Paul, 4,550 Equity shares were re-issued to K.P. Paul and 2,250 Equity shares were re-issued to Saju K. Thomas on June 19, 1996.

(4) 175,690 Equity Shares were allotted to Francis K. Paul, 175,690 Equity Shares were allotted to John K. Paul and 47,920 Equity Shares were allotted to Naveen Philip

(5) 1,500,000 Equity Shares were allotted to Shareholders of our Company, whose names appeared in the register of members of our Company, as on September 28, 2010, being the allotment date, pursuant to the bonus issue by the way of capitalisation of reserves and surplus of our Company

(6) 100 Equity Shares were allotted to BanyanTree

(7) 1,333,233 Equity Shares were allotted to BanyanTree pursuant to conversion of 6,500 compulsorily convertible debentures of face value of ₹100,000 each

(8) Five Equity Shares were allotted for every 17 Equity Shares held by the shareholders of the Company whose names appeared in the register of members of the Company as on August 20, 2018, being the record date, pursuant to the rights issue. 257,842 Equity Shares were allotted to John K. Paul, 257,842 Equity Shares were allotted to Francis K. Paul, 69,318 Equity Shares were allotted to Naveen Philip, 1,177 Equity Shares were allotted to Susan Francis (who is a member of our Promoter Group) and 566 Equity Shares were allotted to 55 other Shareholders.

(9) 8,624,211 Equity Shares were allotted to Shareholders of our Company, whose names appeared in the register of members of our Company, as on September 17, 2018, being the record date, pursuant to the bonus issue by the way of capitalisation of reserves and surplus of our Company.

2. Issue of Equity Shares at a price lower than the Offer Price in the last year

Our Company has not issued any Equity Shares during the one year preceding the date of this Draft Red Herring Prospectus.

3. Issue of Equity Shares for consideration other than cash or out of revaluation of reserves

Our Company has not issued any Equity Shares for consideration other than cash or out of revaluation of reserves since its incorporation.

4. Issue of Equity Shares pursuant to schemes of arrangement

Our Company has not allotted any Equity Shares pursuant to a scheme of amalgamation approved under Section 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

5. History of the Equity Share capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 8,253,375 Equity Shares, equivalent to 65.79% of the issued, subscribed and paid-up Equity Share capital of our Company.

(a) Build-up of the shareholding of our Promoters in our Company

The details regarding the shareholding of our Promoters since incorporation of our Company are set forth in the table below:

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Offer Price/Transfer Price per Equity Share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
John K. Paul							
June 28, 1983	Initial Subscribers to the MOA	1,000	Cash	10	10	0.01	[●]
December 30, 1983	First Allotment	11,000	Cash	10	10	0.09	[●]
March 21, 1994	Transfer from Albert Gomez	300	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from C.P Anilkumar	100	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from G. Gopalakrishnan	100	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from Jimmy Antonio	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from Augustine Luiz	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from P.P. Antony	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from N.B. Sebastian	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from V. S. Mahesh	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from C.C. Thomas	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from N A Xavier	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from P V Jerome	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from K C Mani	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from T K Sasidharan	150	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from Antony Fernandez	150	Cash	10	20	Negligible	[●]
February 13, 1995	Transfer from P. D. Varghese	100	Cash	10	20	Negligible	[●]
February 13, 1995	Transfer from K. G. Joseph	50	Cash	10	20	Negligible	[●]
February 13, 1995	Transfer from M. M. Varghese	50	Cash	10	20	Negligible	[●]
February 13, 1995	Transfer from M.M Mukundan	50	Cash	10	20	Negligible	[●]

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Offer Price/Transfer Price per Equity Share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
February 13, 1995	Transfer from M.Selvaraj	50	Cash	10	20	Negligible	[●]
February 13, 1995	Transfer from T.P. Josy	50	Cash	10	20	Negligible	[●]
February 13, 1995	Transfer from M V Puspakaran	50	Cash	10	20	Negligible	[●]
June 19, 1996	Allotment of forfeited Equity Shares	3,200	Cash	10	10	0.03	[●]
July 15, 1996	Transfer from K A Nandanan	50	Cash	10	10	Negligible	[●]
July 15, 1996	Transfer from P.A. Jose	50	Cash	10	10	Negligible	[●]
July 15, 1996	Transfer from T.J Anto	50	Cash	10	10	Negligible	[●]
July 15, 1996	Transfer from M R Simon	50	Cash	10	10	Negligible	[●]
July 15, 1996	Transfer from T D Varghese	50	Cash	10	10	Negligible	[●]
July 15, 1996	Transfer from C X Tomy	50	Cash	10	10	Negligible	[●]
July 15, 1996	Transfer from N T Ouseph	50	Cash	10	10	Negligible	[●]
March, 15, 1997	Transfer from P.N. Krishnankutty	50	Cash	10	10	Negligible	[●]
March 15, 1997	Transfer from P.D. Sreenivasan	50	Cash	10	10	Negligible	[●]
April 27, 1998	Transfer from E. J Raju	50	Cash	10	10	Negligible	[●]
June 30, 1998	Transfer from N. O. Antony	150	Cash	10	10	Negligible	[●]
January 27, 1998	Transfer from P. J. Albi	50	Cash	10	10	Negligible	[●]
April 27, 1998	Transfer from Pauly I Therattil	100	Cash	10	10	Negligible	[●]
June 30, 1998	Transfer from K. C. Saseendran	100	Cash	10	10	Negligible	[●]
June 30, 1998	Transfer from K D Joy	300	Cash	10	10	Negligible	[●]
August 23, 1999	Transfer from C. Pylee	200	Cash	10	10	Negligible	[●]
February 22, 2002	Transfer from K.J.Thomas	50	Cash	10	10	Negligible	[●]
February 22, 2002	Transfer from T.J .Henry	1,000	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from P.A. Mukundan	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from Immanual Justine T.D.	100	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from K. Parameswaran	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from M.A. Vincent	100	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from K. Pankajakshan	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from V.K. Girijan	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from C.P. Johny	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from A. Kesavan	50	Cash	10	10	Negligible	[●]

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Offer Price/Transfer Price per Equity Share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
August 28, 2002	Transfer from A.C. Kopchappan	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from P.I. George	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from P.P. Wilson	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from M.J. Benny	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from P.R. Francis	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from K.S. Sasidharan	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from P.T. Babu	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from K. Raveendran	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from M.K. Raveendran	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from P.L. Varghese	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from T. Venkatesh	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from C.D Wilson	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from P. Prabhu	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from T. Achuthan	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from N.T.Davis	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from P.I.Jose	400	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from P.P. Varghese	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from P.R. Ravindran	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from A.V. Antony	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from Babu Jacob	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from P.A. Francis	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from P.B. Paul	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from A.D. Stanly	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from K.J. Sebastine	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from P.J.Peter	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from I.N.Muralidharan	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from T.V.Joseph	50	Cash	10	20	Negligible	[●]
August 28, 2002	Transfer from M.K.Thomson	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from P.C.Johnson	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from Jerome Correya	150	Cash	10	10	Negligible	[●]
September 16, 2002	Transfer from C.S.Harikumar	50	Cash	10	10	Negligible	[●]

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Offer Price/Transfer Price per Equity Share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
September 16, 2002	Transfer from N.A. Joy	50	Cash	10	10	Negligible	[●]
September 16, 2002	Transfer from T.K.Sasikumar	50	Cash	10	10	Negligible	[●]
September 16, 2002	Transfer from N.R.Thilakan	100	Cash	10	10	Negligible	[●]
September 16, 2002	Transfer from P.V.Johny	50	Cash	10	10	Negligible	[●]
November 5, 2002	Transfer from M.K.Barsoma	50	Cash	10	10	Negligible	[●]
November 5, 2002	Transfer from E.L.George	100	Cash	10	10	Negligible	[●]
November 5, 2002	Transfer from Jose D. Kulangara	100	Cash	10	10	Negligible	[●]
November 5, 2002	Transfer from Jeemon Mendez V.L	100	Cash	10	10	Negligible	[●]
November 5, 2002	Transfer from V.J.Thomas	50	Cash	10	10	Negligible	[●]
November 5, 2002	Transfer from K.M. Jacob	50	Cash	10	10	Negligible	[●]
November 5, 2002	Transfer from K.O. Poulose	50	Cash	10	10	Negligible	[●]
November 5, 2002	Transfer from E.D. Joshy	50	Cash	10	10	Negligible	[●]
November 5, 2002	Transfer from P.R. Mohandas	50	Cash	10	10	Negligible	[●]
November 5, 2002	Transfer from P.R. Reghu	50	Cash	10	10	Negligible	[●]
November 5, 2002	Transfer from A.V. Sivaraman	50	Cash	10	10	Negligible	[●]
November 5, 2002	Transfer from K.D. Jaison	50	Cash	10	10	Negligible	[●]
February 12, 2003	Transfer from V.O. Varghese	50	Cash	10	10	Negligible	[●]
February 12, 2003	Transfer from C. Muralidharan	50	Cash	10	10	Negligible	[●]
March 10, 2003	Transfer from K.A. Chakkunny	50	Cash	10	10	Negligible	[●]
December 18, 2003	Transfer from E.V.George	50	Cash	10	10	Negligible	[●]
December 18, 2003	Transfer from Saju K Thomas	6,050	Cash	10	10	0.05	[●]
April 20, 2004	Transfer from K.S.Hariharan	50	Cash	10	10	Negligible	[●]
August 25, 2006	Transfer from P.K.Paul	50	Cash	10	20	Negligible	[●]
August 25, 2006	Transfer from K.S.Prabhakaran	50	Cash	10	20	Negligible	[●]
August 25, 2006	Transfer from M.A.Anto	50	Cash	10	20	Negligible	[●]
August 25, 2006	Transfer from K.Jacob Paul	50	Cash	10	20	Negligible	[●]
August 25, 2006	Transfer from T.T.Davis	50	Cash	10	20	Negligible	[●]
August 25, 2006	Transfer from K.D.Thomas	50	Cash	10	20	Negligible	[●]
August 25, 2006	Transfer from P.M.Francis	50	Cash	10	20	Negligible	[●]
August 25, 2006	Transfer from I.V.Joseph	50	Cash	10	20	Negligible	[●]
August 25, 2006	Transfer from K.M.Peter Rooriguse	50	Cash	10	20	Negligible	[●]

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Offer Price/Transfer Price per Equity Share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
August 25, 2006	Transfer from P.K.Abdul Latheaf	50	Cash	10	20	Negligible	[●]
August 25, 2006	Transfer from N.L.Raphel	50	Cash	10	20	Negligible	[●]
September 4, 2006	Transfer from Davis T Pallissery	100	Cash	10	20	Negligible	[●]
May 23, 2007	Transmission From Late K.P Paul	11,000	Cash	10	N/A	0.09	[●]
August 22, 2007	Transfer from P.James Paul	50	Cash	10	20	Negligible	[●]
August 22, 2007	Transfer from T.T.Mathai	50	Cash	10	20	Negligible	[●]
January 7, 2008	Private Placement	175,690	Cash	10	10	1.40	[●]
March 7, 2008	Transfer from G.Sampathkumar	100	Cash	10	20	Negligible	[●]
March 7, 2008	Transfer from A.C.Paul	50	Cash	10	20	Negligible	[●]
August 19, 2008	Transfer from M.G.Xavier	50	Cash	10	20	Negligible	[●]
April 19, 2010	Transfer from P A George	50	Cash	10	100	Negligible	[●]
September 28, 2010	Bonus Issue	650,370	N/A	10	N/A	5.18	[●]
August 20, 2013	Transfer from K.K. Ramesh Kumar	100	Cash	10	10	Negligible	[●]
March 28, 2014	Transfer from K.J Jose	100	Cash	10	10	Negligible	[●]
May 20, 2014	Transfer from Venugopalan M.V.	100	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from Rukmini Kondiba Sakpal	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from Laxman Sakaram Sukpal	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from C.C. Santharam	600	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from K. Ravindran,	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from K.D. Varghese	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from P.C.Antony	2,400	Cash	10	100	0.02	[●]
October 12, 2015	Transfer from R. Leela	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from G.O Thomas	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from K.Narayanan	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from A.N Rajeevan	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from T.T. Antony	200	Cash	10	100	Negligible	[●]
November 12, 2015	Transfer from T.P. Thomas	200	Cash	10	100	Negligible	[●]
November 12, 2015	Transfer from C.V. Wilson	200	Cash	10	100	Negligible	[●]
November 12, 2015	Transfer from V.K.Sunil Kumar	200	Cash	10	100	Negligible	[●]
November 12, 2015	Transfer from V.K. Surendran	100	Cash	10	100	Negligible	[●]

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Offer Price/Transfer Price per Equity Share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
December 31, 2015	Transfer from Martin P. John	100	Cash	10	100	Negligible	[●]
December 31, 2015	Transfer from M.J Kennady Jos	200	Cash	10	100	Negligible	[●]
February 15, 2016	Transfer from Kurian Paul	200	Cash	10	100	Negligible	[●]
February 15, 2016	Transfer from P.G.Pushpalal	50	Cash	10	100	Negligible	[●]
February 15, 2016	Transfer from P.V.Joseph	50	Cash	10	100	Negligible	[●]
June 07, 2016	Transfer from N.J.Varghese	100	Cash	10	100	Negligible	[●]
October 18, 2016	Transfer from M.Radhakrishnan	100	Cash	10	100	Negligible	[●]
October 18, 2016	Transfer from E.V.Sunny	200	Cash	10	100	Negligible	[●]
December 22, 2016	Transfer from C.P Joseph	100	Cash	10	100	Negligible	[●]
December 29, 2016	Transfer from T.R. Joseph	100	Cash	10	100	Negligible	[●]
March 09, 2017	Transfer from P.N Nandakumar	100	Cash	10	100	Negligible	[●]
February 10, 2017	Transfer from Lewis. C.G,	100	Cash	10	100	Negligible	[●]
June 29, 2017	Transfer from A.V. Ulahannan	100	Cash	10	100	Negligible	[●]
September 27, 2017	Transfer from K.P.Appu	100	Cash	10	100	Negligible	[●]
December 18, 2017	Transfer from E.N Prakasan	200	Cash	10	100	Negligible	[●]
March 17, 2018	Transfer from M.G.Johnson	100	Cash	10	100	Negligible	[●]
March 17, 2018	Transfer from E.J.Babu	200	Cash	10	100	Negligible	[●]
March 17, 2018	Transfer from C.K. Sankaran Kutty	200	Cash	10	100	Negligible	[●]
April 29, 2018	Transfer from V.L.Ouseph	400	Cash	10	110	Negligible	[●]
April 29, 2018	Transfer from P.G.Vijayan	200	Cash	10	110	Negligible	[●]
April 29, 2018	Transfer from P. Vikraman	200	Cash	10	130	Negligible	[●]
April 29, 2018	Transfer from K.N Sudhakaran	100	Cash	10	110	Negligible	[●]
June 26, 2018	Transfer from Sunny K Poulose	100	Cash	10	130	Negligible	[●]
June 26, 2018	Transfer from C.K Sarachandra Bose	200	Cash	10	130	Negligible	[●]
June 26, 2018	Transfer from Sunny T.A	200	Cash	10	130	Negligible	[●]
September 14, 2018	Rights Issue	257,842	Cash	10	10	2.06	[●]
September 18, 2018	Bonus Issue	2,495,905	N/A	10	N/A	19.90	[●]
January 5, 2019	Transfer to Naveen Philip	879,282	Gift	10	N/A	7.01	[●]
Total (A)		**2,751,125**				**21.93**	**[●]**
Francis K. Paul							
June 28, 1983	Subscription to MoA	1,000	Cash	10	10	0.01	[●]
December 30, 1983	First Allotment	10,000	Cash	10	10	0.08	[●]

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Offer Price/Transfer Price per Equity Share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
March 21, 1994	Transfer from K.R. Ouseph	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from P. Haridas	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from James C. Mechery	200	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from N.P. Andrews	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from K.L. George	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from T.R. George	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from K.M. Prakasan	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from V.J. Rapel	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from Shaji Varghese	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from Joseph Daurave	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from K.J. George	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from C A Manuel	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from C A Joseph	50	Cash	10	10	Negligible	[●]
March 21, 1994	Transfer from K A Raffique	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from A S Santhosh Kumar	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from K N Peethambharan	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from K P Thomas	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from K B Sudarasanan	50	Cash	10	20	Negligible	[●]
March 21, 1994	Transfer from Estever Daurave	50	Cash	10	20	Negligible	[●]
February 13, 1995	Transfer from A O Devessy	300	Cash	10	20	Negligible	[●]
February 13, 1995	Transfer from K R Antony	50	Cash	10	20	Negligible	[●]
February 13, 1995	Transfer from P R Kuttappan	50	Cash	10	20	Negligible	[●]
March 13, 1995	Transfer from Mohan P.C	50	Cash	10	20	Negligible	[●]
February 15, 1996	Transfer from M.L.Charly	1,000	Cash	10	10	Negligible	[●]
June 19, 1996	Allotment of forfeited Equity Shares	3,400	Cash	10	10	0.03	[●]
July 15, 1996	Transfer from C.V.Sankarankutty	150	Cash	10	10	Negligible	[●]
October 9, 1996	Transfer from Joju P Varghese	50	Cash	10	10	Negligible	[●]
October 9, 1996	Transfer from V.K.Gopi	50	Cash	10	10	Negligible	[●]
October 9, 1996	Transfer from K.V.Xavier	150	Cash	10	10	Negligible	[●]
March 15, 1997	Transfer from A.R.Jose	1,000	Cash	10	10	0.01	[●]

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Offer Price/Transfer Price per Equity Share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
February 22, 2002	Transfer from K.L Mathew	1,000	Cash	10	10	0.01	[●]
May 21, 2002	Transfer from C.D.Jose	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from V.P.Peter	100	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from M.O.Rajan	100	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from Louis .M.L.	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from Abraham.P.C.	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from K.V.Subramanian	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from M.K.Ravindranathan	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from N.V.Mohandas	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from A.C.Davis	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from O.J.Anto	300	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from C.K.Vidhyan	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from T.F.Ouseph	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from P.P.Devassy	300	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from C.L.Jose	600	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from Santha Narayanan	300	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from C.P.Jose	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from John A Sharon	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from T.T.Babu	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from N.M.Thankappan	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from P.P.Vijayan	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from P.V.Vasudevan	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from B.A.Devassy	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from C.J.Jose	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from C.X.Manuel	50	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from Shoba Shanmughan	150	Cash	10	10	Negligible	[●]
May 21, 2002	Transfer from Y.M.Gopalan	150	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from E.S.Sundaran	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from V.K.Joseph	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from V.C.Scaria	50	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from N.V.Antony	100	Cash	10	10	Negligible	[●]

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Offer Price/Transfer Price per Equity Share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
August 28, 2002	Transfer from Daisy Thomas	150	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from K.A.Joseph	150	Cash	10	10	Negligible	[●]
August 28, 2002	Transfer from M.O.Antony	150	Cash	10	10	Negligible	[●]
March 10, 2003	Transfer from K.V.Satheesan	50	Cash	10	10	Negligible	[●]
October 13, 2003	Transfer from Ashok Kumar K. P	50	Cash	10	10	Negligible	[●]
December 18, 2003	Transfer from Saju K Thomas	3,900	Cash	10	10	0.03	[●]
December 18, 2003	Transfer from Elsy Thomas	1,000	Cash	10	10	0.01	[●]
December 18, 2003	Transfer from Elsy Thomas	1,000	Cash	10	10	0.01	[●]
June 12, 2006	Transfer from C.O.Thomas	50	Cash	10	10	Negligible	[●]
August 25, 2006	Transfer from Babu Joseph P	50	Cash	10	20	Negligible	[●]
August 25, 2006	Transfer from C. Palanisamy	100	Cash	10	20	Negligible	[●]
August 25, 2006	Transfer from M.K. Johnson	50	Cash	10	20	Negligible	[●]
August 25, 2006	Transfer from K.V. Reghuvaran	50	Cash	10	20	Negligible	[●]
August 25, 2006	Transfer from T.T. Paul	100	Cash	10	20	Negligible	[●]
August 25, 2006	Transfer from P.P. Sudhakaran	50	Cash	10	20	Negligible	[●]
August 25, 2006	Transfer from C.P.Gilbert	150	Cash	10	20	Negligible	[●]
August 25, 2006	Transfer from K.A.Sebastian	150	Cash	10	20	Negligible	[●]
April 26, 2007	Transfer from K.R.Paily	150	Cash	10	20	Negligible	[●]
May 23, 2007	Transmission From Late K P Paul	10,950	Cash	10	N/A	0.09	[●]
August 22, 2007	Transfer from L.Yesu Rathinam	50	Cash	10	20	Negligible	[●]
August 22, 2007	Transfer from L.Peter	50	Cash	10	20	Negligible	[●]
November 15, 2007	Transfer from V.P.Benny	50	Cash	10	20	Negligible	[●]
November 15, 2007	Transfer from K.J.Francis	50	Cash	10	20	Negligible	[●]
January 7, 2008	Private Placement	175,690	Cash	10	10	1.40	[●]
June 25, 2008	Transfer from R.A.Joseph	50	Cash	10	20	Negligible	[●]
August 19, 2008	R.Sampath Raj	50	Cash	10	20	Negligible	[●]
September 28, 2010	Bonus Issue	650,370	N/A	10	N/A	5.18	[●]
August 20, 2013	Transfer from K.K. Ramesh Kumar	100	Cash	10	10	Negligible	[●]
March 28, 2014	Transfer from K.J Jose	100	Cash	10	10	Negligible	[●]
May 20, 2014	Transfer from Venugopalan M.V.	100	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from M.S Sukumaran Nair	200	Cash	10	100	Negligible	[●]

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Offer Price/Transfer Price per Equity Share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
October 12, 2015	Transfer from K.B. Joshy	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from A. A Cheru	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from C.D. Lawrence	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from T.C.Lonappan	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from C.D.Wilson	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from T.O.Varghese	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from P.K. Francis	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from P.C.Paul	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from E.R. Thomas	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from P.T.Davis	800	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from Elizabeth George	1,000	Cash	10	100	0.01	[●]
October 12, 2015	Transfer from C.J Devassy	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from C.L Varghese	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from C.K Augustine Francis	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from T.J Charly	200	Cash	10	100	Negligible	[●]
October 12, 2015	Transfer from T.V.Devassy	200	Cash	10	100	Negligible	[●]
November 12, 2015	Transfer from T.B.Prabhakaran	200	Cash	10	100	Negligible	[●]
November 12, 2015	Transfer from P.I Jose	200	Cash	10	100	Negligible	[●]
November 12, 2015	Transfer from V.K. Surendran	100	Cash	10	100	Negligible	[●]
November 12, 2015	Transfer from Tessy. Lawrance	200	Cash	10	100	Negligible	[●]
December 31, 2015	Transfer from Martin P John	300	Cash	10	100	Negligible	[●]
February 15, 2016	Transfer from P.G.Pushpalal	150	Cash	10	100	Negligible	[●]
February 15, 2016	Transfer from P.V.Joseph	150	Cash	10	100	Negligible	[●]
June 7, 2016	Transfer from N.J.Varghese	100	Cash	10	100	Negligible	[●]
October 18, 2016	Transfer from M.Radhakrishnan	100	Cash	10	100	Negligible	[●]
October 18, 2016	Transfer from Jnanasekharan	200	Cash	10	100	Negligible	[●]
December 22, 2016	Transfer from C.P Joseph	100	Cash	10	100	Negligible	[●]
December 29, 2016	Transfer from T.R. Joseph	100	Cash	10	100	Negligible	[●]
March 09, 2017	Transfer from P.N Nandakumar	100	Cash	10	100	Negligible	[●]
February 10, 2017	Transfer from Lewis. C.G.	100	Cash	10	100	Negligible	[●]
June 29, 2017	Transfer from A.V.Ulahannan	100	Cash	10	100	Negligible	[●]

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Offer Price/Transfer Price per Equity Share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
September 27, 2017	Transfer from K.P.Appu	100	Cash	10	100	Negligible	[●]
December 18, 2017	Transfer from K.J Scaria	200	Cash	10	100	Negligible	[●]
March 17, 2018	Transfer from M.T.Thampi	200	Cash	10	100	Negligible	[●]
March 17, 2018	Transfer from M.G.Johnson	100	Cash	10	100	Negligible	[●]
March 17, 2018	Transfer from A.P.Rafi	200	Cash	10	100	Negligible	[●]
April 29, 2018	Transfer from K.J. Davis	400	Cash	10	110	Negligible	[●]
April 29, 2018	Transfer from K.B.Suresh Babu	200	Cash	10	110	Negligible	[●]
April 29, 2018	Transfer from K.N Sudhakaran	100	Cash	10	110	Negligible	[●]
April 29, 2018	Transfer from K.A.Ouseph	200	Cash	10	130	Negligible	[●]
June 26, 2018	Transfer from Sunny K Poulose	100	Cash	10	130	Negligible	[●]
June 26, 2018	Transfer from E.A.Johny	400	Cash	10	130	Negligible	[●]
September 14, 2018	Rights Issue	257,842	Cash	10	10	2.06	[●]
September 18, 2018	Bonus Issue	2,495,905	N/A	10	N/A	19.90	[●]
January 5, 2019	Transfer to Naveen Philip	879,282	Gift	10	N/A	7.01	[●]
Total (B)		**2,751,125**				**21.93**	**[●]**
Naveen Philip							
May 23, 2007	Transmission From Late K.P. Paul	11,000	N/A	10	N/A	0.09	[●]
January 7, 2008	Private Placement	47,920	Cash	10	10	0.38	[●]
September 28, 2010	Bonus Issue	176,760	N/A	10	N/A	1.41	[●]
September 14, 2018	Rights Issue	69,318	Cash	10	10	0.55	[●]
September 18, 2018	Bonus Issue	670,996	N/A	10	N/A	5.35	[●]
December 12, 2018	Transfer from Susan Francis	16,567	Gift	10	N/A	0.13	[●]
January 5, 2019	Transfer from John K Paul	879,282	Gift	10	N/A	7.01	[●]
January 5, 2019	Transfer from Francis K Paul	879,282	Gift	10	N/A	7.01	[●]
Total (C)		**2,751,125**				**21.93**	**[●]**
Total (A) + (B) + (C)		**8,253,375**				**65.79**	**[●]**

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Further, our Promoters have not pledged any of the Equity Shares that they hold in our Company.

* *The pre-Offer Equity Share capital (%) has been rounded off up to two decimal places*

(b) Details of Promoters' contribution and lock-in

(i) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by the Promoters shall be locked in for a period of three years as minimum promoters' contribution from the date of Allotment ("Minimum

Promoters' Contribution") and the shareholding of the Promoter in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.

(ii) Details of the Equity Shares to be locked-in for three years from the date of Allotment as Minimum Promoters' Contribution are set forth in the table below:

Name of Promoter	**Number of Equity Shares locked-in**	**Date of allotment/ transfer of Equity Shares and when made fully-paid up**	**Nature of transaction**	**Face Value per Equity Share (₹)**	**Offer/ Acquisition price per Equity Share (₹)**	**Percentage of the pre-Offer paid-up capital (%)**	**Percentage of the post-Offer paid-up capital (%)**
John K. Paul	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Francis K. Paul	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Naveen Philip	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]		[●]	[●]	[●]	[●]

The above details shall be filled up in the Prospectus.

(iii) Our Promoters have given their consent to include such number of Equity Shares held by them as disclosed above, constituting 20% of the post-Offer Equity Share capital of our Company as Minimum Promoters' Contribution and have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(iv) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Minimum Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, our Company confirms the following:

(a) The Equity Shares offered for Minimum Promoters' Contribution do not include (i) Equity Shares acquired in the three immediately preceding years from the date of filing of this Draft Red Herring Prospectus for consideration other than cash, and revaluation of assets or capitalisation of intangible assets, (ii) bonus Equity Shares by utilization of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of minimum Promoters' contribution;

(b) The Minimum Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(c) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm;

(d) The Equity Shares forming part of the Minimum Promoters' Contribution are not subject to any pledge; and

(e) All the Equity Shares held by our Promoters and Promoter Group are held in dematerialised form.

(c) Other lock-in requirements:

(i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters locked in for three years as specified above, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment, including any unsubscribed portion of the Offer for Sale, except for the Equity Shares which are successfully transferred as a part of the Offer for Sale by the Selling Shareholder, and any other categories of shareholding exempted under Regulation 17 of SEBI ICDR Regulations.

(ii) Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(iii) As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that details of the Equity Shares locked-in are recorded by the relevant Depository.

(iv) In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by each of our Promoters, which are locked-in may be transferred to and amongst the members of the Promoter Groups or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

(v) The Equity Shares held by each of our Promoters which are locked-in for a period of three years from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions or Systemically Important NBFCs or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or Systemically Important NBFCs or housing finance companies in terms of Regulation 21(a) of the SEBI ICDR Regulations, provided that such loans have been granted for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans.

(vi) The Equity Shares held by the Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions or Systemically Important NBFCs or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or Systemically Important NBFCs or housing finance companies in terms of Regulation 21(b) of the SEBI ICDR Regulations, provided that pledge of the Equity Shares is one of the terms of the sanction of loans. The lock-in may continue pursuant to the invocation of pledge; however, the transferee shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period.

(vii) In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

6. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class: Equity Shares	Class: Others	Total								
(A)	Promoters and Promoter Group	3	8,253,375	Nil	Nil	8,253,375	65.79	8,253,375	Nil	8,253,375	65.79	Nil	Nil		Nil		Nil	8,253,375
(B)	Public	149	4,290,914	Nil	Nil	4,290,914	34.21	4,290,914	Nil	4,290,914	34.21	Nil	Nil		Nil		Nil	4,271,261*
(C)	Non Promoter- Non Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil		Nil	Nil
(C1)	Shares underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil		Nil	Nil
(C2)	Shares held by Employee Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil		Nil	Nil
	Total	152	12,544,289	Nil	Nil	12,544,289	100	12,544,289	Nil	12,544,289	100	Nil	Nil		Nil		Nil	12,524,636

** Some members of public, other than the Promoters and Selling shareholder, are holding shares in physical form*

7. **Details of equity shareholding of the major equity Shareholders of our Company**

(i) The major Equity Shareholders holding more than 1% or more of the pre-Offer paid-up Equity Share capital of the Company and the number of Equity Shares held by them as on the date of this Draft Red Herring Prospectus are set forth in the table below.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Offer Equity Share capital (%)
1.	BanyanTree	4,266,666	34.01
2.	John K. Paul	2,751,125	21.93
3.	Francis K. Paul	2,751,125	21.93
4.	Naveen Philip	2,751,125	21.93
Total		**12,520,041**	**99.80**

(ii) The major Equity Shareholders who held more than 1% or more of the pre-Offer paid-up Equity Share capital of the Company and the number of Equity Shares held by them 10 days prior to the date of this Draft Red Herring Prospectus are set forth in the table below.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Offer Equity Share capital (%)
1.	BanyanTree	4,266,666	34.01
2.	John K. Paul	2,751,125	21.93
3.	Francis K. Paul	2,751,125	21.93
4.	Naveen Philip	2,751,125	21.93
Total		**12,520,041**	**99.80**

(iii) The major Equity Shareholders who held more than 1% or more of the pre-Offer paid-up Equity Share capital of our Company and the number of Equity Shares held by them one year prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Offer Equity Share capital (%)
1.	BanyanTree	4,266,666	34.01
2.	John K. Paul	2,751,125	21.93
3.	Francis K. Paul	2,751,125	21.93
4.	Naveen Philip	2,751,125	21.93
Total		**12,520,041**	**99.80**

(iv) The major Equity Shareholders who held more than 1% or more of the pre-Offer paid-up Equity Share capital of the Company and the number of shares held by them two years prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Offer Equity Share capital (%)
1.	BanyanTree	4,266,666	34.01
2.	John K. Paul	2,751,125	21.93
3.	Francis K. Paul	2,751,125	21.93
4.	Naveen Philip	2,751,125	21.93
Total		**12,520,041**	**99.80**

8. **Details of Equity Shares held by our Directors, Key Managerial Personnel, Promoters and members of our Promoter Group**

(i) Set out below are details of the Equity Shares held by our Directors and Key Managerial Personnel Promoters and members of our Promoter Group in our Company:

S. No.	Name	No. of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)*	Percentage of the post-Offer of Equity Share Capital (%)
1.	John K Paul	2,751,125	21.93	[●]
2.	Francis K Paul	2,751,125	21.93	[●]
3.	Naveen Philip	2,751,125	21.93	[●]
4.	Dinesh A.	26	Negligible	[●]
5.	Ranjan K. Nair	26	Negligible	[●]
6.	Thomas A. Karedan	26	Negligible	[●]
7.	Asoka Kumar K	20	Negligible	[●]
8.	P. Jayaprakash	26	Negligible	[●]

S. No.	Name	No. of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)*	Percentage of the post-Offer of Equity Share Capital (%)
9.	Jyothish M.	26	Negligible	[●]
10.	Subhash K. Ouseph	26	Negligible	[●]
Total		**8,253,577**	**65.79**	**[●]**

* The pre-Offer Equity Share capital (%) has been rounded off up to two decimal places

(ii) Set out below are details of the Equity Shares held by our Promoters and members of our Promoter Group in our Company:

S. No.	Name	No. of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)	Percentage of the post-Offer of Equity Share Capital (%)
1.	John K Paul	2,751,125	21.93	[●]
2.	Francis K Paul	2,751,125	21.93	[●]
3.	Naveen Philip	2,751,125	21.93	[●]
Total		**8,253,377**	**65.79**	**[●]**

9. None of the BRLMs or their respective associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares in our Company. The BRLMs and their associates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and/or our Subsidiaries, for which they may in the future receive customary compensation.

10. There are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus.

11. Other than as disclosed in "- *Share Capital History of our Company*" on page 62, our Company has not made any public or rights issue of any kind or class of securities since its incorporation.

12. Other than as disclosed in "- *Share Capital History of our Company*" on page 62, our Company has not made any bonus issue of any kind or class of securities since its incorporation.

13. No person connected with the Offer, including, but not limited to, the members of the Syndicate, our Company, the Directors, Promoters, members of their respective Promoter Group, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

14. None of the Promoters, members of our Promoter Group, our Directors or their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

15. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is 152.

16. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

17. Our Company, our Directors and the BRLMs have not made any or entered into any buy-back arrangements for purchase of Equity Shares of the Company.

18. All Equity Shares issued pursuant to the Offer will be fully paid up at the time of Allotment.

19. Except for the allotment of Equity Shares pursuant to the Fresh Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.

20. There have been no financing arrangements whereby, our Promoters, members of the Promoter Group, our Directors, and their relatives have financed the purchase by any other person of securities of our Company other than in the

normal course of the business of the financing entity, during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

21. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and our Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

22. No person connected with the Offer, except for fees or commission for services rendered in relation to the Offer, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

23. Our Company does not have any employee stock option or employee stock purchase schemes and there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

24. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by the members of the Promoter Group or being offered for sale through the Offer for Sale are pledged or otherwise encumbered.

25. None of our Promoters and members of our Promoter Group will submit Bids or otherwise participate in the Offer.

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and the Offer for Sale.

Offer for Sale

The Selling Shareholder will be entitled to the proceeds of the Offer for Sale after deducting its proportion of Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholder and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Objects of the Fresh Issue

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

1. Repayment and/or pre-payment, in full or part, of certain borrowings, including working capital loans, availed by our Company and PAPL, PMMPL and VMPL, our Subsidiaries; and

2. General corporate purposes.

(collectively, referred to herein as the "**Objects**").

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges which, we believe, will result in the enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

The main objects clause as set out in the Memorandum of Association of our Company, and in the memorandum of association of our Subsidiaries, PAPL, PMMPL and VMPL, enables our Company and PAPL, PMMPL and VMPL, respectively, to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue. Further, the loans availed by our Company and our Subsidiaries, PAPL, PMMPL and VMPL, which are proposed to be repaid or prepaid from the Net Proceeds, are for activities carried out as enabled by the objects clause of their respective memorandum of association.

Net Proceeds

The details of the proceeds of the Fresh Issue are summarised in the table below:

(in ₹ million)

Particulars	Estimated Amount
Gross Proceeds from the Fresh Issue	1,500.00
(Less) Offer related expenses in relation to the Fresh Issue(1)	[●]
Net Proceeds	[●]

(1) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount shall not exceed 25% of the Gross Proceeds.*

Requirement of Funds, Schedule of Implementation and Utilisation of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

(in ₹ million)

Particulars	Amount(1)
Repayment and/or pre-payment, in full or part, of certain borrowings, including working capital loans, availed by our Company and PAPL, PMMPL and VMPL our Subsidiaries	1,200.00
General corporate purposes	[●]
Total Net Proceeds	[●]

(1) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount shall not exceed 25% of the Gross Proceeds.*

Utilisation of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(in ₹ million)

Particulars	Estimated Utilisation from Net Proceeds[(1)]	Estimated schedule of deployment of Net Proceeds in FY 2022
Repayment and/or prepayment, in full or part, of certain borrowings, including working capital loans, availed by our Company and PAPL, PMMPL and VMPL, our Subsidiaries.	1,200.00	1,200.00
General corporate purposes[(1) (2)]	[●]	[●]
Total	[●]	[●]

[(1)] *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC*
[(2)] *The amount shall not exceed 25% of the Gross Proceeds.*

Means of Finance

As the entire requirement of funds for the Objects of the Fresh Issue are proposed to be met from the Net Proceeds, we confirm that there is no requirement to make firm arrangements of finance towards at least 75% of the stated means of finance through verifiable means, excluding the amount to be raised through the Fresh Issue. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VIII and Regulation 7(1)(e) of the SEBI ICDR Regulations.

In the event of the estimated utilisation of the Net Proceeds in a scheduled FY being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in subsequent FY, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the objects during the respective periods stated above due to factors such as (i) economic and business conditions; (ii) timely completion of the Offer; (iii) market conditions outside the control of our Company; and (iv) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

The deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions, which are subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment from time to time, on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, interest or exchange rate fluctuations and finance charges, which may not be within the control of the management of our Company or our Subsidiaries. This may entail rescheduling and revising the schedule of the planned repayment/ pre-payment of loans at the discretion of the management of our Company in accordance with applicable law. For further details, see "*Risk Factors – We cannot assure you that the deployment of the Net Proceeds in the manner intended by us will result in an increase in the value of your investment*" on page 40.

In case of any increase in the actual utilisation of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company and Subsidiaries including from internal accruals. If the actual utilisation towards repayment/ pre-payment of loans is lower than the proposed deployment, such balance will be used from general corporate purposes, subject to applicable law. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Details of the Objects

A. Repayment and/or pre-payment of certain borrowings, including working capital loans, availed by our Company and PAPL, PMMPL and VMPL, our Subsidiaries

Our Company and our Subsidiaries, PAPL, PMMPL and VMPL have entered into various financing arrangements with banks and financial institutions. Arrangements entered into by our Company and PAPL, PMMPL and VMPL include borrowings in the form of secured loans, unsecured loans, working capital facilities, long term facilities and short-term facilities. For a summary of these debt financing arrangements including the terms and conditions, see section "*Financial Indebtedness*" on page 292. As at June 30, 2021, the amount outstanding under our fund based and non-fund based working capital and term loan facilities was ₹ 3,538.40 million on a consolidated basis.

Our Company intends to utilize ₹ 1,200.00 million of Net Proceeds towards full or partial repayment or pre-payment of certain borrowings, including working capital loans, availed by our Company and Subsidiaries, PAPL, PMMPL and VMPL. We believe that such repayment/ pre-payment will help reduce the outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment in the business growth and expansion. In addition, we believe that this would improve the ability to raise further resources in the future to fund the potential business development opportunities.

The selection of borrowings proposed to be repaid or pre-paid amongst our facilities availed will be based on various factors, including (i) any conditions attached to the borrowings restricting our ability to pre-pay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of, such conditions, (ii) receipt of consents for pre-payment from the respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any pre-payment penalties and the quantum thereof, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan.

Payment of any pre-payment penalties, if any, shall be made out of Net Proceeds. In the event that Net Proceeds are insufficient for the said payment of pre-payment penalty, such payment shall be made from the internal accruals of our Company and/or Subsidiaries. We may also be required to provide notice to some of our lenders prior to repayment/ pre-payment.

The following table provides details of certain borrowings, including working capital loans, availed by our Company and our Subsidiaries, PAPL, PMMPL and VMPL out of which any or all of the term loans and working capital loans may be repaid/ pre-paid from Net Proceeds, without any obligation to any particular bank/ financial institution:

(₹ in million)

#Sl. No.	Name of the Lender	Purpose(1)	Amount Sanctioned(2)	Amount Outstanding as at March 31, 2021(2)	Repayment Date/schedule(2)	Interest Rate (%)(2)	Pre-payment penalty(2)
Popular Vehicles and Services Limited							
1.	Federal Bank	Term Loan	400.00	361.48	In tranche 1: where the sanctioned amount is more than ₹ 100.00 million, repayment to start from September 28, 2020 and ending on August 28, 2026, in equal instalments of ₹ 1.42 million principal component along with the applicable interest In tranche 2: where the sanctioned amount is more than ₹ 300.00 million, repayment to start from September 30, 2020 and ending on July 30, 2026, in equal instalments of ₹ 4.31 million, being principal component along with the applicable interest	8.75	Nil
2.	Federal Bank	Working Capital Term Loan	110.00	110.00	Repayments to begin in the 13th month from the date of disbursement, starting from January 23, 2022 and ending on December 23, 2025, in equal instalments of ₹ 2.75 million each	9.00	Nil
3.	Federal Bank	Inventory Funding	90.00	79.35	Credit period of 60 days for each new disbursal from the total sanction limit. This Limit is valid for	8.40	Nil

#Sl. No.	Name of the Lender	Purpose(1)	Amount Sanctioned(2)	Amount Outstanding as at March 31, 2021(2)	Repayment Date/schedule(2)	Interest Rate (%)(2)	Pre-payment penalty(2)
					minimum period of 12 months which are being renewed every year.		
4.	State Bank of India	Working Capital Term Loan	119.00	119.03	Repayments to begin in the 13th month from the date of disbursement in the period starting from April 29, 2022 and ending on March 28, 2026, in equal instalments of ₹ 2.47 million, being principal component along with applicable interest	7.95	Nil
Sub Total (A)			**719.00**	**669.86**			
Popular Autoworks Private Limited							
5.	Axis Bank Limited	Working Capital Term Loan	19.70	19.70	Repayment of EMI of ₹ 0.69 million starting from February 28, 2022 up to January 30, 2025	8.40	Nil
6.	ICICI Bank Limited	Working Capital Term Loan	14.20	14.20	Repayment of EMI of ₹ 0.50 million starting from April 30, 2022 up to March 31, 2025	9.25	Nil
7.	Kotak Mahindra Bank	Term Loan	50.00	13.36	Repayment in monthly instalments with interest, from January 10, 2018 up to February 10, 2022	8.65	2% on outstanding limit
8.	Kotak Mahindra Bank	Term Loan	27.15	24.51	Repayment in monthly instalments with interest, from June 10, 2020 up to March 10, 2026	8.65	2% on outstanding limit
9.	Kotak Mahindra Bank	Term Loan	40.00	36.10	Repayment in monthly instalments with interest, from June 10, 2020 up to March 10, 2026	8.65	2% on outstanding limit
Sub Total (B)			**151.05**	**107.87**			
Popular Mega Motors India Private Limited							
10.	Axis Bank Limited	Working Capital Term Loan	10.50	10.50	Repayment tenor of five years beginnings in the 13th month of loan disbursement with 12 months moratorium of EMI of ₹ 0.22 million	8.60	Nil
11.	Bank of Baroda	Working Capital Term Loan	14.96	14.96	Repayment to be made within 5 years from the sanctioned date being January 27, 2021, including 12 months principal moratorium. Further, principal amount to be repaid within 48 months of the sanctioned date at ₹ 0.31 million	7.85	Nil

#Sl. No.	Name of the Lender	Purpose[(1)]	Amount Sanctioned[(2)]	Amount Outstanding as at March 31, 2021[(2)]	Repayment Date/schedule[(2)]	Interest Rate (%)[(2)]	Pre-payment penalty[(2)]
12.	DBS Bank	Inventory Funding	60.00	59.38	Credit period of 45 days for each new disbursal from the total sanction limit. This Limit is valid for minimum period of 12 months which are being renewed every year.	9.25	4% of the sanction limit
13.	IndusInd Bank	Inventory Funding	200.00	137.31	Credit period of 60 days for each new disbursal from the total sanction limit. This Limit is valid for minimum period of 12 months which are being renewed every year.	8.50	Nil
14.	Kotak Mahindra Bank	Term Loan	34.42	20.16	To be repaid in monthly instalments by March 25, 2023, with the monthly due date being 25th of every month	8.65	2% on outstanding limit
15.	Kotak Mahindra Bank	Term Loan	9.19	5.93	To be repaid in monthly instalments by January 15, 2024, with the monthly due date being 15th of every month	8.65	2% on outstanding limit
16.	Kotak Mahindra Bank	Term Loan	22	3.64	To be repaid in monthly instalments by December 20, 2021, with the monthly due date being 20th of every month	8.65	2% on outstanding limit
17.	Kotak Mahindra Bank	Inventory Funding	52.00	50.02	Credit period of 60 days for each new disbursal from the total sanction limit. This Limit is valid for minimum period of 12 months which are being renewed every year.	8.10	2% on sanctioned limit
18.	State Bank of India	Working Capital Term Loan	18.80	18.80	Repayment in 5 years from the sanction date being February 16, 2021, including 12 months principal moratorium. Principal amount to be repaid in 47 months at ₹ 0.40 million and one month ₹ 0.40 million	7.95	Nil
19.	TATA Capital	Inventory Funding	248.50	77.83	Credit period of 105 days for each new disbursal from the total sanction limit. This Limit is valid for minimum period of 12 months which are	9.75	4% of the sanctioned limit

#Sl. No.	Name of the Lender	Purpose[(1)]	Amount Sanctioned[(2)]	Amount Outstanding as at March 31, 2021[(2)]	Repayment Date/schedule[(2)]	Interest Rate (%)[(2)]	Pre-payment penalty[(2)]
					being renewed every year.		
20.	TATA Motors	Inventory Funding	200.00	92.31	Credit period of 45 days for each new disbursal from the total sanction limit. This Limit is valid for minimum period of 12 months which are being renewed every year.	9.15	Nil
21.	YES Bank	Inventory Funding	100.00	67.37	Credit period of 60 days for each new disbursal from the total sanction limit. This Limit is valid for minimum period of 12 months which are being renewed every year.	9.55	Nil
Sub Total (C)			**970.37**	**558.22**			
Vision Motors Private Limited							
22.	Axis Bank Limited	Working Capital Term Loan	5.49	5.49	Repayment by December 15, 2024	8.60	Nil
23.	ICICI Bank Limited	Working Capital Term Loan	20.00	20.00	Repayments starting on January 15, 2021 and ending by March 31, 2025	9.25	Nil
24.	Kotak Mahindra Prime	Term Loan	14.50	4.60	Repayments starting on June 5, 2017 and ending by June 6, 2021	9.10	Nil
25.	Kotak Mahindra Prime	Term Loan	50.00	33.18	Repayments starting on March 5, 2019 and ending by March 5, 2024	9.10	Nil
26.	Kotak Mahindra Prime	Inventory Funding	13.00	2.57	Credit period of 90 days for each new disbursal from the total sanction limit. This Limit is valid for minimum period of 12 months which are being renewed every year.	9.50	2% on sanctioned limited
27.	Kotak Mahindra Prime	Inventory Funding	200.00	16.40	Credit period of 90 days for each new disbursal from the total sanction limit. This Limit is valid for minimum period of 12 months which are being renewed every year.	8.25	2% on sanctioned limited
Sub Total (D)			**302.99**	**82.24**			
Total (A) + (B) + (C) + (D)			**2,143.40**	**1,418.20**			

(1) Our Statutory Auditors have confirmed that the above borrowings availed by our Company have been utilised for the purpose for which they were availed pursuant to certificate dated August 4, 2021. A.S.Narayanamoorthy, Chartered Accountant, statutory auditor of PAPL and PSDY & Associates, Chartered Accountants, statutory auditors of our PMMPL and VMPL have confirmed that the above borrowings availed by our Subsidiaries have been utilised for the purpose for which they were availed pursuant to certificate dated August 4, 2021.

(2) As certified by our Statutory Auditors to the extent of loans availed by our Company and by A.S.Narayanamoorthy, Chartered Accountant, statutory auditor of PAPL and PSDY & Associates, Chartered Accountants, statutory auditors of our PMMPL and VMPL, to the extent of loans availed by our Subsidiaries pursuant to certificates dated August 4, 2021 each.

To the extent the Net Proceeds of the Offer are utilized to repay/pre-pay any of the working capital loans availed by our Subsidiaries PAPL, PMMPL and VMPL, we shall be deploying the Net Proceeds in the relevant Subsidiaries in the form of equity and /or debt or a combination thereof or in any other manner as may be mutually decided. The proportion of deployment in equity and /or debt has not been finalized as on the date of this Draft Red Herring Prospectus.

Given the nature of these borrowings and the terms of repayment/ pre-payment, the aggregate outstanding loan amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are repaid/ pre-paid or further drawn-down prior to the completion of the Offer, we may utilize Net Proceeds towards repayment/ pre-payment of such additional indebtedness.

To the extent our Company and/or Subsidiaries are unable to utilise any portion of the Net Proceeds towards the aforementioned objects of the Offer, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent fiscals towards the aforementioned objects.

As per the certificate dated August 4, 2021 issued by our Statutory Auditor and certificate dated August 4, 2021, issued by A.S.Narayanamoorthy, Chartered Accountant, statutory auditor of PAPL and PSDY & Associates, Chartered Accountants, statutory auditors of our PMMPL and VMPL, the above facilities availed by our Company and Subsidiaries, respectively, have been utilised for the purposes for which they were sanctioned.

B. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million, towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with Regulation 7(2) of the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include brand building and marketing efforts, acquisition of fixed assets, meeting expenses incurred towards any strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries, long term or short term working capital requirements, meeting exigencies and expenses incurred by our Company in the ordinary course of business. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board or a duly constituted committee thereof, subject to compliance with applicable law, including the necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Financial Year, we will utilise such unutilised amount in the next Financial Year.

Offer expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million. The Offer related expenses include fees payable to the BRLMs and legal counsel, fees payable to the auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, SCSBs' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. The fees and expenses relating to the Offer, other than the listing fees which will be borne by our Company, shall be shared between our Company and the Selling Shareholder, as mutually agreed, in accordance with applicable law. The Selling Shareholder shall reimburse our Company for the expenses incurred by our Company in relation to their respective Equity Shares offered in the Offer for Sale. The break-up for the estimated Offer expenses are as follows:

Activity	Estimated expenses(1) (in ₹ million)	As a % of the total estimated Offer expenses(1)	As a % of the total Offer size(1)
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Selling commission/processing fee for SCSBs, Sponsor Bank and fee payable to the Sponsor Bank for Bids made by RIBs(2)(4)	[●]	[●]	[●]
Brokerage and selling commission and bidding charges for members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs(3)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the other advisors to the Offer	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]

Activity	Estimated expenses(1) (in ₹ million)	As a % of the total estimated Offer expenses(1)	As a % of the total Offer size(1)
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) Amounts will be finalised and incorporated in the Prospectus after determination of Offer Price

(2) Selling commission payable to the SCSBs, members of the Syndicate (including their Sub-Syndicate Members), RTAs and CDPs which are directly procured by them would be as follows:

Portion for Retail Individual Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Eligible Employees	*[●]% of the Amount Allotted* (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

Selling commission payable to the Registered Brokers on the portion for Retail Individual Bidders using the UPI Mechanism and the Non-Institutional Bidders, which are directly procured by the Registered Brokers and submitted to the SCSBs for processing, shall be ₹[●] per valid Bid cum Application Form (plus applicable taxes).

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.

(3) Bidding charges of ₹[●] (plus applicable taxes) shall be payable as per valid ASBA Form collected by the Syndicate, RTAs and CDPs (excluding applications made by Retail Individual Bidders using the UPI Mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. No additional bidding charges shall be payable to the SCSBs on the Bid cum Application Forms directly procured by them.

(4) Processing fees payable to the SCSBs for the Bid cum Application Forms which are procured by the Members of the Syndicate / Registered Brokers / RTAs / CDPs and submitted to the SCSBs for blocking shall be ₹[●] per valid Bid cum Application Form (plus applicable taxes).

Processing fees for the applications made by the Retail Individual Bidders using the UPI Mechanism would be as follows:

Members of the Syndicate /RTAs / CDPs	*₹ [●]per valid Bid cum Application Form (plus applicable taxes).*
Sponsor Bank	*₹[●]per valid Bid cum Application Form (plus applicable taxes).* *The Sponsor Bank shall be responsible for making payments to the third parties such as the remitter bank, the NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Law.*

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, our Company will deposit the Net Proceeds only with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board or IPO Committee. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company or for any investment in equity markets.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

Our Company will appoint a monitoring agency for monitoring the utilisation of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Audit Committee and the monitoring agency will monitor the utilisation of the Net Proceeds, and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations.

Our Company will disclose the utilisation of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilised. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulations 18(3) and 32(3) of the Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company. Furthermore, in accordance with Regulation 32(1) of the Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the Net Proceeds from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the objects of the Fresh Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Malyalam, being the vernacular language of the jurisdiction where the Registered and Corporate Office is situated in accordance with the Companies Act and applicable rules. Our Promoters or controlling shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, in accordance with our AoA, the Companies Act, 2013 and the SEBI ICDR Regulations.

Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any bank/financial institution.

Other Confirmations

No part of the Net Proceeds will be paid by us as consideration to our Promoters and Promoter Group, the Directors, Key Managerial Personnel or Group Companies, except in the normal course of business and in compliance with applicable law.

Our Company has not entered into and is not planning to enter into any arrangement/agreements with the Promoters, the Promoter Group, Directors, Key Managerial Personnel and Group Companies in relation to the utilisation of the Net Proceeds. Further there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and Selling Shareholder in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Investors should also see "*Our Business*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" "*Financial Statements*" and "*Summary of Financial Information*" on pages 142, 23, 267, 205 and 51, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are:

- Strong capabilities in high volume and high margin services and repair offerings leading to business stability;
- Long standing presence in the automotive industry and established relationships with leading OEMs;
- Deep penetration in markets in which we operate complemented by innovative marketing strategies;
- Strong presence in pre-owned passenger vehicle sales segment contributing to higher margin growth;
- Presence across the complete life cycle of vehicle ownership leading to greater customer retention and diversified revenue streams;
- Sustained financial performance and increasing profitability;
- Proven ability to identify and capture inorganic as well as organic growth opportunities; and
- Experienced promoters and management team

For details, see "*Our Business – Strengths*" on page 144.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Information for FY 2021, 2020 and 2019 prepared in accordance with Ind AS and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations. For details, see "*Financial Statements*" on page 205.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings Per Share ("EPS"):

FY	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2019	17.42	17.42	1
March 31, 2020	9.96	9.96	2
March 31, 2021	25.88	25.88	3
Weighted Average*	19.16	19.16	

* *Weighted average means weighted average diluted and basic earnings per share ("EPS") derived from Restated Financial Information based on weights assigned for the respective year ends*

NOTES:

$$\text{Basic earnings per share (₹)} = \frac{\text{Restated profit for the year attributable to equity shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period.}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Restated profit for the year attributable to equity shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period as adjusted for the effects of all dilutive potential equity shares outstanding during the year/period}}$$

1. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

2. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights].

3. The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the section titled "Financial Statements".

B. Price/Earning ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for FY 2021	[●]	[●]
Based on diluted EPS for FY 2021	[●]	[●]

C. Return on Net worth ("RoNW")

As per Restated Consolidated Financial Statements:

FY	RoNW (%)	Weight
March 31, 2019	10.80%	1
March 31, 2020	5.87%	2
March 31, 2021	13.19%	3
Weighted Average*	10.35%	

* *Weighted average means weighted average return on Net worth ("RoNW") derived from Restated Financial Information based on weights assigned for the respective year ends*

NOTES*:*

1. *Net worth represents sum of equity share capital and other equity. Net worth is an other financial parameter (see "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation" on page 19). For a reconciliation of net worth, see "Other Financial Information" on page 265.*
2. *Return on net worth is the ratio of restated profit for the year to net worth for the year. Return on net worth is other financial parameter.*

D. Net Asset Value ("NAV") per share

FY/ Period ended	NAV (₹)
As on March 31, 2021	196.17
After the completion of the Offer	At the Floor Price: [●] At the Cap Price: [●]
Offer Price	[●]

NOTES*:*

1. *Offer Price per equity share will be determined on conclusion of the Book Building Process. Net asset value per equity share represents restated net worth at the end of the year divided by total number of equity shares outstanding at the end of year.*
2. *Net asset value per share is calculated by dividing net worth by number of equity shares outstanding as on the respective date.*

E. Comparison with Listed Industry Peers

There are no listed peers for our Company.

F. The Offer price is [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company and Selling Shareholder in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 23, 142, 267 and 205, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors* " on page 23 and you may lose all or part of your investment.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO POPULAR VEHICLES AND SERVICES LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The Board of Directors
Popular Vehicles and Services Limited
Kuttukaran Centre,
Mamangalam,
Cochin – 682 025

Subject: Statement of possible special tax benefits ("the Statement") available to Popular Vehicles and Services Limited ("the Company"), its shareholders and its material subsidiary prepared in accordance with the requirement under Schedule VI – Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the ICDR Regulations")

Dear Sirs and Madam,

This report is issued in accordance with the Engagement Letter dated 19 May 2021.

We hereby report that the enclosed Annexure II prepared by the Company, initialed by us and the Company for identification purpose, states the possible special tax benefits available to the Company, its shareholders and its Material Subsidiary, which is defined in Note 1 to Annexure I ("**Material Subsidiary**"), under direct and indirect taxes (together "**the Tax Laws**"), presently in force in India as on the signing date, which are defined in Annexure I. These possible special tax benefits are dependent on the Company, its shareholders and its Material Subsidiary fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company, its shareholders and its Material Subsidiary to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company and its Material Subsidiary may face in the future and accordingly, the Company, its shareholders and its Material Subsidiary may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company, its shareholders and its Material Subsidiary but does not cover any general tax benefits available to the Company, its shareholders and its Material Subsidiary. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the management of the Company and is not exhaustive. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing Tax Laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company comprising a fresh issue of the Equity Shares by the Company and an offer for sale of Equity Shares by certain shareholders (the "**Proposed Offer**") particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on this Statement.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

i) the Company, its shareholders and its Material Subsidiary will continue to obtain these possible special tax benefits in future; or

ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/ would be met with.

The contents of enclosed Annexures are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and its Material Subsidiary.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Draft Red Herring Prospectus, Red Herring Prospectus, and the Prospectus, and in any other material used in connection with the Proposed Offer. The Statement is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

Baby Paul
Partner
Membership number: 218255
ICAI Unique Document Identification Number: 21218255AAAACK5015

Place: Kochi
Date: 4 August 2021

Cc:

Axis Capital Limited
Level 1, C-2 Wadia International Centre,
P.B. Marg, Worli,
Mumbai – 400 025
Maharashtra, India

DAM Capital Advisors Limited
(*Formerly IDFC Securities Limited*)
One BKC, Tower C, 15th Floor, Unit No 1511
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051
Maharashtra, India

Centrum Capital Limited
Centrum House , CST Road
Vidyanagari Marg,
Kalina, Santacruz (East)
Mumbai – 400 098
Maharashtra, India

ANNEXURE I

LIST OF DIRECT AND INDIRECT TAX LAWS (‘TAX LAWS’)

Sr. No.	Details of tax laws
1	Income-tax Act, 1961 and Income-tax Rules,1962
2	Central Goods and Service Tax Act, 2017
3	State Goods and Service Tax Act, 2017
4	Integrated Goods and Service Tax Act, 2017
5	Goods and Service Tax legislations as promulgated by various states

LIST OF MATERIAL SUBSIDIARY CONSIDERED AS PART OF THE STATEMENT (NOTE 1)

1) Popular Mega Motors (India) Private Limited

Note 1: Material subsidiary identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes a subsidiary whose turnover, profit before tax or net worth in the immediately preceding year (i.e. 31 March 2021) exceeds 10% of the consolidated income or consolidated net worth respectively, of the Group in the immediately preceding year.

ANNEXURE II

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND MATERIAL SUBSIDIARY UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES ("TAX LAWS") IN INDIA

Outlined below are the possible special tax benefits available to the Company, its shareholders, and Material Subsidiary under the Tax Laws. These possible special tax benefits are dependent on the Company, its shareholders and its Material Subsidiary fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders and its Material Subsidiary to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfil.

UNDER THE TAX LAWS

1. ***Special tax benefits available to the Company***

Section 80JJAA - Deduction in respect of employment of new employees

Subject to the fulfilment of prescribed conditions, the Company is entitled to claim a deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA of the Act.

The Company will be eligible to claim the above deduction even if it opts for concessional tax rate under section 115BAA of the Act.

Section 80M – Deduction in respect of Inter-Corporate Dividends

A new Section 80M has been inserted by the Finance Act, 2020 with effect from 1 April 2020 (Assessment Year (hereinafter referred as "**AY**") 2021-22) providing for deduction from Gross Total Income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its return of income as prescribed under Section 139(1) of the Act.

Where the Company receives any such dividends during a Financial Year and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said Financial Year, it shall be entitled to the deduction under Section 80M of the Act.

Lower corporate tax rate under section 115BAA

A new section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ("**the Amendment Act, 2019"**) w.e.f. 1 April 2020 (AY 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profits' under section 115JB of the Act.

However, such a company will no longer be eligible to avail specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

2. ***Special tax benefits available to Shareholders***

Apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits available to the shareholders of the Company under the Tax Laws identified *supra.*

3. ***Special tax benefits available to the Material Subsidiary***

Lower corporate tax rate under section 115BAA

A new section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ("**the Amendment Act, 2019**") w.e.f. 01 April 2020 (AY 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profits under section 115JB of the Act.

However, such a company will no longer be eligible to avail specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has decided to opt for the lower corporate tax rate of 25.168% (prescribed under section 115BAA of the Act) with effect from FY 2019-20. Thus, the deferred tax asset / liability in the restated financials for FY 2019-20 has been computed using such lower corporate tax rate of 25.168%.

Section 80JJAA - Deduction in respect of employment of new employees

Subject to the fulfilment of prescribed conditions, the Company is entitled to claim a deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA of the Act.

NOTES:

1. The above is as per the current Tax Laws.

2. The above Statement of possible special tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership, and disposal of equity shares of the Company.

3. The above statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian Company.

4. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement ("DTAA"), if any, between India and the country in which the non-resident has fiscal domicile.

5. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/ her investment in the shares of the Company.

6. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

for **Popular Vehicles and Services Limited**

Authorized Signatory

Place: Kochi
Date: 4 August 2021

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information contained in this section is derived from the CRISIL research report titled "Industry Assessment of Automobile Dealership industry in India" dated July 2021 (the "**CRISIL Report**") which was commissioned and paid for by our Company for the purpose of understanding the industry in connection with the Offer. Unless specified otherwise, all information in this section has been derived from the CRISIL Report.. Further, the CRISIL Report was prepared based on publicly available information, data and statistics as of specific dates and may no longer be current or reflect current trends. The CRISIL Report may also be based on sources that base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. CRISIL has advised that, while it has taken due care and caution in preparing the CRISIL Report based on the information obtained by CRISIL from sources which it considers reliable ("**Data**"), it does not guarantee the accuracy, adequacy or completeness of the Data/CRISIL Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / CRISIL Report. Further, the CRISIL Report is not a recommendation to invest or disinvest in any entity covered in the CRISIL Report and no part of the CRISIL Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers, users, transmitters or distributors of the CRISIL Report. Without limiting the generality of the foregoing, nothing in the CRISIL Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Our Company will be responsible for ensuring compliances and consequences of non-compliances for use of the CRISIL Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division or CRISIL Risk and Infrastructure Solutions Ltd. ("**CRIS**"), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the CRISIL Report are that of CRISIL Research and not of CRISIL's Ratings Division or CRIS. No part of the CRISIL Report may be published/reproduced in any form without CRISIL's prior written approval.*

Industry and Competitive Landscape

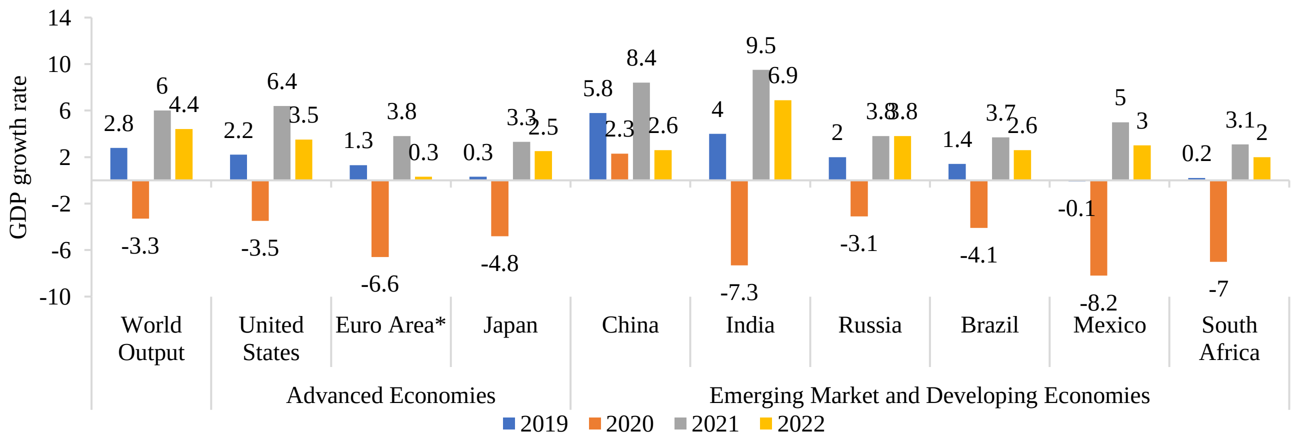
Global Overview

The global economy is gradually getting back on its feet after the steep fall it suffered due to the COVID-19 pandemic that started in 2019. But the resurgence of afflictions has prompted some governments to re-impose lockdowns to contain their spread. Nevertheless, multiple vaccine approvals, commencement of vaccination, and better-than-expected economic indicators in some parts of the world prompted the International Monetary Fund ("**IMF**") to raise its estimates of global economic growth.

In its April 2021 update of the World Economic Outlook, the IMF estimated global economic growth for at -3.3% for 2020, at 6.0% for 2021 and for at 4.4% for 2022. In January 2021, its projections were -3.5% for 2020, 5.5% for 2021 and 4.2% for 2022. Its optimism also stems from better-than-expected gross domestic product ("**GDP**") data for the second half of 2020 reported by countries such as Australia, India, Japan, Korea, New Zealand, Turkey, and the United States ("**US**"), and the Euro Area.

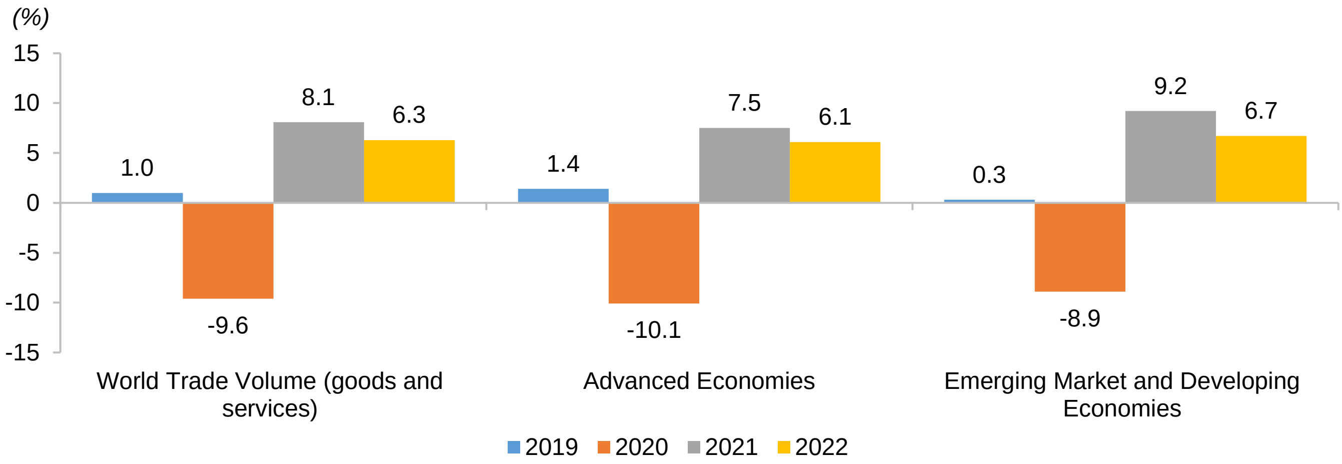
The additional policy measures announced at the end of 2020 by some countries — notably the US and Japan — are also expected to support the global economy in 2021 and 2022.

IMF estimates of GDP growth for key economies



*Note: *Euro Area includes Germany, France, Italy, and Spain*
Source: IMF, CRISIL Research

IMF estimates of world trade growth

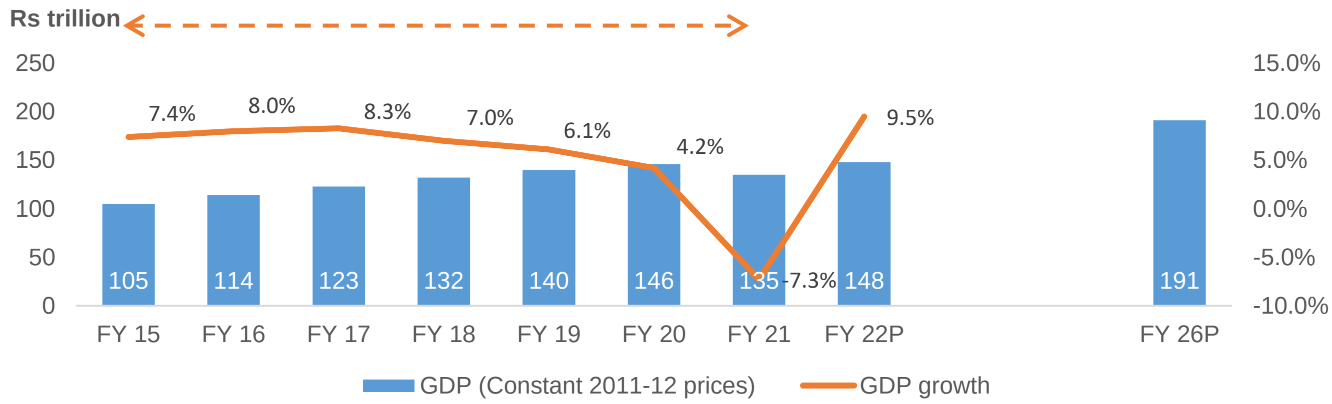


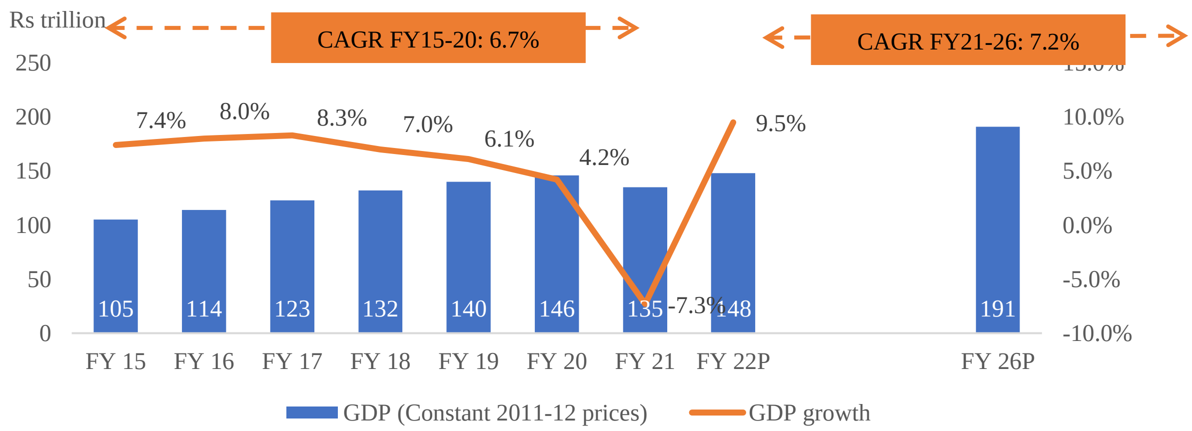
Source: IMF, CRISIL Research

Indian Macroeconomic Review

The Indian economy recorded a robust 6.7% compound annual growth rate ("**CAGR**") over FY 2015-2020 driven by rising consumer aspirations, rapid urbanisation, the Government's focus on investment in infrastructure and growth of the manufacturing sector. Lower crude oil price, softer interest rate and a fall in current account deficit also supported the economic growth. The government also implemented key reforms such as the implementation of GST (which also impacted the economic growth adversely in the medium term), passage of the Insolvency and Bankruptcy Code ("**IBC**"), and gradual opening of sectors such as retail, e-commerce, defense, railways, and insurance to foreign direct investments ("**FDI**").

GDP growth outlook for India





Note: E: Estimated; P: Projected
*Source: National Statistics Office ("**NSO**"), IMF and CRISIL Research estimates*

In FY 2020, the global economy was volatile. The first three quarters were ensnared in trade protectionist policies and disputes among major trading partners, volatile commodity and energy prices, and economic uncertainty arising from Brexit. Further, the onset of Covid-19 dashed the hopes for a broad-based recovery in the fourth quarter. As on June 10, 2021, the virus has infected more than 175 million people in more than 220 countries, leading to considerable human suffering and economic disruption.

Countries have imposed lockdowns and restricted movement to arrest the spread of the afflictions, leading to demand, supply and liquidity shocks. These measures resulted in major financial losses and bankruptcies of several companies. India saw one of the world's most stringent lockdowns from March 24, 2020 to May 31, 2020 . As the government gradually lifted the lockdown, economic activity revived in the second half of FY 2021. After a steep contraction in the first half, the country's GDP growth is estimated to have moved into positive territory towards the end of the fiscal. Supported by normal and largely well-distributed monsoon, and healthy sowing and ground-water situation, agricultural GDP in FY 2021 is estimated to have grown 3% on-year. On the contrary, manufacturing and services GDP shrunk on account of the restrictions during the first half of the fiscal.

In fact, before the onset of the pandemic, India was showing some signs of recovery following a slew of Fiscal/ monetary measures taken by the Government. These measures are, however, expected to support the recovery in Fiscal 2022. As per CRISIL forecasts, India's GDP growth is set to rebound to 9.5% in Fiscal 2022 on a low base, supported by the Government's vaccination drive, focus on infrastructure spends, global economic recovery and rising consumer confidence.

India's macroeconomic outlook for Fiscal 2022

Macro variables	FY20	FY21	FY22P	Rationale for outlook
GDP (%, y-o-y)	4.0%	-7.3%	9.5%	The Union Budget's focus on capex despite a tight Fiscal situation creates conditions congenial for higher growth. Given its focus on boosting investment rather than consumption, the full impact of the spends on growth will be seen in the near term through multiplier effects, and over time through enhancement of productive capacity. Growth in Fiscal 2022 will be mainly driven by a weak base, some rub-off of global growth, control of the COVID-19 pandemic, and a robust vaccination drive that will boost confidence and support stronger recovery. The second COVID-19 wave and vaccine scarcity could, however, potentially derail the recovery as State Governments are likely to respond with localised lockdowns to control the spread of afflictions. Subdued economic activity is likely to further dampen consumption, which will, in turn, hurt the recovery. In such a scenario, there could be considerable downside side risks to base economic forecast.
Consumer price index-linked (CPI) inflation (%, y-o-y)	4.8%	6.2%	5.3%	High prices of some food categories and rising commodity prices suggest gradual easing of inflationary pressures. Demand push from the Union Budget could also keep core inflation sticky.
10-year government security yield (%, March-end)	6.2%	6.2%	6.5%	Gross market borrowing, which jumped to a record high of ₹12.8 trillion in Fiscal 2021, sees only a slight decline to ₹ 12.06 trillion in FY 2022. Supply pressures will have a bearing on yields once the Reserve Bank of India (RBI) starts unwinding its ultra-accommodative stance.
CAD/GDP (%)	-0.9%	1.8%	-1.2%	While export recovery has been uneven and dependent on the COVID-19 trajectory in major economies, imports are expected to see consistent recovery on account of continued improvement in domestic demand. Rising crude oil price will also fuel import growth.
Rs/$ (March, average)	74.4	74.0	75.0	Rising crude price and recovery in import demand will put downward pressure on the Rupee.

Note: P: Projected
Source: RBI, NSO, CRISIL Research

Risks to growth

Below par monsoons: One major risk to India's growth is sub-normal monsoon in 2021. India has received good rains in 2019 and 2020. Chances that they will be normal in 2021 too are uncertain because only once in the past 20 years has India seen more than two consecutive years of normal monsoon. A monsoon failure can directly shave up to ~50 basis points (bps) off the Fiscal 2022 GDP growth forecast.

COVID-19 cases increasing: As the number of afflictions declined after September 2020, it appeared that India has got the virus under control. However, since the end of February 2021, India saw an exponential surge in infections and a second wave swept the country. To control the spread, State-Governments imposed restrictions, including curfews and localized lockdowns. These measures resulted in loss of economic output. In the first week of May, the daily case counts crossed 400,000 for the first time. However, the daily case count dropped to 130,000 in the first week of June and the State Governments started gradually relaxing the restrictions. However, there are fears of an impending third wave, which could put downward pressure on the growth outlook for Fiscal 2022. If the magnitude of the afflictions in the possible third wave is as drastic as that of the second wave, the states will be forced to put more stringent measures in place. This can have a debilitating impact on economic activity and, in turn, growth of the economy. Availability of vaccine and pace of vaccination will be a key monitorable. Issues pertaining to availability of vaccine is likely to hinder and delay economic recovery.

Geopolitical developments: Geopolitical developments, most importantly the US-China trade war, do have a significant impact on global GDP growth and export earnings and capital flows into emerging markets such as India. Several issues remain unresolved even though there is some respite after the two countries signed phase-I of the trade deal. Any re-escalation of tensions could work adversely. Developments in the Middle East could also disrupt crude oil supply and raise price, hurting a wide range of macroeconomic parameters for India, including current account deficit, inflation and, even, GDP growth.

Persistent stress in financial sector: This was one of the major drags on GDP growth past Fiscal as gross non- performing assets ("**GNPA**s") rose 60 bps over Fiscal 2020 to 8.8%. GNPAs are expected to further rise 170 bps in the current Fiscal driven by delinquencies in the micro-small and medium enterprise ("**MSME**") and retail segments. Apart from this, liquidity issues of non-banking financial companies ("**NBFCs**") and risk aversion of lenders are other issues in the financial sector. Lenders' fear of defaults is hampering credit growth and transmission of monetary policy easing. Easing of these constraints in the financial system is critical for pick-up in growth and remains a key monitorable.

Inflation outlook

Inflationary pressures are expected to continue on account of surging international commodity prices. Global prices of edible oils, metals and minerals are at decadal highs. Crude oil price has crossed $70 per barrel, a mark beyond which the impact intensifies. Surging international shipping costs are adding to input price pressures. Producers have started passing on rising input prices to consumers, which could escalate as demand recovers. Hence, CRISIL has raised its inflation forecast to 5.3% from 5.0% for Fiscal 2022. That said, a deceleration in food inflation because of a favorable base effect and a normal monsoon is likely to limit the rise in headline inflation on-year. But the impact of COVID-19 infection in rural areas and rising global price are monitorable.

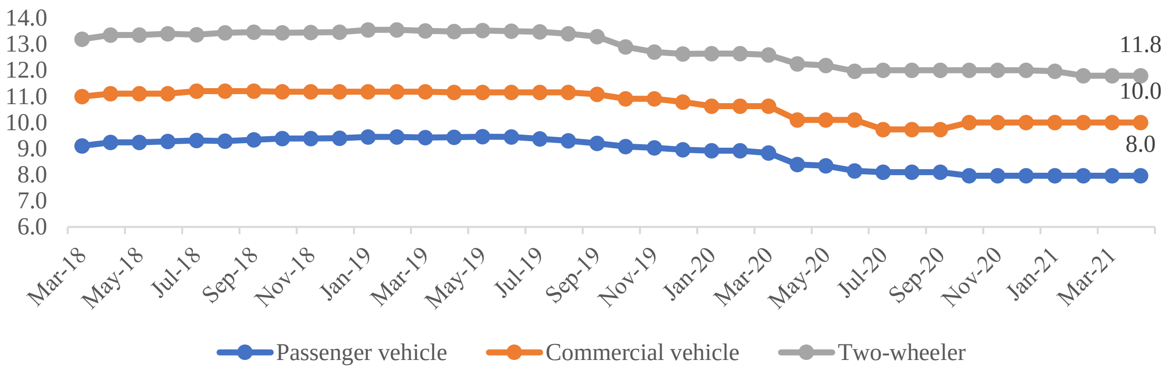
Auto finance

Rates on a downtrend

Yields in the auto finance segment have been declining over the past two-three years, due to softening of retail inflation and a fall in G-sec yields. With the implementation of the marginal cost of funds-based lending rate (MCLR) regime from April 1, 2016, auto finance rates have remained subdued, as banks have been forced to pass on benefits of softer interest rate to end-consumers. This has brought yields down 100-130 bps since Fiscal 2015.

Auto finance rates have been on a downward trend as RBI cut the repo rate by 40 bps over March 2020- June 2021. In Fiscal 2021, passenger vehicle ("**PV**") and commercial vehicle ("**CV**") finance rates softened significantly due to the pandemic. Two-wheeler financing rates, however, dropped by a lesser extent, given the relatively humble credit profile of customers. In Fiscal 2022, some uptick from a low base of Fiscal 2021 is expected.

Average auto finance rates offered by banks (%)



Source: Industry, CRISIL Research

Lower rates attract more buyers. Since introduction of BS-VI, prices have gone up. Rise in crude oil too exacerbated the situation for the buyer. Attractive interest rates bring down the costs for the buyer generating a positive impact on the sector.

Gradual economic revival to drive disbursements in Fiscal 2022

Auto finance disbursement showed better-than-expected revival in the latter half of Fiscal 2021. Most sub-segments witnessed underlying asset sales recovering to pre-COVID-19 levels. Two-wheeler and small-car segments gained on account of pent-up demand and increased preference for personal mobility as lockdowns were lifted and people were wary of using public transport. In the CV segment, while sales of medium and heavy commercial vehicles ("**M&HCV**") and buses remain tepid, that of light commercial vehicles ("**LCV**") are improving.

In the current Fiscal, a gradual improvement in consumer confidence on expectations of a faster economic growth will revive vehicle sales. Consumer preference for owned vehicle for personal mobility supported by lower financing costs and new model launches are also likely to support underlying demand for PVs. Overall, PV loan disbursements are expected to see a ~25-30% growth. The second wave of COVID-19, however, has posed challenges as demand slowed down and OEMs' supply chain challenges heightened.

In case of CVs, too, disbursement is expected to pick up this Fiscal as economic recovery will lead to an increase in private consumption and freight demand. As collections improve amid demand revival, lenders' risk aversion is likely to decline and replacement demand is also likely to pick up. Overall, new CV loan disbursements are projected to grow 38-43% in Fiscal 2022.

Disbursements in the two-wheeler segment are expected to increase 18-23% supported by underlying asset sales. Demand for two-wheelers is expected to pick up by ~12% as Covid-19 subsides with availability of vaccine. An improvement in urban income and buoyancy in rural sentiments owing to expected normal monsoons in this year will also boost the demand.

YoY growth in auto finance disbursement (%)

Segment	FY18	FY19	FY20P	FY21P	FY22P
PV new	17%	9%	-9%	-15%	25-30%
CV new	37%	22%	-36%	-28%	38-43%
Two-wheelers	31%	17%	-2%	-10%	18-23%

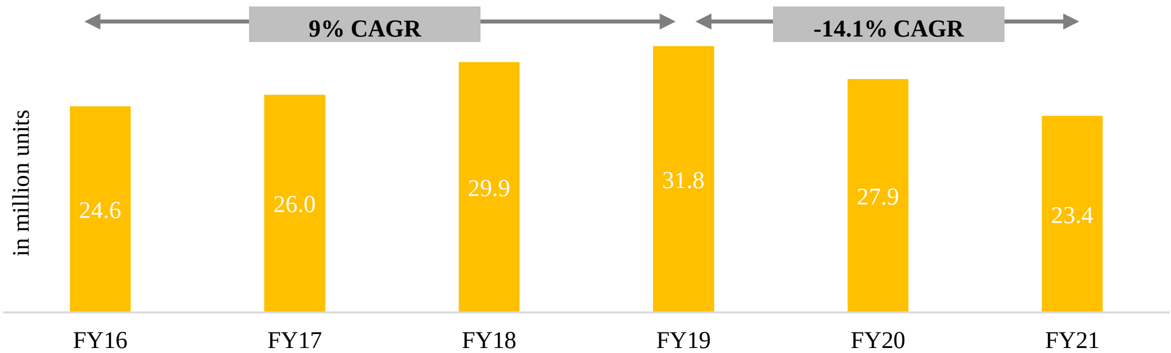
Source: Industry, CRISIL Research

Automotive industry in India

The automobile industry is one of the primary contributors to the Indian economy. Its current contribution to India's GDP is ~7% and it employs ~3.5 crore people directly and indirectly. India's domestic market is the fourth largest auto market in the world, with domestic sales of over 27 million vehicles at its peak in fiscal 2019.

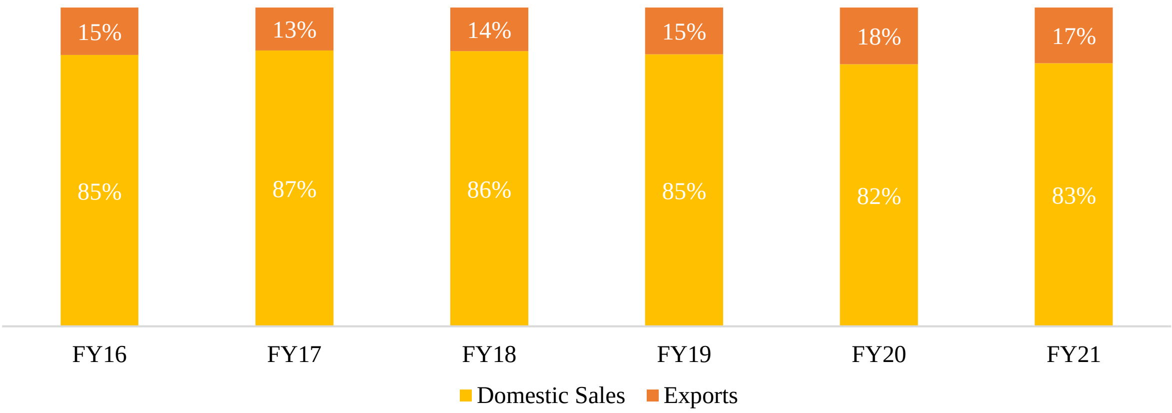
India produced ~23.4 million vehicles in Fiscal 2021, of which nearly 17% vehicles were exported. Two-wheelers formed a major portion of the production (~78%) followed by passenger vehicles at 13%. Tractors, commercial vehicles and three wheelers contributed the rest 9%. Production grew at 9% CAGR from Fiscals 2016-2019 and then declined at a 14.1% compound annual rate from Fiscals 2019-2021. Production fell in Fiscal 2020 on the back of the economic slowdown, dull consumer sentiment, high GST rates, and increased vehicle prices amid the BS-VI upgrade. Nationwide lockdowns and restrictions on the movement of goods and parts affected production significantly in first half of Fiscal 2021. However, the industry made a comeback in the second half with higher domestic and exports demand.

Automotive production trend



Note: Above chart includes passenger vehicles, commercial vehicles, two- wheelers and three- wheelers, and tractors
Source: SIAM, TMA, CRISIL Research

Split by domestic sales and exports (by volume)



Source: SIAM, TMA, CRISIL Research

Trends in domestic sales across categories

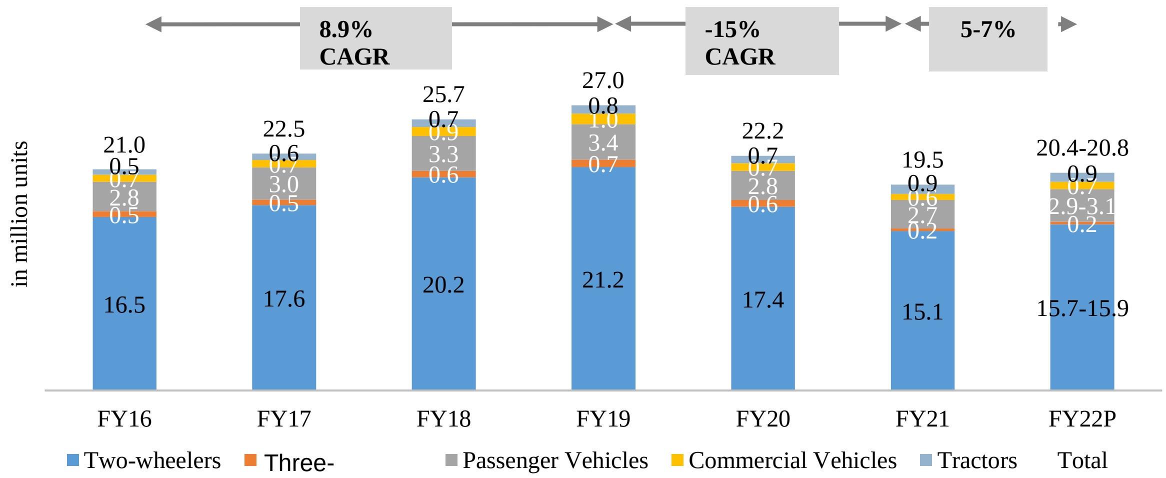
The domestic market, which is dominated by two-wheelers and PVs, grew at 8.9% CAGR from Fiscals 2016-2019. Domestic sales, however, fell by a sharp 17.7% in Fiscal 2020 and by a further 12.3% in Fiscal 2021.

Two-wheeler sales were on a growth trajectory until Fiscal 2019 (8.8% CAGR during Fiscals 2016-2019) on the back of a robust rural economy supported by a good monsoon. Demand started slowing in Fiscal 2019 on the back of falling private consumption along with a hike in prices. It further slowed down in Fiscal 2020 (17.4 million units), primarily due to economic contraction as well as inventory adjustment owing to the BS-VI migration. The pandemic and the attendant nationwide and local lockdowns to contain it led to a steeper fall in domestic sales in Fiscal 2021. Two-wheeler sales are expected to improve in Fiscal 2022 on a low base, supported by estimated uptick in the economy and favourable agricultural income. However, the second wave of the pandemic will likely put the brakes on this revival. As a result, the industry is expected to grow 3-5% in Fiscal 2022.

Passenger vehicles grew 6.6% from Fiscals 2016-2019, driven by expansion in the addressable market, increase in disposable incomes, development of infrastructure, and stable cost of vehicle ownership even as crude oil prices remained subdued. Demand then turned sluggish due to regulatory changes such as GST and emission and safety norms. Lower private consumption, inventory adjustment on the back of new emission norms and the liquidity crisis had caused a significant drop in sales in Fiscal 2020 to 2.77 million units. The fall was further exacerbated in Fiscal 2020 by the onset of the pandemic, resulting in a steep decline in demand in Fiscal 2021. After consecutive Fiscals of double-digit decline, volumes are expected to improve this Fiscal. However, the resurgence in the pandemic will likely restrict growth to a slower 13-15% this Fiscal.

Commercial vehicle sales grew 14% from Fiscals 2016-2019, driven by a pick-up in domestic rural industrial activity and the government's focus on infrastructure investment post Fiscal 2015. The sluggish economic growth post Fiscal 2019 and the pandemic pulled the industry down in the next two years. The economic slowdown in Fiscal 2020 and the pandemic-led lockdown and restrictions in Fiscal 2021 caused a double-digit decline of 27% and 23%, respectively. Demand is expected to pick up (23-25% growth) on a lower base in Fiscal 2022 with the pandemic ebbing owing to more vaccinations, which will help private consumption and freight demand. The impact of the second wave and the containment measures, however, remain a key monitorable.

Domestic sales of two-wheelers, three-wheelers, passenger vehicles, commercial vehicles, and tractors



Source: SIAM, TMA, CRISIL Research

Impact of Covid-19

After a sluggish Fiscal 2020, the pandemic dragged down domestic sales by 12% in Fiscal 2021. Three-wheelers was the most impacted segment, contracting 66%, followed by commercial vehicles which fell 21%.

Impact on the PV segment was limited due to recent competitively priced launches, limited financial impact on the car-buying population and the increased need for personal mobility to maintain social distancing. Major supply issues amid the restrictions and the shortage of semiconductors restricted the growth in PVs.

The pandemic had impacted freight demand and private consumption, hampering demand for both light commercial vehicles (LCVs: < 7.5T gross vehicle weight or "**GVW**") and medium and heavy commercial vehicles ("**MHCVs**") in Fiscal 2021. Bus demand, too, fell due to a significant decline in mass transportation on account of social distancing norms. While volumes are projected to improve this Fiscal over a low base, the second wave is expected to impact sales significantly in the first quarter of the Fiscal.

Regulatory policies

Emission norms

BS-VI emission standards are issued by the government to regulate the output of air pollutants from motor vehicles. In February 2016, the government decided to skip BS-V standards and move directly to BS-VI norms by April 2020. The stringent BS-VI norms incorporate substantial tightening of nitrogen oxides (NOx) and particulate matter (PM). These emission standards pushed vehicle prices higher. There was a larger price increase in the diesel segment due to the significant upgradation of engines and exhaust systems.

The increased vehicle prices and subdued finance availability post the implementation of the norms resulted in a sudden increase in both the initial cost of acquisition and total cost of ownership even as the freight scenario remained lacklustre, impacting viability for transporters.

Electric mobility in India

The Central and State Governments, through various ministries, have formulated several policies for the development of the electric vehicle ("**EV**") sector in India.

- Reduction in the GST rate for EVs and chargers
  Income tax deduction of ₹1.5 lakh on EV loans

- Announcement of "**FAME-II**" (Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles) subsidy for two- and three-wheelers and commercial PVs and buses. Under FAME-II, the central government has also sanctioned 2,636 charging stations across 62 cities

- Revision of vehicle warranty to three years (up to 20,000 km) from the one year earlier.

- Announcement of the Phased Manufacturing Plan ("**PMP**") to discourage imports and encourage localisation in an effort to reduce the cost of electric components such as traction motors, traction motor controllers, battery packs, and battery management systems.

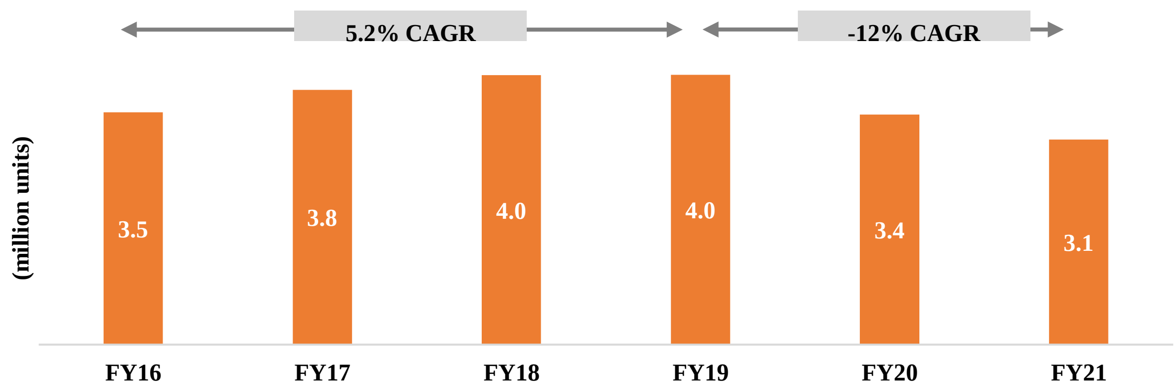
- Various states have announced their specific EV policies offering incentives such as reduced rates for EV charging, rebates on road tax, interest-free loans for auto component manufacturers, and cost split for skill development.

While these steps will certainly support development of the EV ecosystem in India, CRISIL Research believes EV adoption will be slow and gradual. The pace of electrification will also differ across vehicle segments. Two- and three-wheelers are likely to lead electrification and achieve penetration levels of ~18% and ~8%, respectively, by fiscal 2026. PV electrification is expected to reach ~4% by fiscal 2026. The automotive component industry is unlikely to be highly impacted by EV adoption in the near term. However, the shift to EVs offers a competitive advantage to auto component manufacturers having the know-how of EV components.

Review and outlook on Indian passenger vehicle industry

Review of Indian PV industry (fiscals 2016 to 2021)

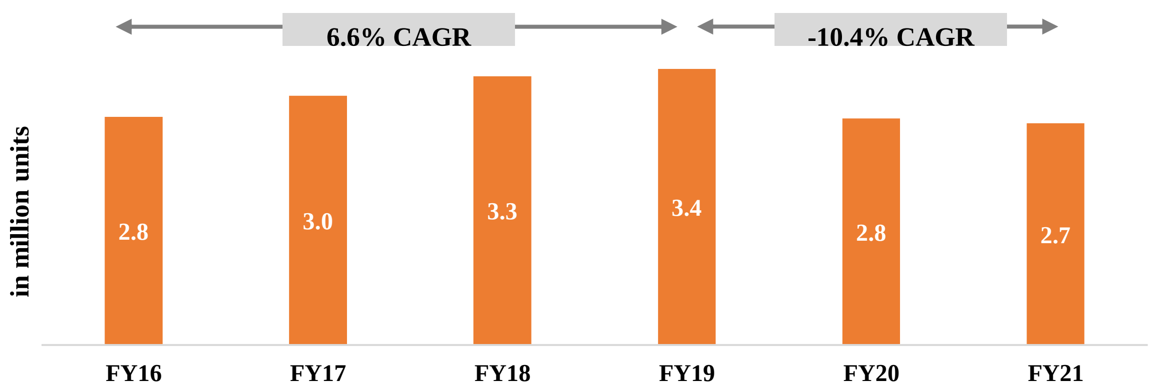
Historical production



Amid challenges posed by the pandemic, India's GDP contracted 7.3% in Fiscal 2021. However, while PV production declined ~11% and exports plunged ~41%, domestic sales fell only ~2%. The impact on domestic sales was limited as personal mobility received a boost owing to social distancing rules which were required to be followed in the wake of COVID-19. This resulted in people avoiding public transportation and shared mobility services.

In the case of sales, on the domestic front, the PV industry clocked 6.6% CAGR between Fiscals 2016 and 2019. A large part of the increase was because of 14.9% CAGR in sales of UVs**.** Between Fiscals 2019 and 2021 as well, though sales plunged, UV sales supported a further slide, raising a slight 0.5% CAGR. Dragging the overall PV sales number was a 17.0% CAGR decline in car sales.

Review of domestic PV sales

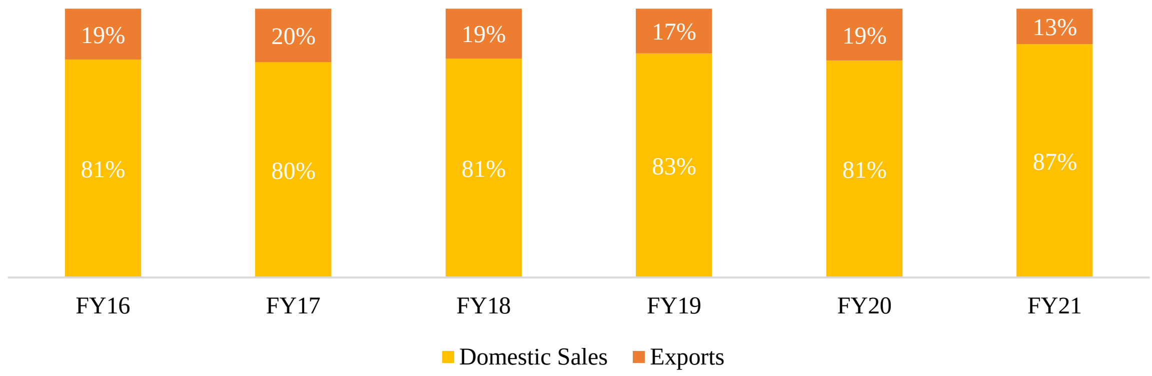


Source: SIAM, CRISIL Research

Split between domestic sales and exports

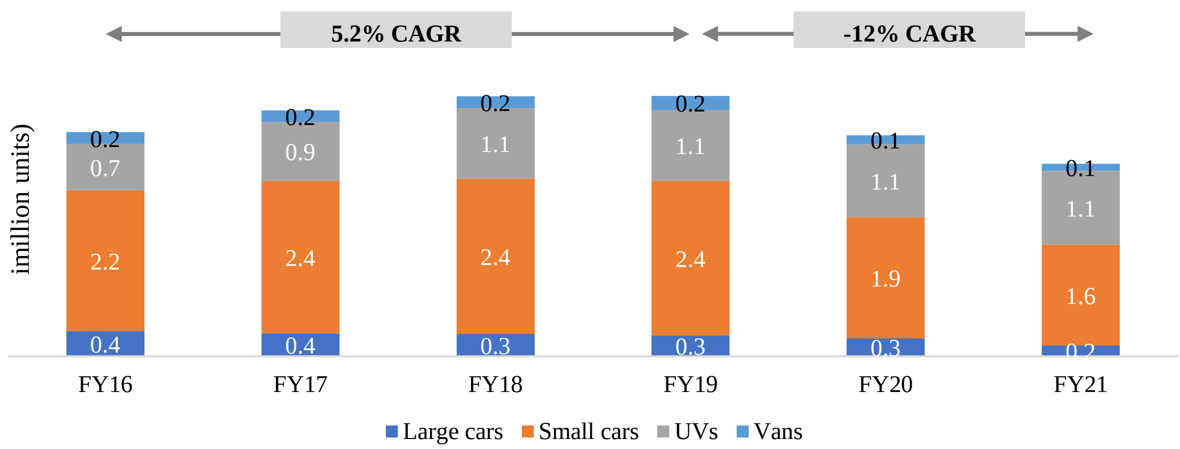
PV industry split by domestic sales and exports

Domestic sales vs exports



Source: SIAM, CRISIL Research

PV production by vehicle segments



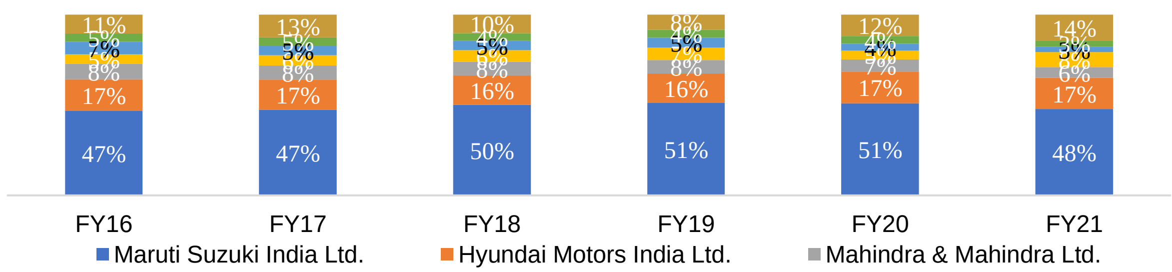
Source: SIAM, CRISIL Research

Competitive landscape

Maruti Suzuki dominates the market with 48% share of Fiscal 2021 domestic sales. Hyundai is a distant second, at 17%. While Mahindra & Mahindra and Tata Motors together comprise of another 14% to the domestic market. Recent entrants such as Kia and MG have also grabbed significant market shares, supported by competitively priced feature-rich models. Within the 'Others' pie, MG has cornered ~2% of the domestic PV market in a mere two years, and Kia a sizeable 6% share.

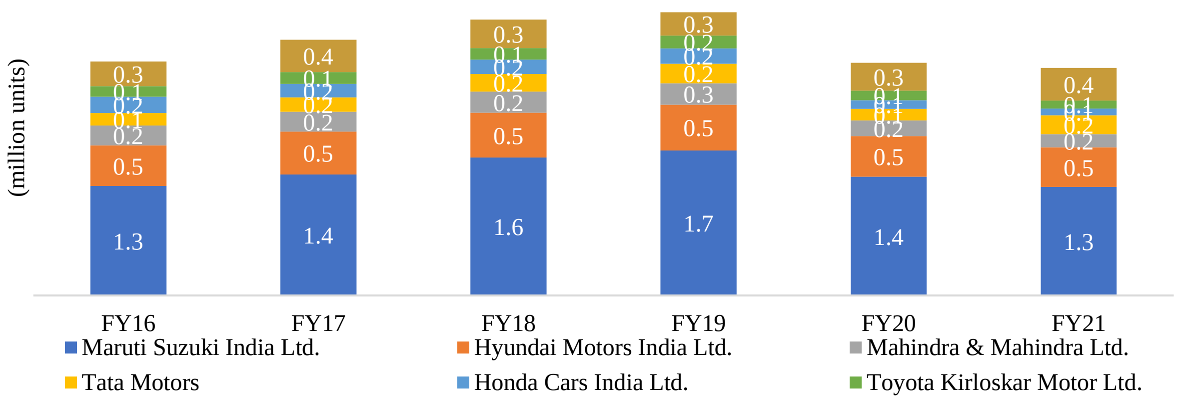
To be sure, new launches have helped OEMs expand their market presence. The launch of Vitara Brezza helped Maruti Suzuki further its dominance in Fiscals 2019 and 2020. Creta and Venue increased Hyundai's share in Fiscals 2020 and 2021.

PV domestic market share across OEMs



Source: SIAM, CRISIL Research

PV industry split by volume of domestic sales across OEMs



Source: SIAM, CRISIL Research

On the manufacturer front, Maruti Suzuki has extended its presence in the cars segment. In fact, in Fiscal 2021, the manufacturer had 64% share of the cars segment. Hyundai, with 17% share, was the second-largest OEM in the cars segment in Fiscal 2021.

Meanwhile, the UV segment has become more competitive in recent years with the entry of MG and Kia, as well as competitive launches by most manufacturers, especially in the compact UV segment. With models such as Maruti Suzuki's Vitara Brezza, Hyundai's Venue, Mahindra's XUV 300, Kia's Sonet, Nissan's Magnite, Tata's Nexon, etc, all OEMs are vying for market share expansion in the UV space.

Top 10 PV models sold in Fiscal 2021

Player	Model	Share in FY21 sales
Maruti Suzuki	Swift	6.4%
Maruti Suzuki	Baleno	6.0%
Maruti Suzuki	WagonR	5.9%
Maruti Suzuki	Alto	5.9%
Maruti Suzuki	Dzire	4.7%
Hyundai	Creta	4.4%
Maruti Suzuki	Eeco	3.9%
Hyundai	Grand i10	3.7%
Maruti Suzuki	Vitara Brezza	3.5%
Hyundai	Venue	3.4%

Source: SIAM, CRISIL Research

The luxury car segment is relatively limited in India, dominated by European brands Mercedes, BMW, Jaguar Land Rover, Volvo and Audi, with Mercedes being the market leader.

Retail sales of few luxury car makers in Fiscal 2021

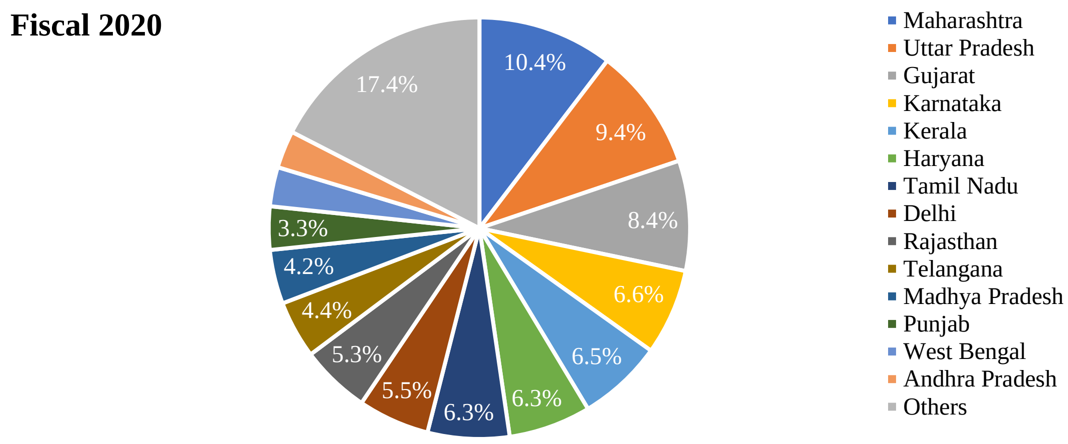
Player	Retail sales
Mercedes Benz India	6848
BMW India	5842
Jaguar Land Rover India	1703
Volvo Auto India	1198
Audi AG	407
PORSCHE AG	249

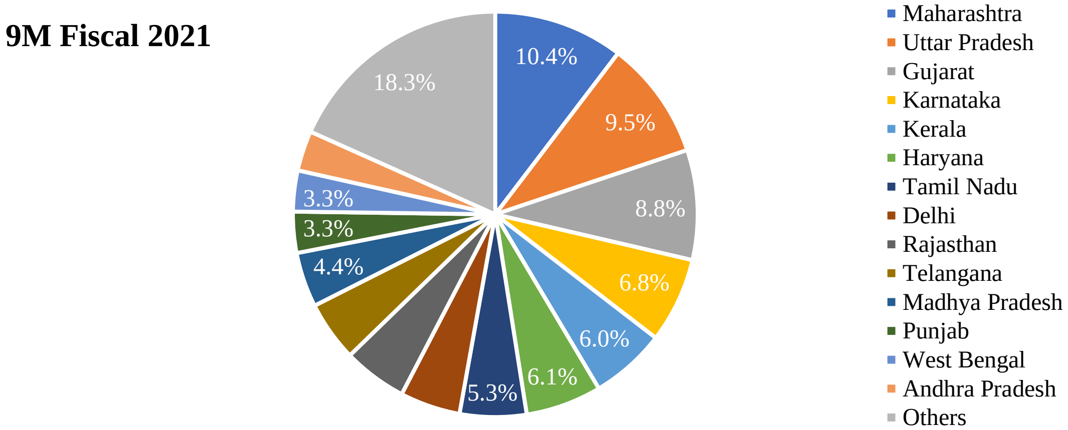
Note: Above numbers do not include sales in AP, MP, LD & TS
Source: VAHAN, CRISIL Research

State-wise split of domestic market

Maharashtra, Delhi, Uttar Pradesh, Gujarat, Kerala, Karnataka, and Tamil Nadu cumulatively make up over half of the total demand for PVs in India. In the first nine months of Fiscal 2021 (April-December), these states contributed 52% share of domestic sales. In-line with the overall domestic market, Maruti Suzuki was market leader in all these states.

State wise contribution to national sales

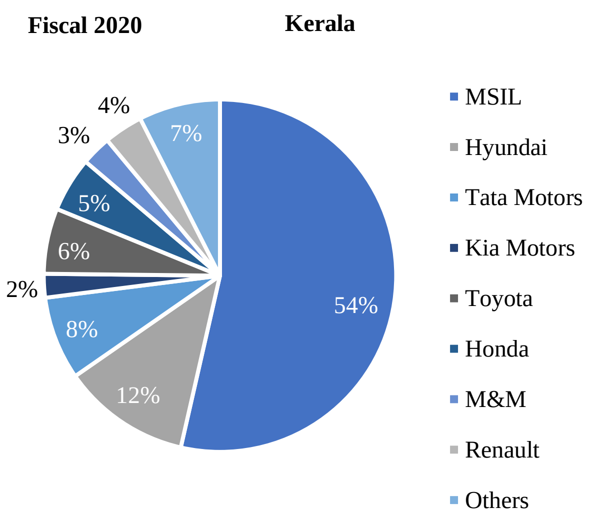


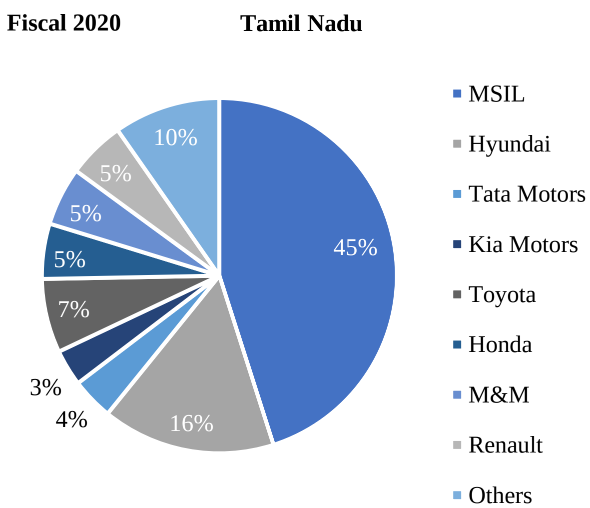


Note: 9M: April-December 2020; State-wise numbers for fourth quarter are not yet available
Source: SIAM, CRISIL Research

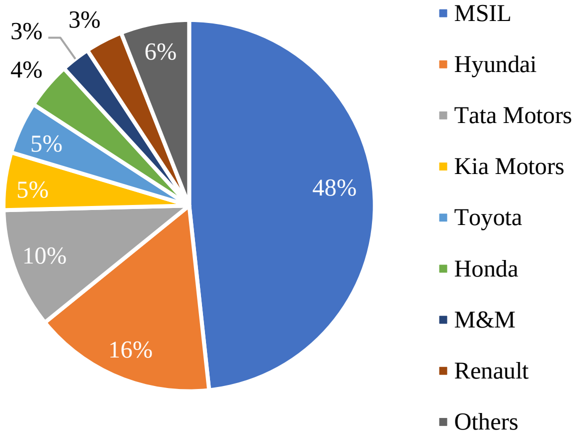
Kerala and Tamil Nadu together contribute a sizeable share of overall domestic PV sales. First nine month (9M) Fiscal 2021, the two states accounted for 11.5% share of overall sales. Maruti Suzuki accounted for nearly 48% and 44% share in Kerala and Tamil Nadu, respectively.

Sales volume mix across OEMs in Kerala and Tamil Nadu

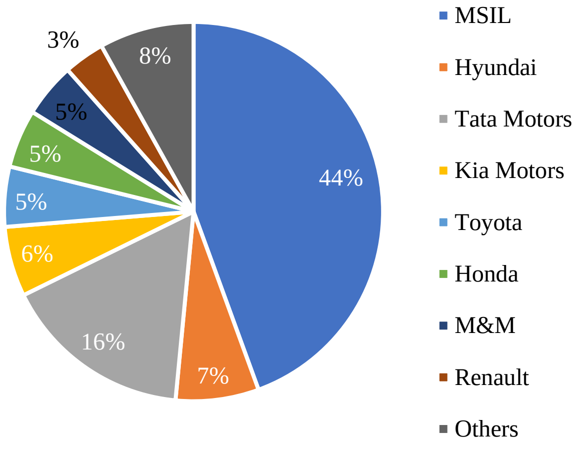




9M fiscal 2021 Kerala



9M fiscal 2021 Tamil Nadu



Note: 9M: April-December 2020; State-wise numbers for fourth quarter are not yet available
Source: SIAM, CRISIL Research

OEM wise state level sales

OEM	Kerala		Tamil Nadu	
	fiscal 2020	9M fiscal 2021	fiscal 2020	9M fiscal 2021
Maruti Suzuki India Ltd	96,813	51,656	78,346	42,004
Hyundai Motor India Ltd	21,278	16,988	27,421	6,709
Tata Motors Ltd	13,826	11,174	6,637	15,325
Kia Motors India Pvt Ltd	3,937	5,367	5,758	5,651
Toyota Kirloskar Motor Ltd	10,854	4,867	11,708	4,842
Honda Cars India Ltd	9,076	4,337	8,743	4,706
Mahindra & Mahindra Ltd	4,970	2,715	9,248	4,372
Renault India Pvt Ltd	6,456	3,485	9,097	3,298
Others	13,510	6,392	16,885	7,638
Total	1,80,720	1,06,981	1,73,843	94,545

Source: SIAM, CRISIL Research

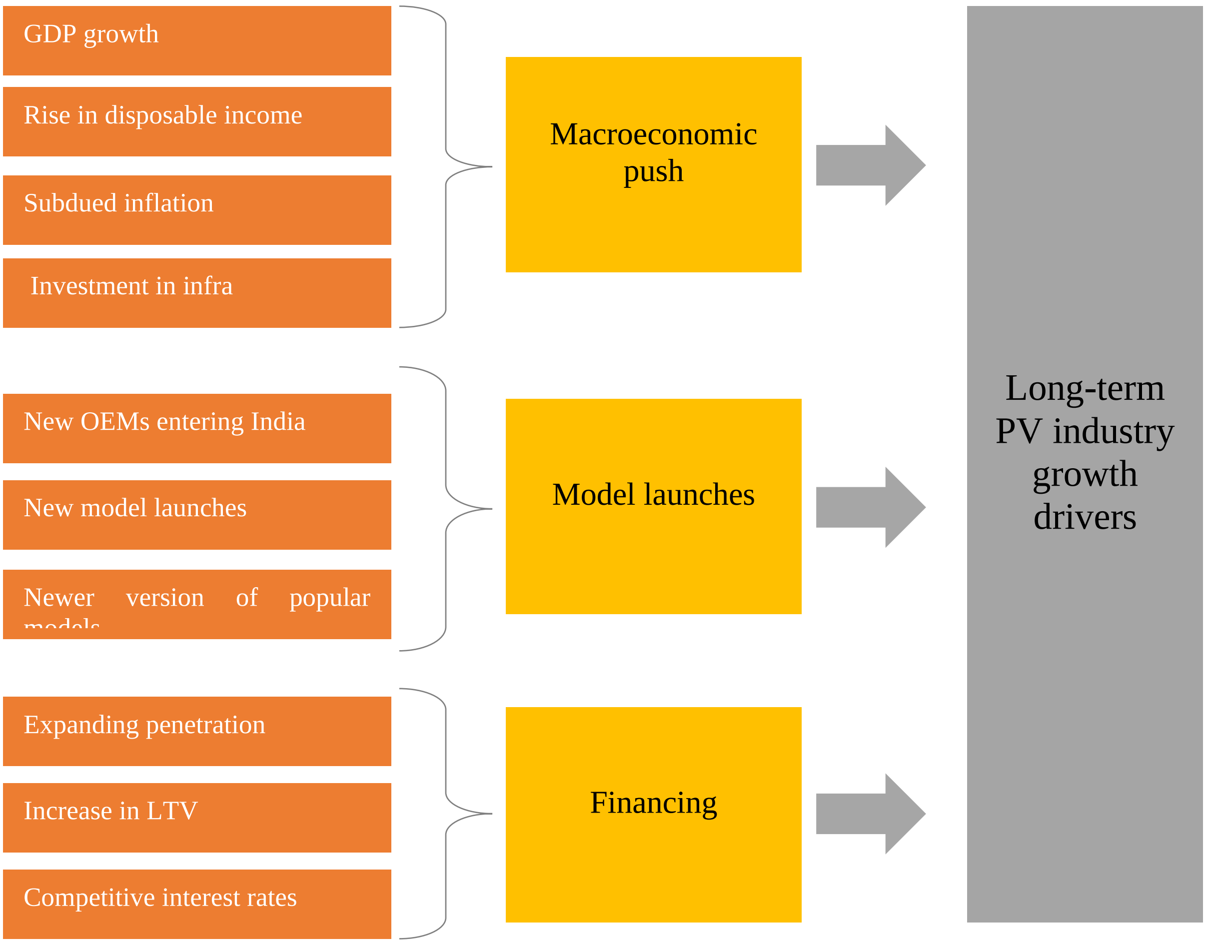
Key regulations / developments affecting PV industry

- Demonetisation
- Implementation of GST
- BS-IV to BS-VI transition
- Safety norms
- MEIS replaced by RoDTEP

Typical growth drivers for domestic PV sales

Primary demand drivers for the PV industry include improved affordability, lower cost of ownership, financing availability and new model launches.

The domestic PV market's key growth drivers

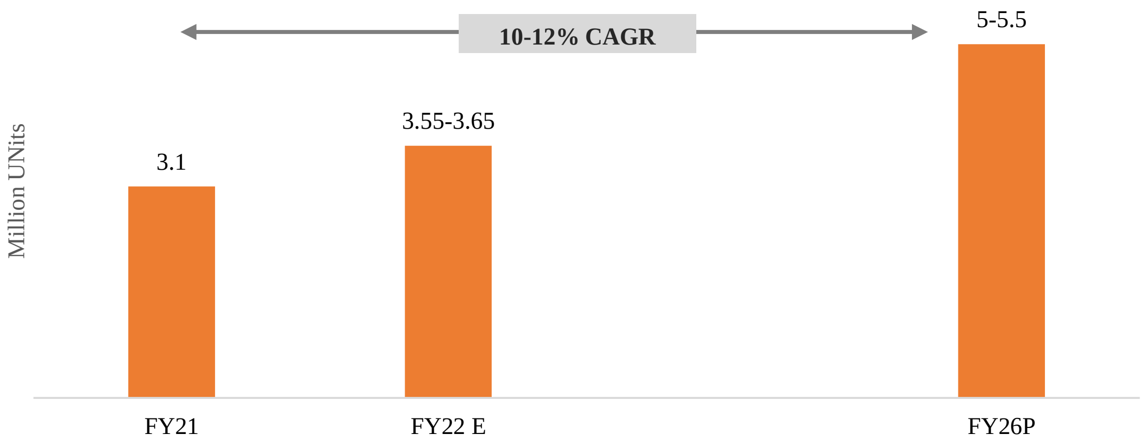


Outlook on the Indian PV industry (Fiscals 2021 - 2026P)

Production outlook (Fiscals 2021-2026P)

CRISIL Research estimates overall PV production to grow at a robust pace of 10-12% CAGR over Fiscals 2021-2026P, and reach ~5.1 million units by Fiscal 2026. However, the uncontrolled surge in COVID-19 cases amid the second wave and the subsequent need for the state and central governments to impose lockdowns to control its spread is likely to impact sales and supply chains. In this case, overall industry production is also likely to get affected in the short term.

PV production outlook

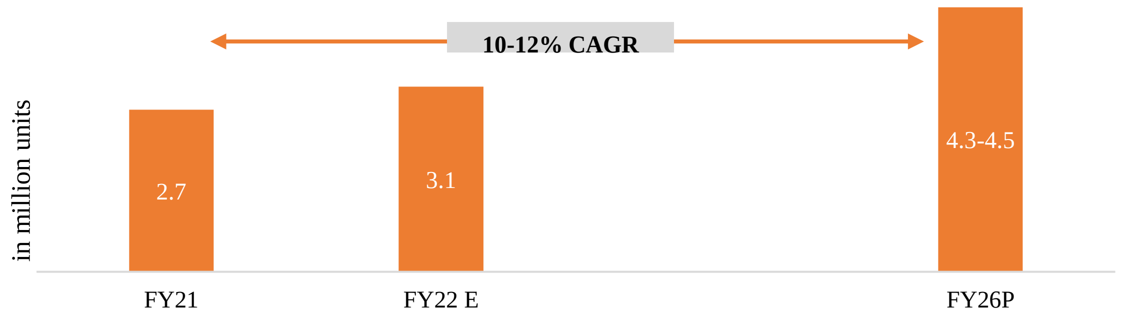


Note: E: estimated, P: projected
Source: SIAM, CRISIL Research

Domestic sales outlook (Fiscals 2021-2026)

Domestic PV sales are expected to increase by 10-12% CAGR over Fiscals 2021-2026. Domestic PV sales growth is expected to improve after Fiscal 2022, even though Covid-19 continues to impact domestic sales in Fiscal 2022. The uncontrolled surge in COVID-19 cases and related lockdowns are likely to dampen demand sentiment and pose supply chain constraints for OEMs in Fiscal 2022. However, over the short-to-mid-term, COVID-19-induced demand for personal mobility is likely to boost PV sales.

PV domestic sales outlook

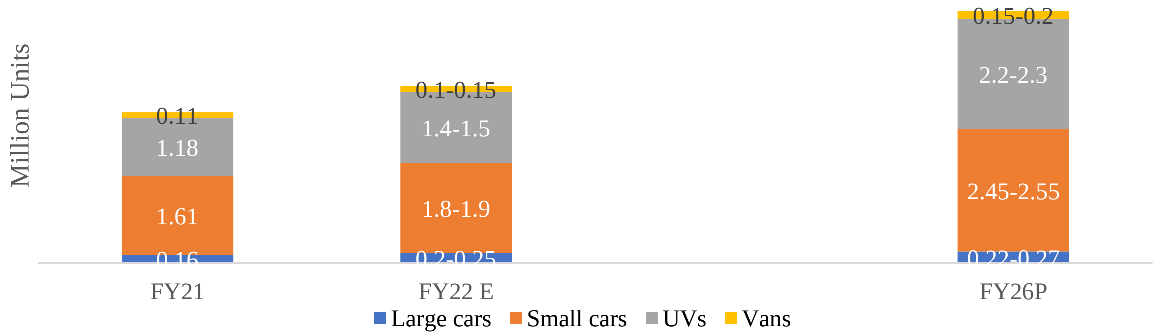


Note: E: estimated P: projected
Source: SIAM, CRISIL Research

Split by PV segments

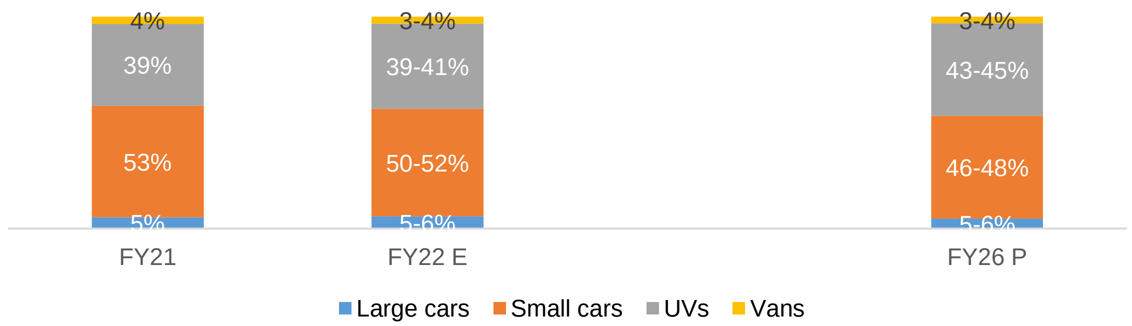
CRISIL Research projects production of UVs to drive the growth of the PV industry in the long term. The UV segment is expected to grow at a CAGR of 13-15% over Fiscals 2021-2026 on a low base of Fiscal 2021. Small cars and vans will likely grow at a CAGR of 8-10% and large cars will grow at a stable rate of 6-8% CAGR over Fiscals 2021-2026.

PV production outlook



Note: E: Estimated, P - Projected
Source: SIAM, CRISIL Research

PV production outlook by segmental share



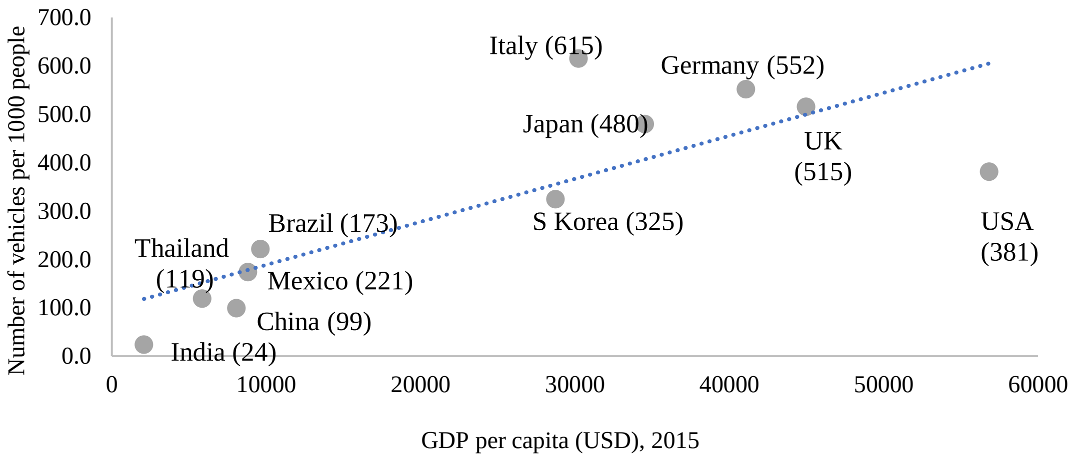
Note: E: estimated, P: projected
Source: SIAM, CRISIL Research

Key trends and future growth drivers

Future growth drivers for the domestic market

Underpenetrated market huge potential for cars and UVs

Country-wise PV penetration



Note: Figures except India, are as of calendar year 2015. Dotted line indicates median; Figures in the bracket indicate PVs per 1,000 people
Source: OICA, World Bank, CRISIL Research

Expected improvement in macroeconomic factors after subdued growth in Fiscal 2020 and a decline in Fiscal 2021

Anticipated improvement in rural demand

Future growth drivers for the exports market

Enhanced product offering

Cars on subscription

Impact of regulatory changes on domestic PV sales

The Indian PV industry has seen a host of safety and regulatory changes in the past 3-5 years. The implementation of CAFE norms will further help in cleaner fuel emission. It is expected that other safety features such as ESC and AEB will be implemented in all cars to reduce road accidents.

When a driver attempts an extreme manoeuvre (e.g., one initiated to avoid a crash or due to misjudgement of the severity of a curve), they may lose control if the vehicle responds differently as it nears the limits of road traction than it does during ordinary driving. In order to counter such situations in which the loss of control may be imminent, ESC uses automatic braking for individual wheels to adjust the vehicle's heading if it departs from the direction the driver is steering.

AEB is a driver assistance system that relies on a network of radar sensors mounted behind the vehicle's front grille or windshield to gauge the surroundings and monitor basic driving conditions such as speed, acceleration and proximity to obstacles. If the risk of an accident is detected, the system prompts the driver to brake by providing audible and visual warnings. If the driver fails to react in time, then AEB is even capable of braking autonomously to prevent an accident altogether or at least reduce the impact of collision.

Regulatory roadmap key for increased electric mobility in India

The US and China have seen an acceleration of sales of electric/hybrid cars, as most major global OEMs have one or more models in their portfolios in these countries. With more model launches by OEMs, issues of range anxiety being addressed, and declining battery prices, EV volumes are expected to grow at a faster pace globally.

Currently, India does not have the requisite charging infrastructure for EVs in place. With the Indian automobile industry seeing a slew of regulations and norms in the past few years, OEMs are sceptical about investing in EV manufacturing.

The implementation of the National Electric Mobility Mission Plan, 2020 and other policy initiatives by the government to address infrastructure-related issues are key monitorables for the sector over the next five years. The government has announced Rs 10,000 crore for Phase 2 of Faster Adoption and Manufacturing of Hybrid and Electric Vehicles ("**FAME**"). The policy aims to provide a subsidy of Rs 10,000 per KWh to four-wheelers (BEV (battery electric vehicle), PHEV, strong hybrid) for commercial purpose and public transport. It also mandates minimum range to be ~140 km and maximum ex-factory price to be ~Rs 15 lakh. It envisions creation of infrastructure for charging of EVs. CRISIL Research expects initial adoption rate to be high among cab aggregators.

Delhi has announced an EV policy that would provide purchase incentives of up to Rs 1.5 lakh for the first 1,000 electric cars. The benefit would be provided in addition to FAME-2 policy benefits. The Telangana government is also providing 100% exemption of road tax and registration fee on purchase of the first 5,000 electric cars. The Tamil Nadu government is providing 100% exemption for battery-operated vehicles (BOVs), which will further boost EV adoption. Further individual tax payers are allowed to take a deduction on interest payments of up to Rs 1,50,000 towards electric vehicles under Section 80EEB. The benefit is available on EV loans sanctioned over April 1, 2019, till March 31, 2023. Such favourable tax laws are expected to facilitate EV adoption for personal mobility.

The government is also considering the establishment of a 40-gigawatt (GW) battery manufacturing plant to boost EVs and renewable energy initiatives. However, for any path-breaking changes in the EV market, OEMs need to undertake more investments and the government should devise clear policies. The lack of adequate charging infrastructure, in particular, needs to be addressed in order to meet the targets set under EV and renewable energy initiatives.

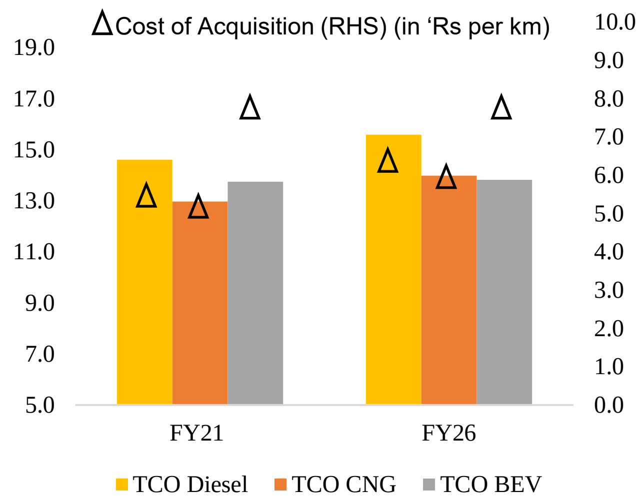
Electric PVs to contribute to ~4% of domestic sales by Fiscal 2026

As it stands, FAME II subsidy is incentivised only for commercial use. No benefits are provided to the owners of personal cars. The following are the findings of our analysis on the cost of ownership of an electric passenger car versus petrol, diesel and CNG variants for cab aggregators. CRISIL Research has also compared the cost of ownership of an electric passenger car with that of a petrol variant.

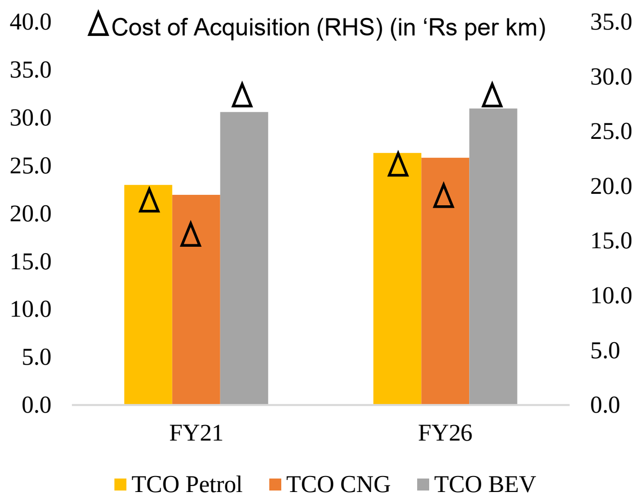
In case of commercial applications, such as cab aggregators, the total cost of acquisition (COA) for EVs is almost 50% higher than that for diesel and CNG variants. However, due to heavy running of vehicles, the total cost of ownership (TCO) among cab aggregators is lower for EVs by ~6% versus diesel alternatives and higher by ~6% versus CNG alternatives, even in Fiscal 2021. By Fiscal 2026, the TCO of EVs is likely to be lower by 11% compared with diesel alternatives and marginally lower versus CNG alternatives. The lower battery cost is expected to offset the lack of FAME II subsidy and will help maintain the competitiveness of BEVs against diesel and CNG variants for cab aggregators.

Currently, charging infrastructure, range anxiety and lack of large OEM presence are hindering EV adoption. The taxi segment accounts for 10-15% of sales within passenger cars, and within the taxi segment, cab aggregators are expected to lead the adoption of EVs. This should result in an estimated ~25% adoption of EVs within cab aggregators by Fiscal 2025 (assuming adequate infrastructure is available by then).

Cab aggregators usage: TCO and COA of EVs is lower due to higher running



Personal usage: High TCO and COA of EVs remain a challenge until Fiscal 2026



Note: TCO is in Rs per km; for cab aggregators, a compact sedan has been considered for assessment and, for personal usage, a hatchback has been considered; holding periods of 5 years and 4 years were considered for cab aggregators and personal usage, respectively; annual running of 12,000 km and 62,500 km were considered for cab aggregators and personal usage, respectively
Source: Industry, CRISIL Research

TCO and COA of EVs among personal cars are still higher by ~33% and ~78%, respectively, compared with the petrol alternatives and higher by ~39% and ~53%, respectively, due to their lower running. Therefore, EVs are currently not a viable use-case. In Fiscal 2026, however, the gap is expected to remain wider, prohibiting EV adoption in the personal usage segment. In addition, the availability of charging infrastructure and range, especially for intercity travel, are likely to be the key bottlenecks for adoption of EVs in the personal car segment.

Hence, CRISIL Research expects the share of EVs in total passenger car sales to remain low (~4%) in Fiscal 2026; the penetration in Fiscal 2019 was ~0.1%. EV penetration can be higher, if the government adopts stricter policies on OEMs for not meeting the CAFE (Corporate Average Fuel Efficiency/Economy) norms. The exact quantum of EV penetration in an aggressive case depends on the incentives given for the adoption and setting-up of charging infrastructure. EV penetration will also be propelled by policies adopted by the government for penalizing non-adherence to CAFE norms.

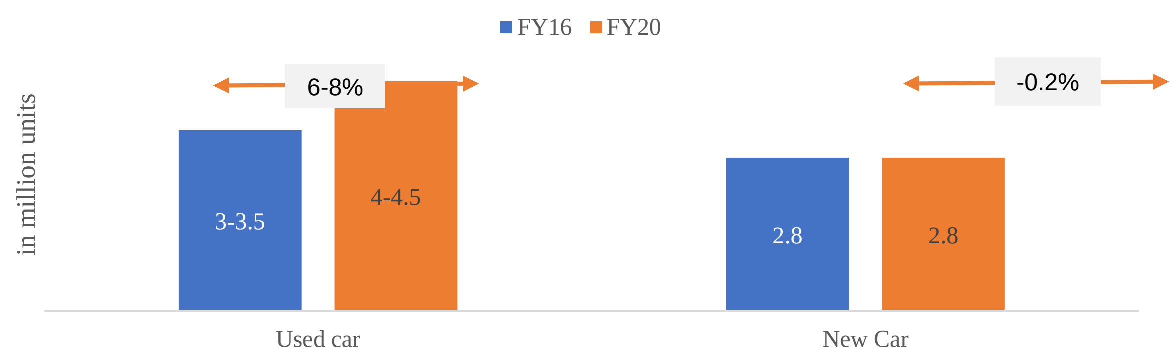
Review of the pre-owned PV industry in India

Historical development

The market for pre-owned PVs has grown tremendously in India, even though it is laden with complexities, unorganized buyers and sellers, and multiple value chains. In the past few years, changing buyer demographics and intermittent launch of feature-rich vehicles have been shortening the replacement cycles, aiding supply in the market. Moreover, the availability of easy financing at competitive rates has provided a fillip to the industry.

Additionally, the emergence of startups in this space and improved internet penetration has ensured that buyers are presented with more options and, given a touch of assurance as C2C players gain foothold in the segment. The price rise in new PVs to comply with the emission norms and buyers shifting from new PVs to used PVs amid the sluggish economic growth provided an added impetus to the pre-owned PV market.

Sales of pre-owned and new PVs



Note: In Fiscal 2020, sales of new PVs declined to 2.8 million units, after clocking a high of 3.4 million units in Fiscal 2019
Source: Industry, SIAM, CRISIL Research

Pre-owned PV setup moving towards organised space (Fiscal 2020)

Pre-owned PV market used to be an unorganized space where there was a lot of small brokers and sellers operating across geographies. Buyers predominantly bought used vehicles from their friends/ relatives or nearby garages.

Maruti Suzuki was the first player to enter this segment with the launch of Maruti True Value in 2001. With them, they brought practices of the organized segment like financing, refurbishing, and usage of genuine parts. Mahindra followed the suit and entered the pre-owned PV market when it launched First Choice in 2008.

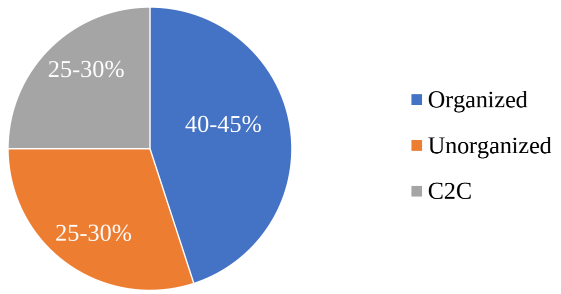
Given the dearth of good alternatives earlier, both entities enjoyed good response from customers. Exchange schemes offered by new PV dealers streamlined the supply chain for them. Over the years, share of organized sector boomed as buyers thronged to these organized establishments.

Rise of C2C intermediaries broadened this pool further. A customer could look at all the options available within his budget at the click of a button. He could assess fair price, get financing options, and contact the seller directly. If he was willing, he could also go for a slightly higher priced but expert certified vehicle. C2C intermediaries gave an option to check for all the vehicles available in a city, sitting in the comforts of your home. This ease of access resulted in C2C segment gaining popularity and they grew by eating up the share of unorganized sector.

Organized sector has been gaining foothold in the sector. Customer-to-Customer (C2C) too is gaining traction on the back of digital revolution in India. Both these sectors bring technological advances and attractive financing options. Organized sector also spends a good sum on the refurbishing of vehicle.

Margins in organized sector are between 10-15% while in unorganized sector, they are 7-12%. Dealers from unorganized sector are switching to organized sector to gain that added advantage. Going ahead, the industry is expected to move towards organized and C2C sectors to expand their reach further backed by higher investments by parents companies and their technological superiority.

Pre-owned PV market segmentation as of Fiscal 2021

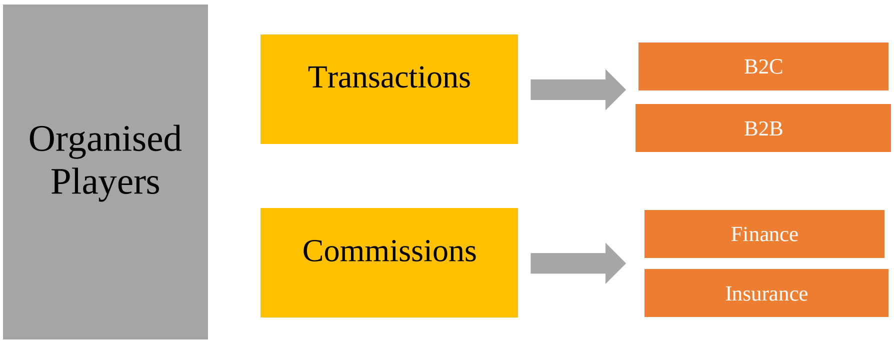


Note: Online deals through apps are also included in C2C
Source: Industry, CRISIL Research

Business model of companies

Organised players

Exchanged vehicles from the new car dealerships are routed to pre-owned vehicle dealerships of organized players. Organized players refurbish the vehicle and put it in the showroom with a markup. Customers get finance, insurance, warranty at the showroom. Main revenue streams for the organized players are - revenue from selling cars and the commission earned from third parties for finance and insurance

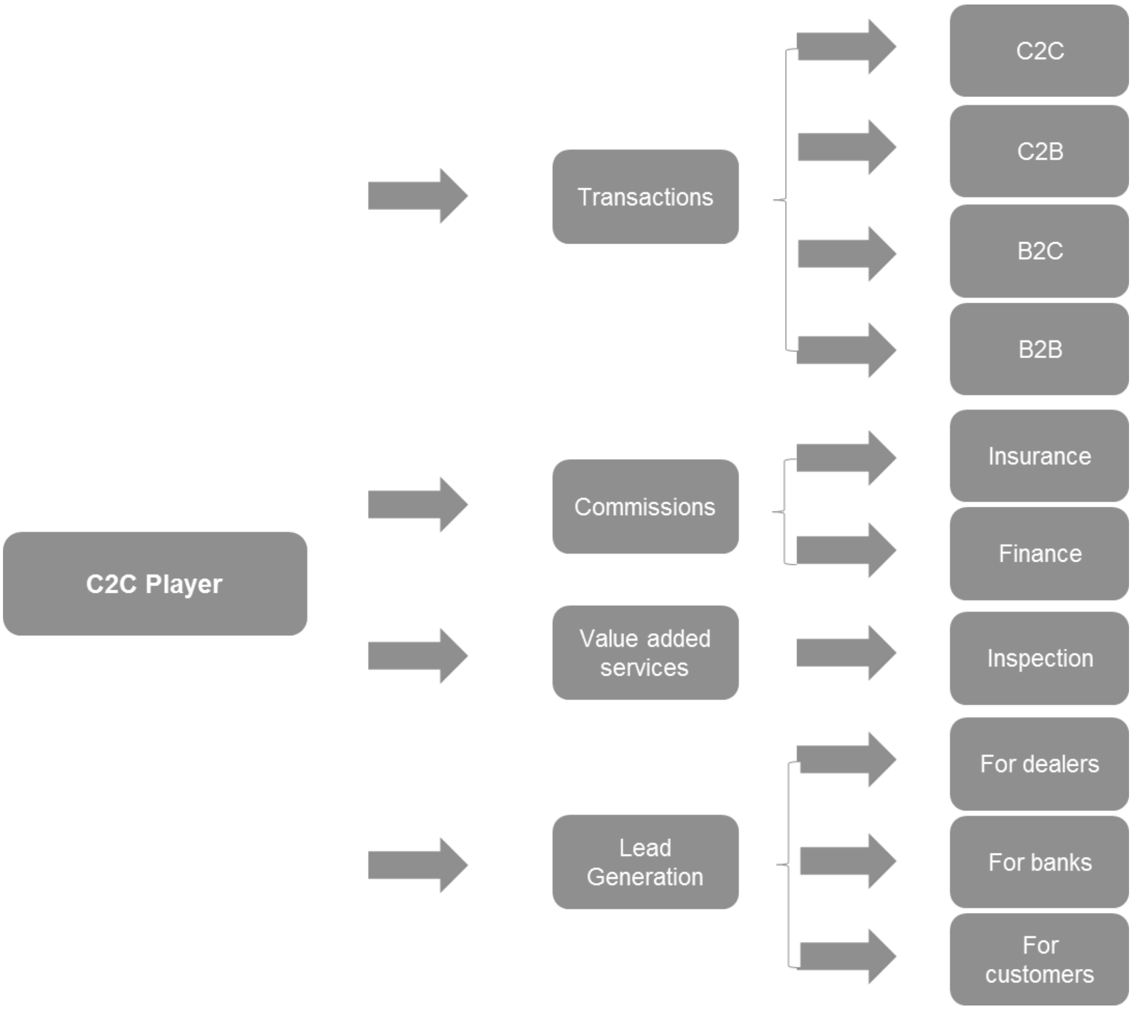


Source: Industry, CRISIL Research

C2C sector

C2C players are primarily in the listing business. They put listings of sellers with relevant details about the vehicle. Upon confirmation, they provide buyers with contact details of the sellers and facilitate the buying process. Additionally, if customer is willing, they provide inspection by experts and fair price estimate too. They also provide insurance and finance for the vehicle through third parties. Revenue streams for C2C players would be commissions from buyers and sellers for vehicle, commissions from third parties for finance, insurance, inspection, and revenue from lead generation for banks, dealers, and customers.

Business model



Source: Industry, CRISIL Research

Market size

From 3-3.5 million vehicles in Fiscal 2016, pre-owned PV sales are estimated to have reached 4-4.5 million vehicles in Fiscal 2020, clocking a 6-8% CAGR.

In Fiscal 2021, the pandemic affected the pre-owned PV segment as well. The pandemic-induced lockdown impacted dealership operations significantly in the first quarter of Fiscal 2021, impacting sales. The situation gradually improved from the second quarter, and the industry registered some revival in demand. Pent-up demand in the first quarter (Fiscal 2021) provided a boost to sales in the second and third quarters.

However, the pandemic also provided an additional kicker to the pre-owned PV demand amid the increased requirement for PVs to maintain social distancing and customers' reluctance to use the shared-mobility options.

Nonetheless, the severe drop witnessed during the first quarter impacted sales for the full year. For the full year of Fiscal 2021, sales in the pre-owned PV market is estimated to have contracted 8-12 % to 3.5-4 million vehicles.

Impact of Covid-19

Covid-19 led to a major setback for the auto industry. Sales plummeted in April and May 2020, and everything came to a sudden halt. Organized players, which represent 40-45% of the overall segment, remained closed during the first quarter of Fiscal 2021. The industry started picking up again after June 2020, primarily because more people wanted to have a PV instead of using shared transport.

While the industry was undergoing digital transformation as new PV dealers, several of them for the first time tried building their brand online. An online model was already in place for pre-owned PVs, with the advent of startups that provided an additional boost to their sales. Backed by pent-up demand, increased need for personal mobility, and reluctance to spend a significant share of savings amid the pandemic-induced economic uncertainty, the pre-owned PV industry registered some revival from the second quarter of Fiscal 2021.

However, as the new-PVs industry faced challenges in the supply chain domain, more customers, who wanted to buy a new PV, held on to their old vehicles because deliveries were stretched to even six months. Hence, the value chain of pre-owned PVs also got affected, as there were fewer vehicles in supply, while the demand was soaring. According to CRISIL Research's estimates, the share of vehicles bought with an exchange option came down from 35-40% in Fiscal 2020 to around 30% in Fiscal 2021, implying that, for every 100 new PVs sold, there were 5-10 fewer vehicles coming in for exchange, while demand for additional vehicles had spiked by the same number. This restricted the pre-owned PV industry revival in Fiscal 2021.

Hence, after a sharp drop in the first quarter of Fiscal 2021 and the restricted revival in the past three quarters, sales of pre-owned PVs dropped 8-12% to 3.5-4 million units in Fiscal 2021.

However, pre-owned PV sales continued to outpace new-PV sales even in Fiscal 2021, with the ratio of pre-owned PVs to new-PV sales hovering around 1.3-1.7 during the year.

Scenario in Fiscal 2022

With Covid-19 first wave nearly subsiding by the fourth quarter and the vaccination drive picking up pace; Indian economy as well as the overall auto industry were geared up for a healthy revival in Fiscal 2022, from a low base of Fiscals 2020 and 2021. However, the resurgence of Covid-19 in a much severe form in the second wave, derailed this estimated revival. Sales in April 2021 were impacted and sales in May were nearly wiped off with stringent lockdowns in most states.

With cases plateauing in most states, staggered removal of lockdowns has started from June 2021. However, unlike in Fiscal 2021, the much-severe second wave has significantly impacted rural customers as well. Most customers are in saving mode, with increased medical expenses and are unwilling to spend on discretionary items. A revival in customer sentiment remains a key monitorable.

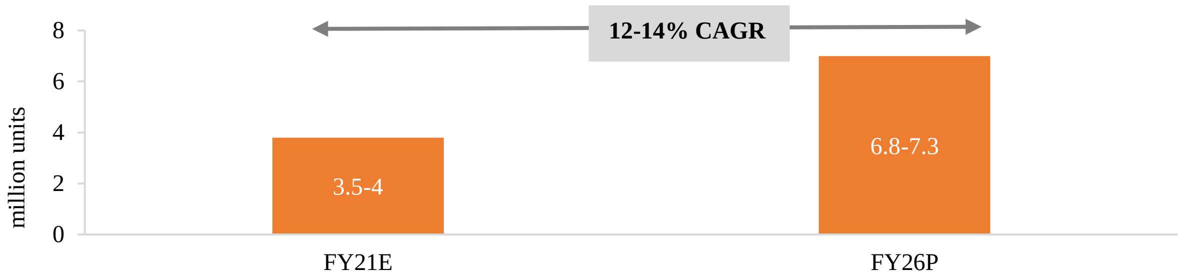
Long-term outlook

On a long-term horizon, CRISIL Research expects a healthy revival in the pre-owned PV market. The pre-owned PV segment is expected to grow at a 12-14% CAGR between Fiscals 2021 and Fiscal 2026 to 6.8-7.3 million vehicles; the rise is amplified by a lower base in Fiscal 2021. Increased need for personal mobility, rising aspirations of customers, growing disposable income, lowering replacement cycles and increasing financial penetration will drive the growth. The expanding share of the organized segment will provide an added boost to demand.

Given that India's vehicle ownership (23-25 vehicles / 1,000 people) still lags that of developed and most developing economies, there is tremendous room for growth in the coming years. Moreover, the consumer outlook has changed towards pre-owned PVs in the past few years, as they have shed the stigma associated with buying a used vehicle and consider it as a smart purchase to opt for a pre-owned PV. This is also expected to provide an additional push to pre-owned PV demand.

Luxury pre-owned cars is another sector growing steadily since the last few years. Emergence of mega retail centres and luxury OEMs setting up their pre-owned car retail businesses indicates growing interest of sellers to cash-in on this. Heavy discounts offered during Covid brought more customers to this segment.

Outlook for pre-owned PV industry

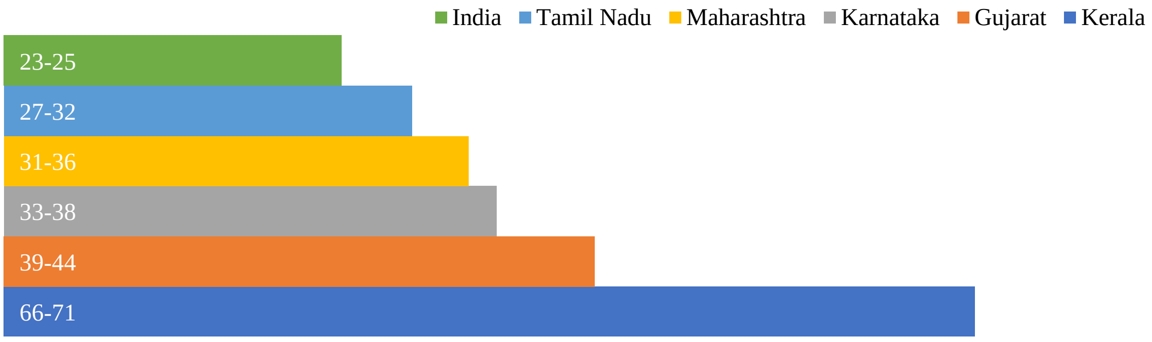


Note: E – Estimated, P - Projected
Source: Industry, CRISIL Research

Key drivers for growth in the pre-owned PV segment

Lower vehicle penetration

Estimated PV penetration in key states as of Fiscal 2021



Note: Figures represent PV penetration per 1,000 people
Source: Industry, CRISIL Research

Nascent stage of pre-owned PV industry

Advent of startups

Shortening PV replacement cycle

Younger demographic

Declining interest rates

Review and outlook on the Indian CVs industry

Review of Indian CVs industry (Fiscals 2016 – 2021)

Historic production (Fiscal 2016 to Fiscal 2021)

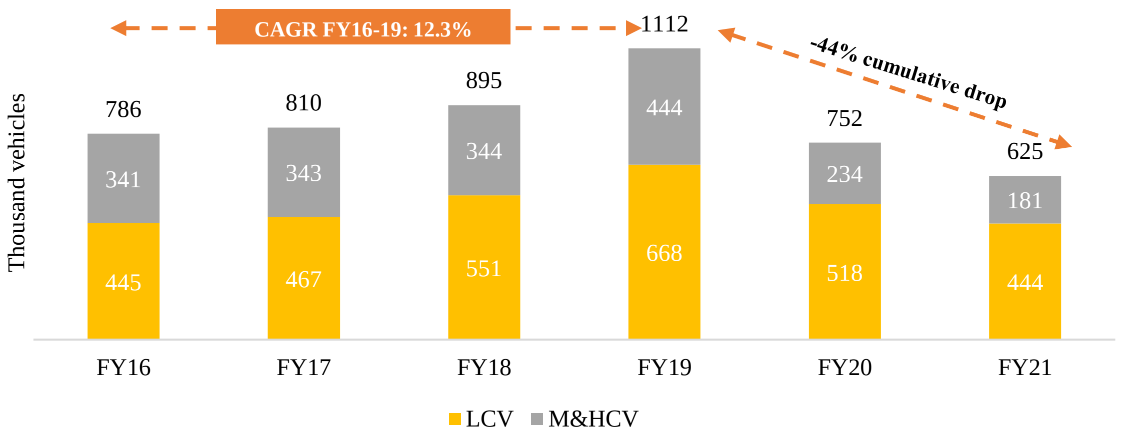
Production in the CVs industry logged a CAGR of 12% over Fiscal 2016 to 2019, driven by a pick-up in domestic rural industrial activity and the government's focus on infrastructure investment post Fiscal 2015. A large portion of this jump in production was led by a robust demand for goods carriers, which clocked a CAGR of 14.1%. Production of passenger carriers declined at a CAGR of 1.7% over Fiscal 2016 to 2019.

LCV production saw faster growth on account of strong domestic demand, supported by higher replacement demand over Fiscal 2018 to 2020, improved rural sentiments and growing e-commerce penetration. Even during the current pandemic, lower impact on rural areas and improved rural sentiment have resulted in LCVs outperforming M&HCVs.

Over Fiscal 2016 to 2019, M&HCV bus production declined at a CAGR of -5.8%, weighed down by a restriction on sales in Sri Lanka. Even on the domestic front, M&HCV bus sales declined at a CAGR of -3.6% over Fiscal 2016 to 2019.

However, overall production dropped in Fiscal 2020 on account of inventory correction (as the industry transitioned from BS-IV to BS-VI emission norms) and a tepid demand for CVs due to a general slowdown in the economy and slower government infra spending post the general election. This was coupled with a revision on axle load norms in the second half of Fiscal 2019, the complete impact of which was visible on sales in Fiscal 2020. In addition, policy changes in Sri Lanka, one of the major industry export markets, dealt a severe blow to industry exports.

CV production by vehicle segments

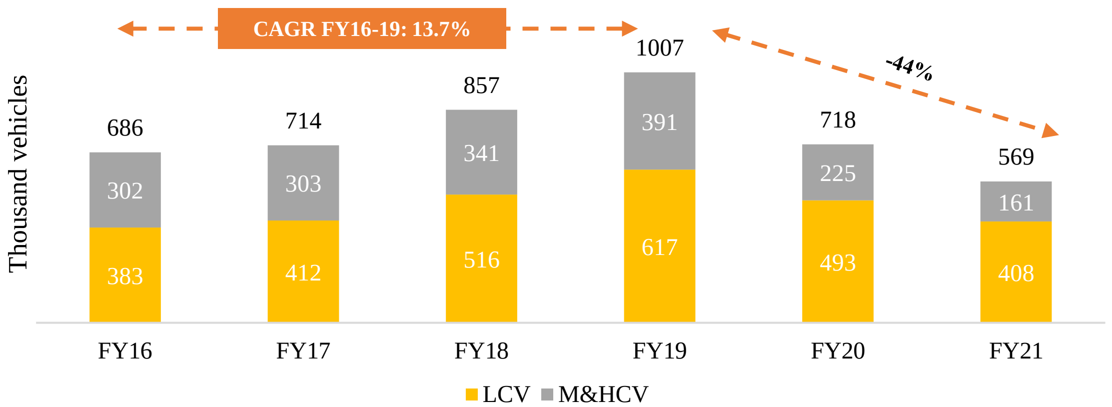


Note: E – Estimated; Domestic production is exclusive of Bharat Benz production volume, as the same is not reported by SIAM
Source: SIAM and CRISIL Research

Historic domestic sales (Fiscal 2016 to 2021)

Between Fiscals 2016 and 2020, domestic CV sales logged a CAGR of 1.1%. In fact, over Fiscal 2016 to 2019, domestic sales clocked a CAGR of 14% on the back of a robust growth in sales at 17% CAGR in LCVs and 9% in M&HCVs. Over Fiscal 2016 to 2019, goods vehicle sales clocked a CAGR of 16%, even as bus demand remained flat.

Review of CV segment-wise domestic sales

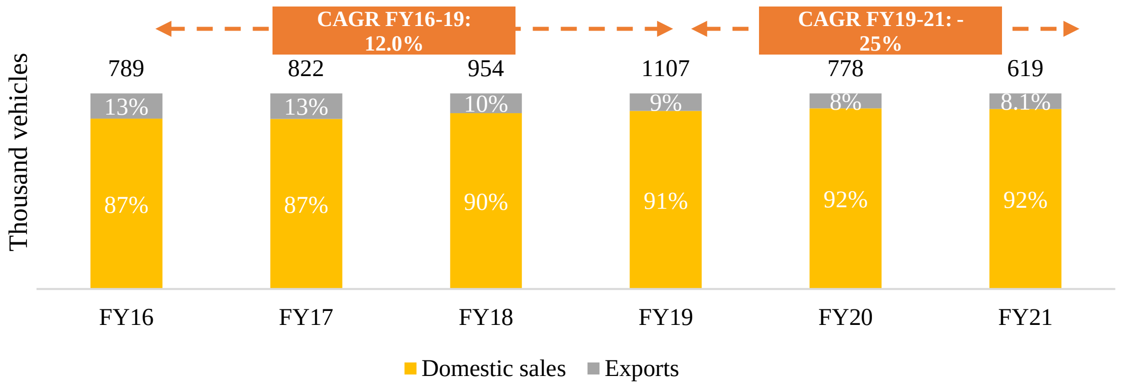


Note: E – Estimated; Domestic sales are exclusive of Bharat Benz sales as the same are not reported by SIAM
Source: SIAM and CRISIL Research

Over the last five years, the industry weathered major challenges on account of events such as demonetisation, NBFC crisis, implementation of axle load norms, changes to insurance norms and transition to BS-VI emission norms. A culmination of these multiple factors, particularly post the second half of Fiscal 2019, resulted in a dampening of demand for CVs. Over Fiscal 2016 to 2020, goods vehicle sales saw a de-growth of 11% in the M&HCV segment.

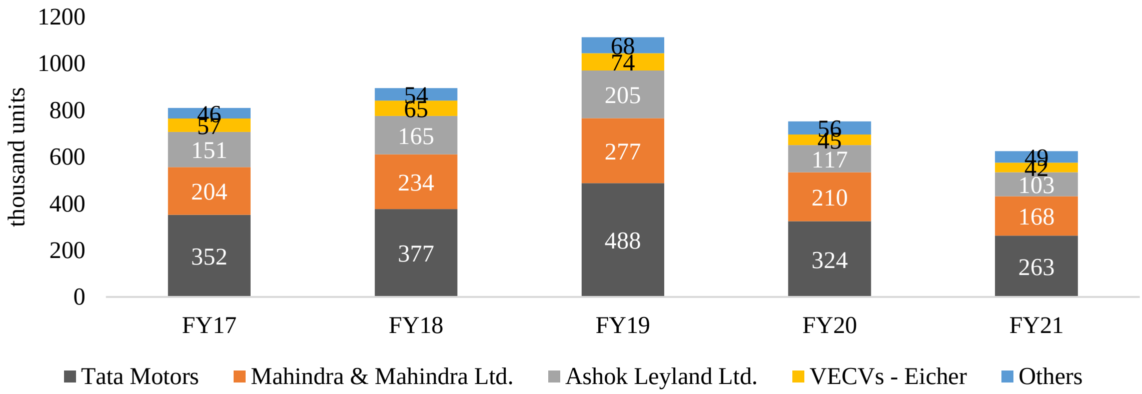
Split by domestic sales and exports

CV industry split into domestic sales and exports



Note: E - Estimated
Source: SIAM and CRISIL Research

CV industry split by OEM volumes



Source: SIAM and CRISIL Research

Tata Motors leads in the CVs segment in terms of market share, followed by Ashok Leyland (ALL) and Mahindra & Mahindra.

In recent times, VECV has gained share in the M&HCVs segment, whereas Maruti Suzuki and ALL are doing well in the LCV segment.

In the SCVs segment, ALL and Maruti Suzuki have gained share in Fiscal 2010 over Fiscal 2020 owing to the performance of their vehicles – 'Dost/Bada Dost' for ALL and 'Super Carry' for Maruti Suzuki.

While Maruti Suzuki has gained share in the <2T GVW category, ALL and Tata Motors have garnered share in the 2T to 3.5T category due to the launch of new offerings such as 'Bada Dost' from ALL and 'Intra' from Tata Motors.

On the other hand, Mahindra & Mahindra lost some share in Fiscal 2021 as it battled supply constraints with respect to semi-conductors in the second half of the year.

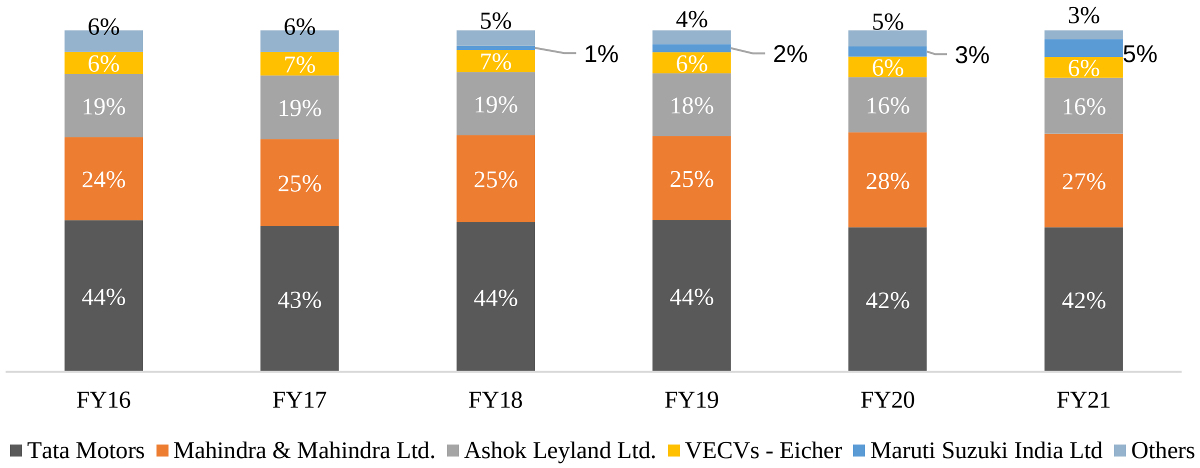
Despite the launch of new products by ALL and Maruti Suzuki, Tata Motors has been able to almost maintain its market share in the SCVs space, as their Intra platform has been able to garner some traction in this segment.

In the upper-end LCVs segment, VECV was able to gain some market share in Fiscal 2021 compared with the average levels seen during Fiscal 2017 to Fiscal 2020. While Tata Motors has lost some ground in this segment, the impact of the recent launch of its new offerings 'Ultra T6' and 'T7' will be key monitorables for the coming year.

In M&HCVs, Tata Motors regained some lost share in Fiscal 2019 with the launch of its revamped Signa platform as well as the launch of its 5 litre 4 cylinder engine in its M&HCV platforms. In Fiscals 2020 and 2021, Tata Motors has been able to hold on to 50% or more of the M&HCV market, driven by new product offerings in the tipper (model 4825) and trailer space (model 5525).

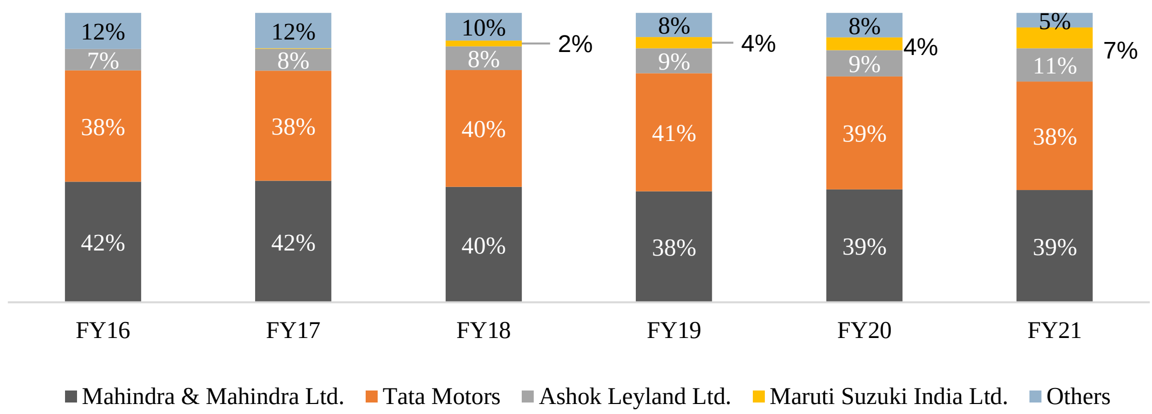
In Fiscal 2021, VECV has also gained market share due to relatively resilient sales of the ICV segment (where VECV is a strong player) compared with other segments.

Overall CV industry split by market share across OEMs



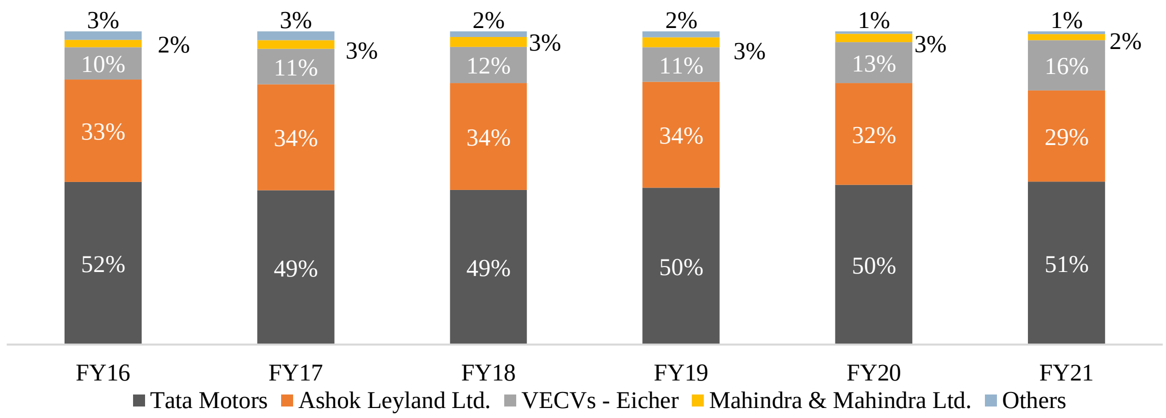
Source: SIAM and CRISIL Research

LCV industry split by market share across OEMs



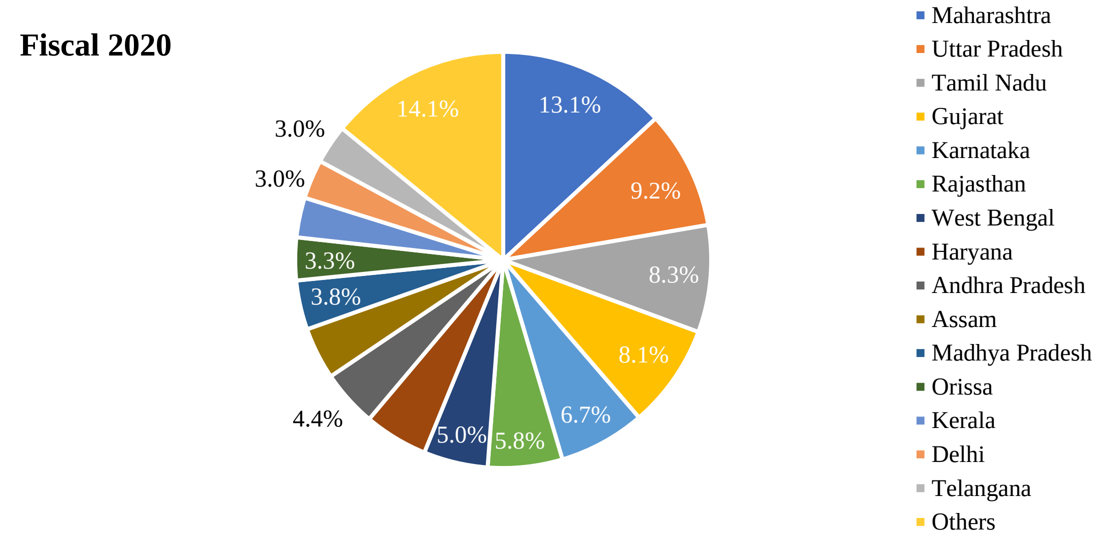
Source: SIAM and CRISIL Research

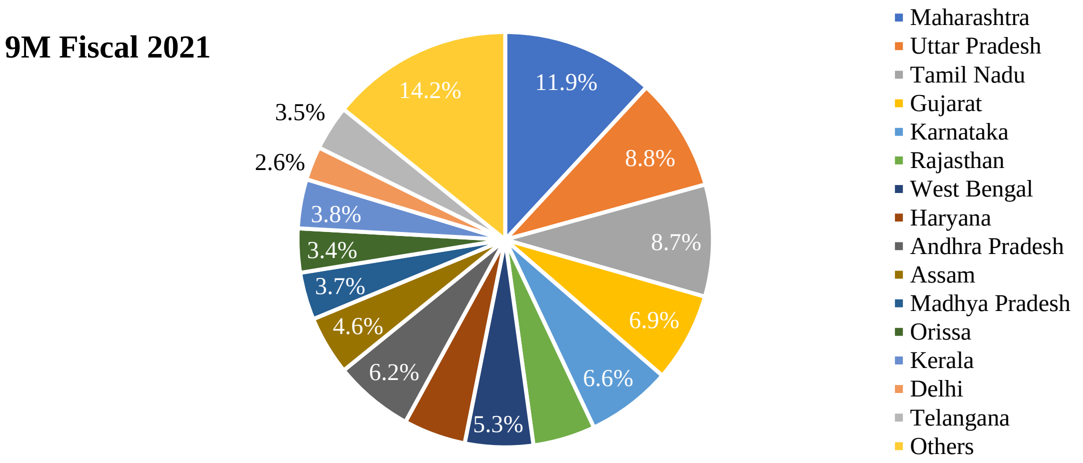
M&HCV industry split by market share across OEMs



Source: SIAM and CRISIL Research

State wise contribution to annual sales

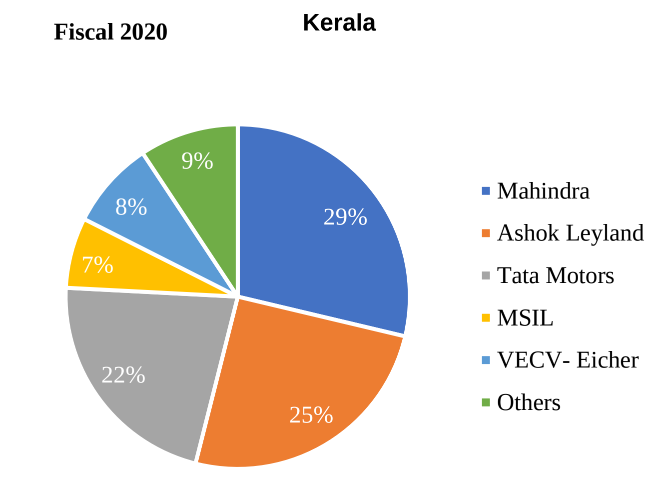


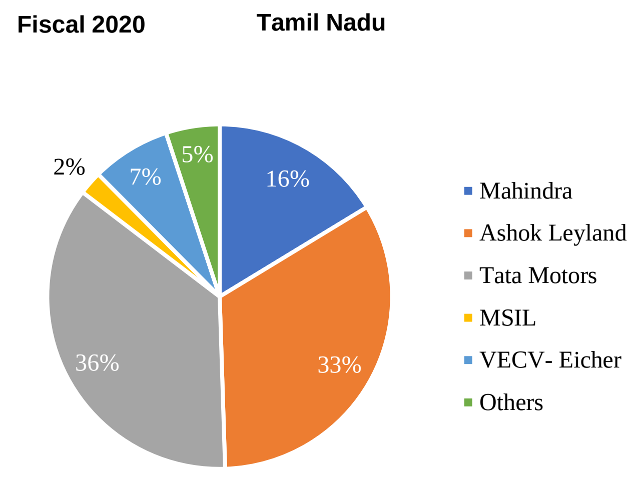


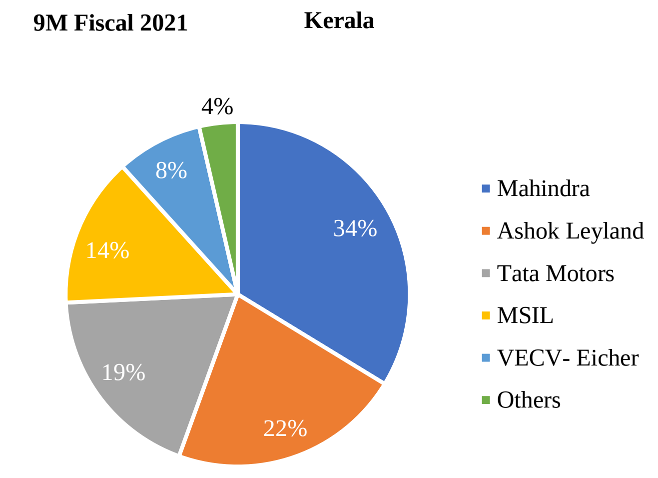
Note: 9M: April-Dec 2020, Q4FY21 state-wise data yet to be released by SIAM
Source: SIAM and CRISIL Research

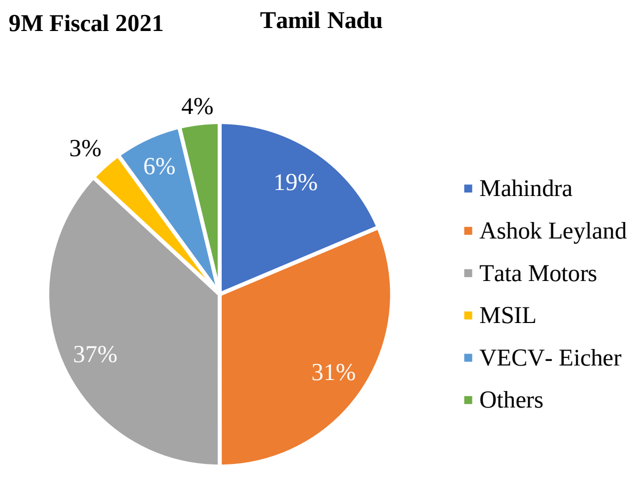
Maharashtra and Uttar Pradesh were the biggest contributors to overall CV sales in India, accounting for 21% in 9M Fiscal 2021. Maharashtra, Uttar Pradesh, Tamil Nadu, Gujarat, Karnataka and Andhra Pradesh together accounted for nearly half the demand during the period. Kerala and Tamil Nadu together accounted for 13% of the domestic CV sales. Tata Motors dominated the market in Tamil Nadu, while Mahindra Navistar contributed the highest sales in Kerala, followed by Ashok Leyland and Tata Motors.

Sales volume mix across Kerala and Tamil Nadu









Note:
1. 9M: April-Dec 2020, Q4FY21 state-wise data yet to be released by SIAM
2. Mahindra & Mahindra includes figures for Mahindra Navistar (M&HCV)
Source: SIAM and CRISIL Research

OEM wise state level sales

OEM	Kerala		Tamil Nadu	
	Fiscal 2020	9M Fiscal 2021	Fiscal 2020	9M Fiscal 2021
Mahindra	6,352	4,605	9,699	5,805
Ashok Leyland Ltd	5,585	2,982	19,747	9,764
Tata Motors Ltd	4,839	2,552	21,343	11,494
Maruti Suzuki India Ltd	1,465	1,923	1,311	957
VECV- Eicher	1,824	1,104	4,397	1,950
Others	2,061	493	2,998	1,172
Total	22,126	13,659	59,495	31,142

Source: SIAM, CRISIL Research

Key regulatory changes

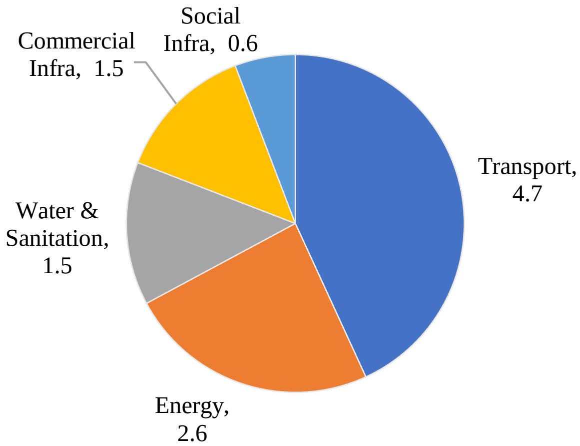
- **Axle load norms**
- **Emission norms**
- **Higher safety measures for buses**
- **Scrappage policy**

- **Commissioning of dedicated freight corridors ("DFCs") to put brakes on road freight and hence CV sales**

Key trends and growth drivers

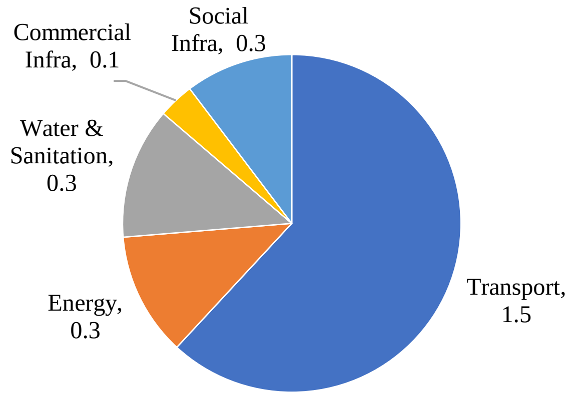
- **Stable agricultural output**
- **Fillip to industrial output**
- **Government's focus on infrastructure**

Outlay of NIP projects in Tami Nadu (Rs lakh crore)



Source: India Investment Grid, CRISIL Research

Outlay of NIP projects in Kerala (Rs lakh crore)



Source: India Investment Grid, CRISIL Research

- **Scrappage policy**
- **Commissioning of dedicated freight corridors ("DFCs") to put brakes on road freight and hence CV sales**

Outlook of the Indian CV industry (between Fiscals 2021 and 2026P)

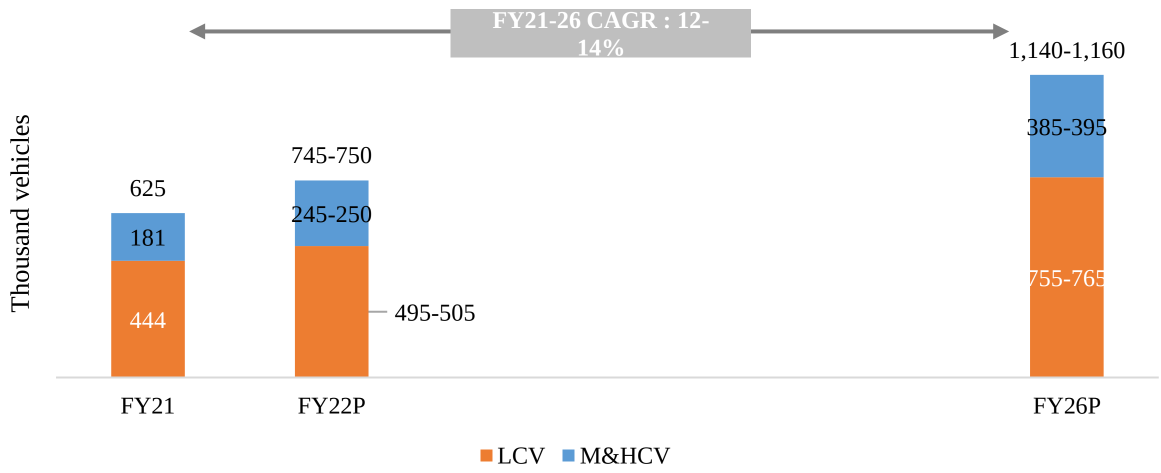
Production outlook (between Fiscals 2021 and 2026P)

The domestic CV production is projected to record a 12-14% CAGR between Fiscals 2021 and 2026, led by a sharp 10-12% CAGR in the LCV segment and 16-18% CAGR in the M&HCV segment.

However, domestic CV production is expected to register only 7-8% CAGR between Fiscals 2022 and 2026, as the first half of Fiscal 2021 was severely impacted by the pandemic leading to low base effect. M&HCV production is likely to record an 11-12% CAGR; while, the LCV segment is expected to register 5-6% CAGR between Fiscals 2022 and 2026.

The production of buses has sharply declined in Fiscal 2021, because of low people mobility due to the pandemic. However, driven by vaccination programs throughout India, production of buses is projected to rise slowly from Fiscal 2022 onwards, as sales recover on a low base of Fiscal 2021. Further, production for goods vehicles is estimated to record an 11-13% CAGR between Fiscals 2021 and 2026.

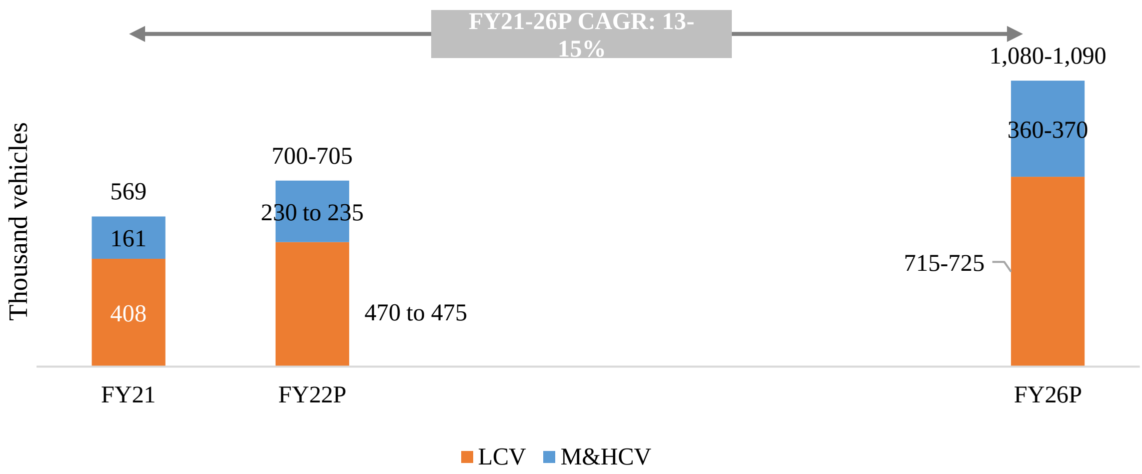
CV production outlook



Note: E - Estimated; P – Projected, Domestic production excludes Bharat Benz's production volume, as its production is not reported by SIAM
Source: SIAM, CRISIL Research

Domestic sales outlook (between Fiscals 2021 and 2026P)

CV domestic sales outlook



Note: E - Estimated; P – Projected, Domestic sales exclude Bharat Benz's sales as its sales figures are not reported by SIAM
Source: SIAM, CRISIL Research

End-use sector outlook (between Fiscals 2021 and 2026P)

Key end-use segments and outlook		
Sectors	**Growth outlook (FY21-FY26)**	**Key aspects**
Coal	2-2.5%	Growth in coal-based power generation Demand from allied sectors such as cement and sponge iron
Steel	6-7%	Building and construction, the major demand creator in this segment
Cement	4-5%	Demand to be driven by rural housing / affordable housing and commercialisation of Tier III/IV cities Infrastructure demand also plays an important factor according to National Infrastructure Pipeline (NIP)
Port movement	3-5%	Iron ore exports to support growth, as global demand for steel improves. POL trade (imports) particularly in LPG poised to go up

Key end-use segments and outlook		
Sectors	**Growth outlook (FY21-FY26)**	**Key aspects**
Road investment	8-10%	NIP to drive infrastructure investments on roads and highways. CRISIL Research expects the Govt. of India (GoI) to be able to achieve 80-85% of its targeted investments
E-commerce	10-15%	Food, fashion and grocery segments to grow at a faster rate as penetration improves. E-retailers to focus on expansion in Tier I/II cities over this period

Source: CRISIL Research

M&HCV segment to log high growth until Fiscal 2026

M&HCV sales are projected to clock 17-19% CAGR between Fiscals 2021 and 2026P and 11-13% CAGR between Fiscals 2022 and 2026P vis-à-vis negative 12% CAGR posted between Fiscals 2016 and 2021. The decline in the past can primarily be attributed to two continuous abnormal years in Fiscals 2020 and 2021.

Going ahead, improved product mix (i.e. higher growth in MAV and T-Trailer demand, especially in case of newer high tonnage 4x2 tractor trailers) will lead to better tonnage addition. We, however, note that long-term growth forecast is over a very low base, with sales in Fiscal 2021 being less than half of what they were in Fiscal 2019.

Factors driving long-term M&HCV sales include improving industrial activity, steady agricultural output, and the government's focus on infrastructure. However, further volume growth will be limited by efficiencies achieved post introduction of the GST regime and better road infrastructure, along with commissioning of the DFCs.

LCV sales to grow at a modest pace in the long run

LCV demand is expected to record 11-13% CAGR between Fiscals 2021 and 2026P, owing to higher private consumption, low penetration levels providing headroom for growth, greater availability of redistribution freight, and improved finance availability post Fiscal 2021.

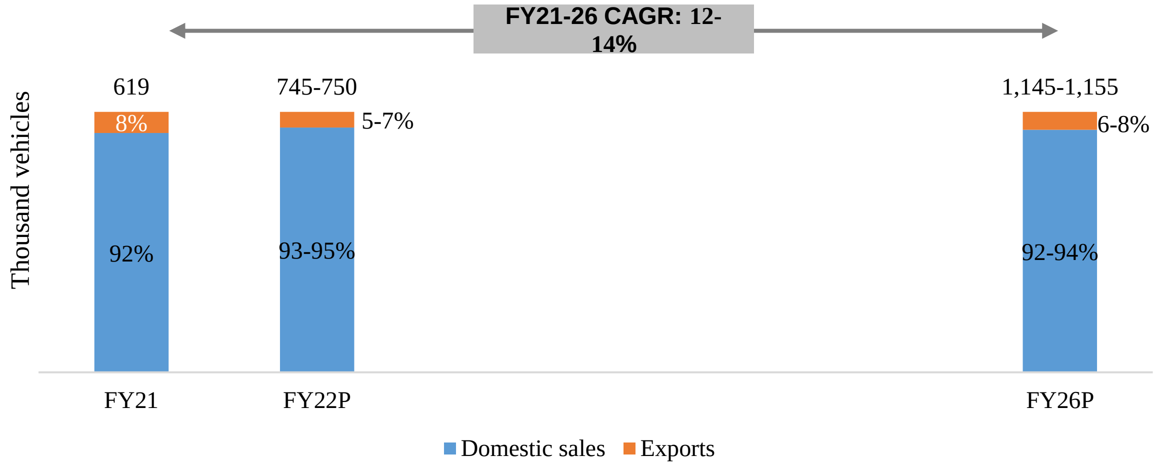
Within LCVs, the shift towards pick-ups (which carry higher loads) from sub-one tonne vehicles, though, will curb a sharper increase in sales volume, as fewer trucks will be required to transport the same quantity. Moreover, upper-end light commercial vehicles (ULCVs) offer the transporter lower returns, compared with ICVs, and are most suited for captive use. However, entry restrictions on ICV trucks and higher tonnage MHCVs within city limits are likely to keep LCV demand buoyant. However, higher toll on ULCV trucks vis-à-vis pick-ups will limit ULCV trucks' growth.

Bus demand to grow moderately in the long run

CRISIL Research projects domestic bus sales to record 44-46% CAGR between Fiscals 2021 and 2026P on a very low base of Fiscal 2021, due to increasing demand for inter-city/-state travel, aided by better road infrastructure, and higher personal disposable incomes. This unregulated segment primarily caters to demand from schools, companies and inter-city travel by private operators. A large part of the demand will originate from replacement of Jawaharlal Nehru National Urban Renewal Mission buses, which were sold during Fiscals 2011 and 2012, once funds are released by the Centre and state governments to purchase the buses. This replacement is expected to gain pace post Fiscal 2021, aiding long-term MCV bus growth. However, further expansion in bus sales would be affected by the commissioning of metro rails and monorails in several cities.

Split by domestic sales and exports

CV industry split into domestic sales and exports



Note: E - Estimated; P - Projected
Source: SIAM, CRISIL Research

Key upcoming regulatory changes

- **Truck body code to lead to ~5% rise in cost of ownership; norm likely to be postponed**
- **Fuel efficiency norm likely to be enforced by Fiscal 2023**
- **Electrification in CVs**

Automobile dealership industry in India

Dealership forms an intrinsic part of the automobile sector, playing the role of an intermediary between the customers and the manufacturers. Dealership also plays an indispensable role in the overall vehicle supply chain, providing local vehicle distribution channel based on a contract with the automaker. It also plays a key role in the aftermarket space by providing maintenance services and supplying spares/automotive parts as well as accessories.

From manufacturers' perspective, dealers play the crucial role of retail distribution at regional, city and local levels and also provide manufacturers with customer insights that are very useful in the production planning of manufacturers.

Dealers support customers from the initial phase with guidance for vehicle selection and also assist in the necessary vehicle financing. They facilitate a smooth transfer of vehicle from manufacturer to customer, assisting in registration and required insurance formalities. Additionally, the dealers also provide required support for accessorising and vehicle customisation.

For financial institutions, dealerships provide a huge business opportunity in the form of retail finance as well as inventory funding. Even for insurance providers, dealerships act as an easy avenue of new customer acquisitions.

A dealership is a one-stop shop for all the below requirements:

Buying a new vehicle

Vehicle repair & servicing

Regular maintenance/ AMC

Buying necessary spares/ lubricants

Vehicle accident repair

Buying a pre-owned vehicle

Selling/ exchanging the old vehicle

Availing required financing

Buying vehicle insurance

Renewing vehicle insurance

Vehicle registration

Vehicle customisation/ beautification

Buying accessories

Insurance claims (for accident repair)

Availing additional services such as anti-rust coating, paint protection, interior clean up, etc.

There are more than 17,000 dealerships with nearly 27,000 touchpoints across India catering to customers of two-wheelers, passenger vehicles, CVs, three-wheelers and tractors. These dealerships employ 4-4.5 million people at sales outlets and associated service centres combined.

Two-wheelers dominate the number of dealerships with nearly 60% share, followed by the passenger vehicles segment with ~15% share and CVs forming another ~10%. The remaining is formed by three-wheelers and tractor dealers. Presence of three-wheelers and tractor distributorships is relatively limited.

Dealership scenario in India

In India, a typical dealer is associated with one or more manufacturers across vehicle segments: CVs, PVs, two-wheelers, three-wheelers & tractors. While smaller dealers associate with one particular manufacturer of a single vehicle segment, larger dealers associate with multiple manufacturers across segments, diversifying their investments. For instance, a large dealer can be associated with 1-2 PV manufacturers, 1-2 CV manufacturers and one two-wheeler manufacturer, subject to the trading agreements with the OEMs.

Dealers normally have three types of outlets: sales-service-spares (3S), only sales (1S), and only workshops. Most large dealers have multiple outlets or touch points with a few 3S outlets and many workshops/ service stations across the city. They also have a large sub-dealer network that works under the umbrella dealership and caters to smaller semi-urban/ rural areas nearby. A few dealers also have ARDs (authorised representative of the dealer) that provide the minimal required services to customers in rural areas. ARDs are more prominent in the two-wheeler segment.

For PV dealers, the main dealer has a few 3S dealership outlets in major cities, complemented by a large number of workshops catering to service and maintenance demand. Moreover, PV dealers also have an affiliated OEM franchised dealership for pre-owned vehicles like True Value, H-Promise, U Trust, etc.

CV dealers typically have their 3S dealerships outside the city, while the smaller, only sales outlets (especially for LCVs) are located within the city. They also have a large number of workshops on the major highways providing service support. Separate affiliated pre-owned vehicle dealerships are not common in the CV segment.

Small dealers normally have 1-3 sales outlets and 2-4 workshops in one particular city or town. Large dealers have 10-15 outlets in multiple cities across 1-2 states, with 20-40 service outlets and a network of sub-dealers.

Larger dealerships offer significant advantages and better profitability to dealers in terms of economies of scale, better OE negotiations, increased workshop revenue, better insurance finance deals as well as higher customer retention. (These advantages have been discussed in detail in subsequent chapters).

However, dealers are not able to expand exponentially in a short span of time, given the very high investment required to open a dealership as well as due to the agreement conditions set by manufacturers. Manufacturers expand their dealerships mainly on the basis of the estimated market potential and their market share goals and typically do not allow unrestrained dealership expansion.

That leaves consolidation as the primary source of business expansion for the dealers. Consolidation is achieved by acquiring smaller dealerships as well as obtaining the dealership code from a defunct dealership.

Currently there are only a handful of very large dealerships in India with 100+ outlets and a presence across 4-5 states. Compared with global dealership giants like Penske Automotive (~320 dealerships across the US & the UK), Carvana Motors (~270 dealerships across the US), Lithia Motors (~210 dealerships), Group 1 automotive (~ 185 dealerships across the US, the UK and Brazil) , Indian dealerships are still in the development stages with significant room for expansion. Their large size help global dealerships expand their topline as well as bottomline revenue, earning a few billion USD in revenue and 8-12% in gross profits.

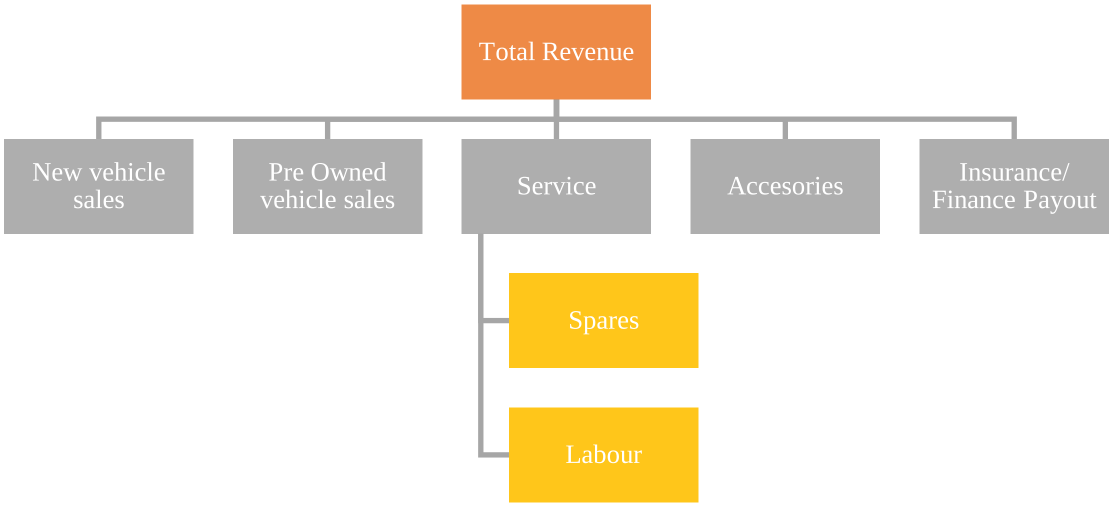
In 2020, Penske Automotive earned $20.4 billion in revenue (6.2% gross margin), while Lithia Motors and Group 1 automotive clocked $13.1 billion (11.2% gross margin), and $10.8 billion in revenue (8.6% gross margin), respectively.

These global dealerships also have a significant contribution (~30% by revenue compared with 7-15% for their Indian counterparts) from their pre-owned vehicle business. In volume terms, for global dealerships, 50-55% of vehicles sold are pre-owned, compared with only 20-25% for Indian dealers.

The Indian pre-owned vehicle market (predominant in PVs) is still in a nascent stage and there is huge room for growth. (The pre-owned PV segment is covered in detail in a separate section).

PV dealership landscape

For a typical PV dealership, there are five major revenue streams.



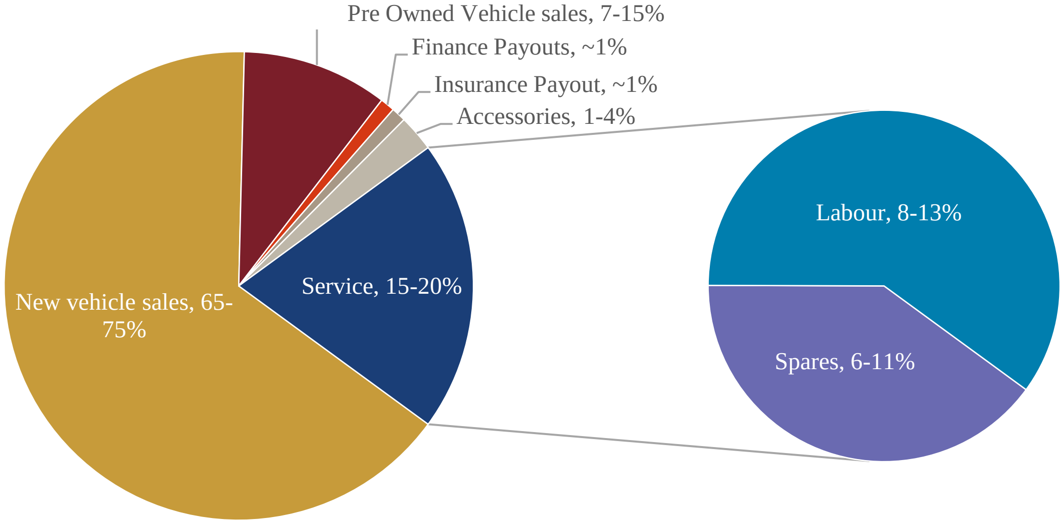
Vehicle sales: Selling vehicles is the primary business for any dealership and naturally forms the lion's share of overall dealership revenue. This share is also aided by revenue earned from the sale of pre-owned passenger vehicles.

The option of exchanging an old vehicle during the purchase of a new vehicle is predominant in the PV segment, as compared with other segments, with 30-40% of vehicles sold with exchange. Thus, most dealerships provide vehicle exchange schemes that aid the overall vehicle sale revenue share.

Major PV manufacturers have an affiliated dealership chain like Maruti True Value, Hyundai H promise, Mahindra First Choice, Toyota U Trust, and Honda Auto Terrace that provides selling services for pre-owned vehicles. These pre-owned vehicle dealerships are typically affiliated with a new vehicle sales dealership; exchanged, old vehicles from the new vehicle dealership are normally sold though these affiliated pre-owned vehicle dealerships.

According to CRISIL Research, for a typical PV dealership, new vehicle sales form 65-75% share of the overall revenue, while the sale of pre-owned cars accounts for 7-15%.

Typical revenue break-up for a PV dealer



Source: Industry, CRISIL Research

Service: Income from the service segment is another major source of revenue for the dealer. This includes revenue earned from sale of spares/ auto parts/ lubricants used, as well as the labour costs involved. Service revenue is earned during the regular maintenance/ periodic service visits by customers, running repairs with normal wear and tear as well as accident repair work undertaken at the dealer workshops.

Services revenue can be sub-divided into two major parts: spares and labour. Revenue earned by selling automotive components, parts, lubricants, etc., used for vehicle repair or maintenance is considered spares revenue; the amount charged for the effort or the technical expertise required for the vehicle repair is considered labour revenue. For PV dealers, labour costs contribute 50-55% to the service revenue, while the rest is from spares.

Many customers use authorised workshops as long as the vehicle is under warranty. Once the warranty lapses, roadside mechanics are preferred over authorised dealership workshops. This is mainly due to customer perceptions about dealer workshops being relatively more expensive. Moreover, unlike the local mechanics, dealerships use only genuine, branded spare parts which are more expensive, increasing the overall repair costs for customers.

However, this behaviour is less prominent amongst PV owners, given the relatively lower running and repair requirements of PVs, as well as customers' willingness to spend relatively more for the safety and proper maintenance of the self-used vehicles. Hence, the share of customers preferring official dealership workshops for repair even post-warranty is higher in PVs over CVs.

This is reflected in the share of service revenue for PV dealers as compared with CV dealers. For PV dealers, service forms 15-20% of the revenue, while for CV dealers, service contributes 10-12% to the overall revenue.

In recent years, the use of sensors and other state-of-the-art technology has increased significantly in PVs. These upgrades have improved vehicle efficiency as well as user driving experience; however, the repair of such vehicles requires IT-backed automated repair systems and enhanced technical expertise that roadside mechanics lack.

CRISIL Research expects the share of revenue from services to expand going forward on the back of the increased requirement for technical expertise as well as supporting repair infrastructure to repair the latest advanced vehicles that only dealerships can provide.

Accessories: For a PV owner, parking sensor/camera, GPS/ navigation system, LED headlamps, music system, speakers, seat covers, floor mats, car cover, wheel covers, air fresheners, tyre inflators, etc., form part of the requisite accessories list. Depending on the vehicle and the variant, a few of these accessories come pre-installed/ packaged with the car price. However, for most vehicles, many of these have to be bought separately. All PV dealers provide a collection of such accessories at their showrooms.

Moreover, dealers also provide a few value-added services like:

Sunscreen film

Anti-rust coating

Under body coating

Rodent repellent

Ceramic coating

Fumigation

Upholstery cleaning

AC cleaning and disinfecting

Paint/ polish protection

Windscreen treatment

Headlight/taillight treatment

Sale of these accessories and value-added services provides an additional source of revenue for the dealers. The revenue from accessories typically forms 1-4% of the overall revenue for PV dealers. Value-added services are also are very high in terms of margins.

Finance payouts: Financing is an integral part of vehicle purchase. For the PV segment, finance penetration is between 75-80%. PV dealers facilitate easy financing for their customers through tie-ups with various PSU banks and NBFCs. Representatives of these financial institutions are stationed in the dealerships and help customers avail financing for their vehicle purchase.

For every financing deal done from his dealership, the dealer receives a percentage of the financed amount as his commission or finance pay-out, which forms part of his overall revenue. From 0.5% of the financed amount, larger dealers can even earn commissions up to 3% of the financed amount.

These finance pay-outs contribute nearly 1% to the dealer's revenue.

Insurance payouts: When purchasing a new vehicle, the Motor Vehicles Act mandates customers to avail vehicle insurance for the safety of the vehicle, the customer as well as any third party involved in case of an accident.

To comply with the same, dealers provide support to customers through various insurance schemes offered by insurance companies registered with the Insurance Regulatory and Development Authority of India ("**IRDAI**"). Normally, more than 90% of the customers avail insurance through dealers while purchasing a new car. Moreover, most customers get their insurance renewed from the dealers after the expiry of initial coverage, providing another fillip to dealer revenue, especially for larger dealers who have a significant vintage. Currently, customers have to renew their insurance coverage every year.

In line with finance pay outs, dealers also earn a percentage of premium as a commission from the vehicle insurance done at their dealerships. Larger dealers can even get up to 19.5% of premium as a commission. These commissions form ~1% of dealers' overall revenue.

Dealer additions

PV dealerships form ~15% of overall dealerships in India and contribute to ~20% of the overall touchpoints.

Primary PV dealerships are typically based out of large cities with multiple outlets throughout the city and a sub-dealer network covering nearby semi-urban and rural areas. All the multiple outlets and sub-dealers work under the umbrella dealership where the primary dealership handles overall ordering and procurement.

Dealerships are allotted by manufacturers based on their coverage of that region, mapping of the competition, expected retail sales and their market share goals. Dealer expansion is primarily done taking into account the macroeconomic environment and the future growth prospects of the industry. Manufacturers also introduce dealerships in line with their long-term goals.

On the other hand, manufacturers also face dealer closures due to unfavourable market conditions, lack of financial discipline, especially among smaller dealers, as well as some extenuating circumstances making the dealership unviable. In such cases, manufacturers also take corrective actions with the introduction of new dealers in that area to maintain their coverage.

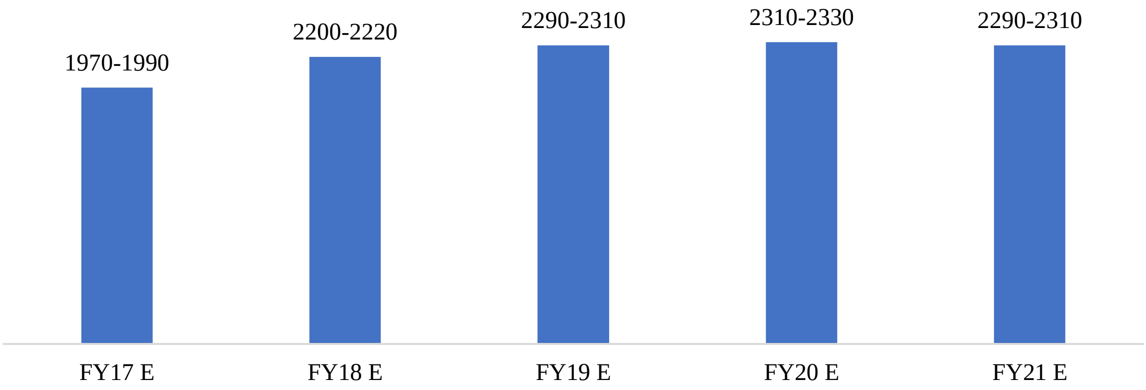
After the financial crisis of Fiscal 2008, the domestic PV industry registered a healthy expansion from Fiscal 2009 to 2010. In line with the increased demand, manufacturers expanded their dealership network at a fast pace during that time period, also backed by high GDP growth of 8-8.5% y-o-y. During Fiscal 2012 to 2014, dealer additions slowed down in sync with the tapered economic growth.

From Fiscal 2015, dealer additions picked up pace, backed by improvement in economic growth, with Maruti providing the major growth impetus. In 2015, Maruti introduced NEXA, a new network of dealerships for its premium cars- the S-Cross, Baleno, Ciaz and Ignis. The company undertook the expansion of this new network over the next few years. This addition was on top of Maruti Suzuki's normal dealership network, rebranded as ARENA.

Moreover, other manufacturers like Tata Motors also expanded their dealership network in a bid to push their newly-launched models, accelerating dealership expansion to 10-12% CAGR during Fiscal 2016 to 2018.

In Fiscal 2018, General Motors wound up its India operations and closed its nearly 300 dealerships. However, about 250 of those dealerships were reattached to other manufacturers over a 1-2 year period.

Trend in number of dealerships



Source: Industry, CRISIL Research

During Fiscal 2019 to 2020, dealership expansion slowed down amidst the slowdown in PV sales growth, as well as tepid economic expansion. A few dealerships of Jeep, Datsun and Nissan, especially from tier 2 and 3 cities, were discontinued during the same period. On the other hand, the entry of KIA & MG provided a boost to dealership expansion in Fiscal 2020, with other manufacturers continuing their expansion at a subdued pace. Overall, the dealership landscape remained near-steady during Fiscal 2020, in line with retail sales. Although offtake sales dropped 18% during Fiscal 2020 due to the inventory correction for BS VI implementation, retail sales were almost stagnant at 3 million units.

The pandemic hit the world hard in Fiscal 2021, impacting growth across world economies. The Indian economy was impacted as well, contracting 7.3% during the year.

An unfavourable macroeconomic environment and declining sales impacted dealership operations across the automobile segments. Most dealership were not operational in April /May, and were partially operational in June/ July, amidst the pandemic restrictions.

During this difficult period, dealers had to bear the financial burden of fixed costs as well as interest, while their income avenues were very limited. The added cost of complying with strict Covid-19 protocols exacerbated the situation, which made the dealerships unviable for many. CRISIL Research estimates that 2-4% of dealerships shut during the year.

However, the PV industry registered a revival from the second quarter, amidst the previous bookings for newly-launched cars, increased need for personal mobility due to the pandemic, as well as pent-up demand. Retail sales restricted its contraction to 13% during the year; offtake, however, posted better numbers, backed by the inventory correction for BS VI vehicles on the low base of Fiscal 2020.

Even though a few dealerships shut during the year, new entrants like KIA continued expanding their reach during Fiscal 2021. Thus, overall dealerships are estimated to have remained range-bound during the year.

Average dealership sales

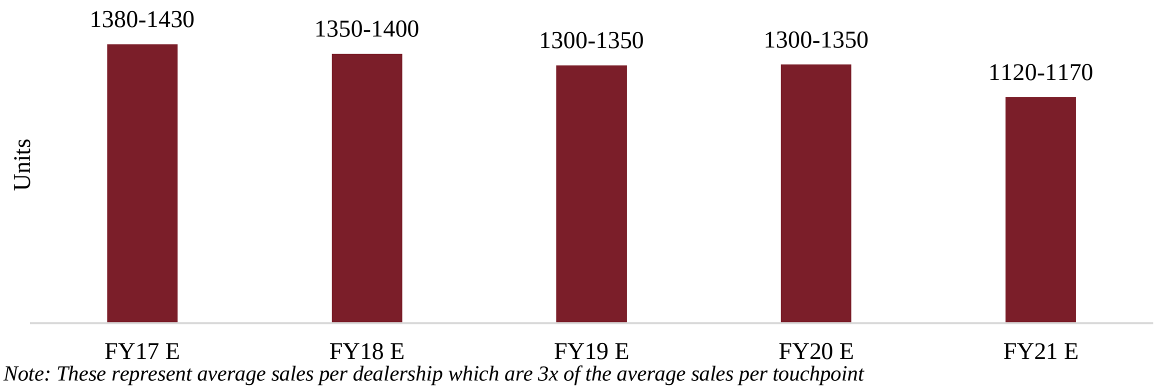
For a PV dealer, revenue from new vehicle sales forms a dominant 65-75% share of total revenue. There are two factors which directly impact dealer vehicle revenue- vehicle retail demand and the number of dealerships catering to that demand.

During Fiscal 2016 to 2018, market demand was on an increasing trend with retail sales registering ~8% CAGR. Dealerships, on the other hand, grew at a relatively faster 10-12% CAGR amidst the NEXA expansion, contracting the average sales per dealership during the period. Sales/ dealership contracted 2-4% and reached 1350-1400 vehicles in Fiscal 2018. During Fiscal 2018, the closure of GM dealerships gave a fillip to average dealer vehicles sales.

During Fiscal 2019, although offtake sales reached an all-time high of 3.4 million vehicles, retail sales registered a near stagnant 3 million vehicles. Tepid growth in dealerships continued during the year, with average dealership sales contracting 3-5%.

Offtake demand took nosedived in Fiscal 2020 with the decline in GDP growth as well as inventory correction for BS VI implementation. Retail demand, on the other hand, continued in their 3 million vehicle sales range even in Fiscal 2020. Average sales per dealership remained range-bound with no significant change in the dealership landscape as well.

Average sales per dealership trend for PV dealers



Note: These represent average sales per dealership which are 3x of the average sales per touchpoint
Source: Industry, SIAM, CRISIL Research

During Fiscal 2021, pandemic-induced uncertainty hit the market. First quarter business was almost lost for most dealers while costs piled up, making the dealership business unviable for many and driving the closure of a few. The overall pace of dealership expansion came to a screeching halt, although a few manufacturers resumed their network expansion in the later part of the year.

Despite a sharp loss in the first quarter, PV sales revived in the second half, restricting annual retail sales drop to 13%. This drop in retail sales pulled down average dealership sales by 10-15% to 1120-1170 vehicles.

The domestic market was expected to continue on its growth path from Fiscal 2022; however, the resurgence of the pandemic hit the brakes on a revival. Despite relatively subdued growth expected in Fiscal 2022, CRISIL Research expects the market to rebound in the long run and clock 10-12% CAGR from Fiscal 2021 levels (2.7 million) to reach ~4.5 million by Fiscal 26.

Going forward, dealership additions are expected to be in sync with economic growth as well as the estimated growth in PV sales. New entrants are expected to continue their network expansion, especially in tier 2/ tier 3 cities, while dealership expansion for established players is expected to remain relatively subdued, providing a push to average sales per dealerships levels in the long term.

Dealer profitability

Margins received from the revenue segments vary significantly. Although vehicle sales dominate overall revenue, returns from the same are among the lowest; on the other hand, service /spares and accessories sales form a relatively smaller share of total revenue but their contribution to overall profits is significant.

Deep dive into the profitability of each revenue segment:

New vehicle sales: The margin earned by the dealer from new vehicle sales is the per vehicle margin paid by the manufacturer to the dealer. Manufacturers pay dealers a percentage of the vehicle price as a fixed margin. While this margin is decided by the manufacturer and is similar for all the dealers of that particular manufacturer across India, it does vary from manufacturer to manufacturer.

Typically, luxury PV manufacturers offer relatively higher margins to their dealers, given the limited demand for luxury vehicles in India as well as the extravagant buying experience provided by the dealers.

For PVs, the per vehicle sales margin hovers around 2-4%, varying marginally from manufacturer to manufacturer. Luxury PV manufacturers provide a relatively higher margin of 5-7% per vehicle.

Over and above this per vehicle margin, manufacturers also offer added incentives to dealers, based on the dealer’s performance, the quantum of the vehicles sold by the dealer, target completion, manufacturer market share goals, seasonality, etc. These incentives vary from region to region as well as from dealer to dealer.

For a well-established large dealer, these incentives can provide an additional margin of 3-5% per vehicle, taking the overall margin achieved per vehicle to 6-8% for a normal PV dealer. A luxury vehicle dealer can achieve a 10-12% per vehicle margin, including incentives.

Pre-owned vehicle sales: The pre-owned vehicle sales segment is more common in the PV segment, as compared with CVs. Most manufacturers offer exchange schemes at their new vehicle sales outlets.

The pre-owned vehicles received in exchange are typically routed to their pre-owned vehicle sales arms like True Value, First Choice, U Trust, Auto Terrace, H Promise, etc., where the old vehicles are refurbished and sold to customers.

Margins in the pre-owned vehicle sales segment vary significantly from vehicle to vehicle, depending on the vintage and the state of the vehicle being sold. It also depends on the original make of the vehicle. Even in the pre-owned vehicle market, a few brands enjoy higher traction while others are normally avoided. Although these notions are primarily based only on customer brand perceptions, they play a sizeable role in pre-owned vehicle price negotiations.

Margins in this segment vary from 5-15%.

Service: Another major contributor to dealership revenue is the service segment. Unlike vehicle sales, this segment is a high margin segment for the dealership and contributes a sizeable amount to overall dealer profitability.

All dealerships use only OEM-branded or manufacturer-approved genuine parts/ lubricants/ oils. Dealers procure these parts directly from manufacturers/ official distributors and use them in their workshops. Given the significant quantity of parts used by the dealer workshops, dealers also receive additional discounts on the same.

For a PV dealer, margins on spare parts are usually between 20-25%.

For the other major part, labour, dealer expense is limited to the salary and employee benefits offered to the workers employed in the workshop. Given the high vehicle volumes in the workshop, the same mechanic works on a number of vehicles simultaneously, reducing the dealer’s per vehicle employee spend. Thus, labour revenue is the most profitable segment for a dealer, with typical margins ranging between 60-70%.

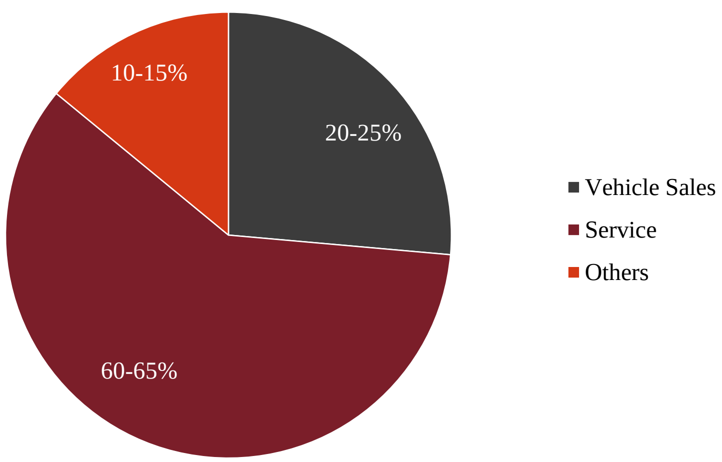
Accessories: Dealers procure OE-branded accessories like seat covers, floor mats and wheel covers from the manufacturer, while the other accessories like electronics are procured from branded suppliers.

This is another high-margin segment for the dealers, with margins between 15% to 25% on some products.

Finance/ Insurance pay-outs: These are relatively smaller segments for dealer revenue, contributing ~2% combined for PV dealers. This revenue is a percentage commission earned by the dealer for facilitating the finance or insurance scheme opted for by the customer.

These pay-outs do not warrant any notable additional expenses from the dealer and directly contribute to dealer profitability.

Typical segment-wise share in gross profits



Note: Vehicle sales include new & pre-owned PV sales, others include Accessories, finance pay out, insurance pay out
Source: Industry, CRISIL Research

The service segment is the primary contributor, contributing 60-65% to the dealer profitability. Dealers with a higher dependence on vehicle sales are at a disadvantage, given the much lower profitability margins earned from vehicle sales, compared with service which provides a 30-50% margin.

Moreover, under unforeseen circumstances like the pandemic, when significant uncertainty was looming over vehicle sales, regular servicing /repair/ spare sales provided a much needed breather to the dealers.

Even in the longer run, dealers with a greater focus on the service segment are expected to have an edge over others.

In line with the average sales, dealer revenue from vehicle sales was also on a downward trajectory since Fiscal 2016, with sales revenue suffering a big blow in Fiscal 2020. The first half of Fiscal 21 was very difficult for dealers, with the second half providing some relief.

Although some improvement in vehicle sales revenue is expected for dealers in the long run, it is not expected to majorly support dealer profitability.

Despite being the preliminary revenue contributor, the profitability of the vehicle sales segment is relatively low (2-4%, not including incentives) as compared with the second largest contributor- service. And although manufacturers have supported dealers by increasing vehicle margins/ incentives over the years, the major support to dealer profitability came from the service segment, especially during the difficult period of Fiscal 2021.

The first quarter was nearly washed away for most dealers amidst the lockdown & other restrictions. During that period, dealers still had to bear the costs for rent, salary, financing, etc. And although there were some salary cuts, a reduction in the workforce as well as some support from banks in terms of a moratorium, there was a significant impact on dealer finances with no vehicle sales revenue coming in. Moreover, during the unlock period and the subsequent months, dealers had to pay for additional costs for complying with manufacturer-specified Covid 19 protocols. All this had a negative bearing on dealer profitability.

And although the improvement in demand during the second half of Fiscal 2021 provided some relief to dealers, the primary support to dealer profitability came from the services segment.

Dealer returns

EBITDA (earnings before interest, taxes, depreciation and amortization) margins for PV dealers are typically in the range of 2-5%. Large dealers, given higher economies of scale, operate at 3.5-5% margins, while smaller dealers operate at 2-3%.

Return on capital employed ("**ROCE**") for PV dealers is generally in the range of 11-13%, lower than that for two-wheeler dealers given high dealership set-up costs. However, it is higher than that for CV dealers due to lower investments required for maintaining inventories and higher contribution of the high-margin services business.

Returns for PV dealers have been under pressure in the last few years amid the continued decline in average dealership sales. CRISIL Research expects some improvement going forward with potential improvement in sales and services revenue.

Added advantage for large dealers

Large dealers, given the sheer size of the business, receive added benefits as well as higher economies of scale backing their better finances. A few of the major advantages are:

Better OE negotiations: Large dealers enjoy higher bargaining power, as compared with smaller dealers, helping them bag better deals with manufacturers, thus boosting their profitability. Moreover, large dealers also get higher incentives per vehicle with the higher number of vehicles sold aiding their profitability further.

Better deals with vendors: While procuring supplies like tyres, paint and spares from other vendors, large dealers have an edge over their smaller counterparts, ensuring higher profitability.

Greater share of service revenue: Bigger dealers typically have a large number of sales outlets and an even larger number of workshops catering to the repair & service segment. This enables them to serve a higher number of vehicles, boosting their high-margin service revenue. For large dealers, the service to sale ratio, or the number of vehicles serviced to number of vehicles sold, can be in the range of (15-20): 1, whereas for smaller dealers this ratio is much flatter. Moreover, their service centres are highly automated with larger spares inventory, helping large dealers provide faster as well as better customer service. With the fast increasing advancements in vehicles, larger dealers with an exhaustive, IT-backed, state-of-the-art set-ups will be able to service new-age vehicles, providing a-boost to their service segment revenue in the longer term.

Better insurance/ finance deals: Dealers earn a percentage of financed amount/ insurance premium as commission from financers/ insurance companies. The percentage earned as commission varies from dealer to dealer, depending on the volume of customers generated for the service providers. Hence, bigger dealers enjoy leverage over their smaller counterparts because of the much larger number of customers provided to the service providers. In certain cases, we have come across insurance pay outs as high as 19% of the premium paid.

Higher customer retention: Bigger dealers provide a better buying experience to their customers, offering a relatively lavish ambience, individual attention, better bargains, including higher dealer discounts, faster delivery, wider accessory choices, immediate availability for accessories/spares, value-added services like customisation, vehicle detailing, paint protection, etc, During the Covid-19 pandemic, amidst restrained public movement, many large dealers provided home delivery of vehicles as well. All these benefits help bigger dealers retain a large share of their customers, ensuring long-term sales growth.

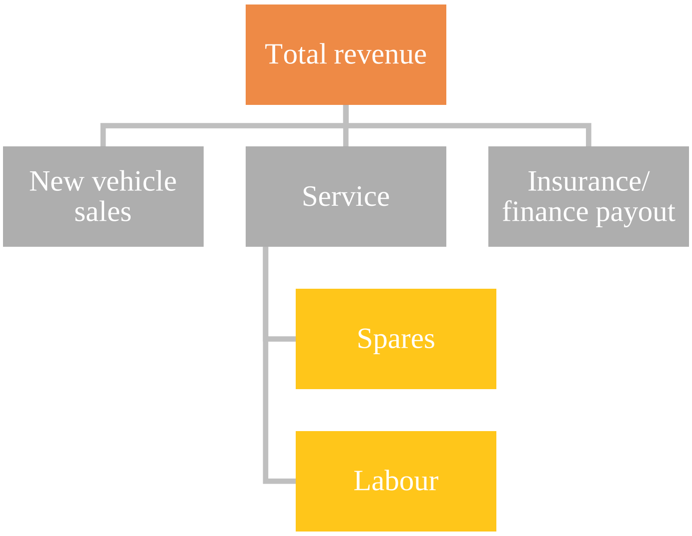
Higher enquiry generation: Bigger dealers typically have a large call centre connecting with potential customers and following up with existing customers. These call centres provide a wider network coverage and better customer reach across platforms. This helps larger dealers generate more leads and, in turn, generate higher sales. These initiatives were especially helpful during the pandemic when most dealerships were closed, limiting walk-in enquiry generation.

Value-added services: Over and above the normal services and accessories, dealers, especially the large ones, provide value-added services to their customers. These include services like interior/ exterior anti-rust treatment, body beautification, exterior paint polish treatment, vinyl floor mat fixing, fabric cleaning, etc., which generated additional revenue for the dealer. These are high-margin services and contribute significantly to dealer profits

Others: Large dealers also benefit from centralisation of their services as well as better utilisation of their shared services like call centres, IT backend services, HR, admin, etc.

CV dealership landscape

For a typical CV dealership, there are three major revenue streams.

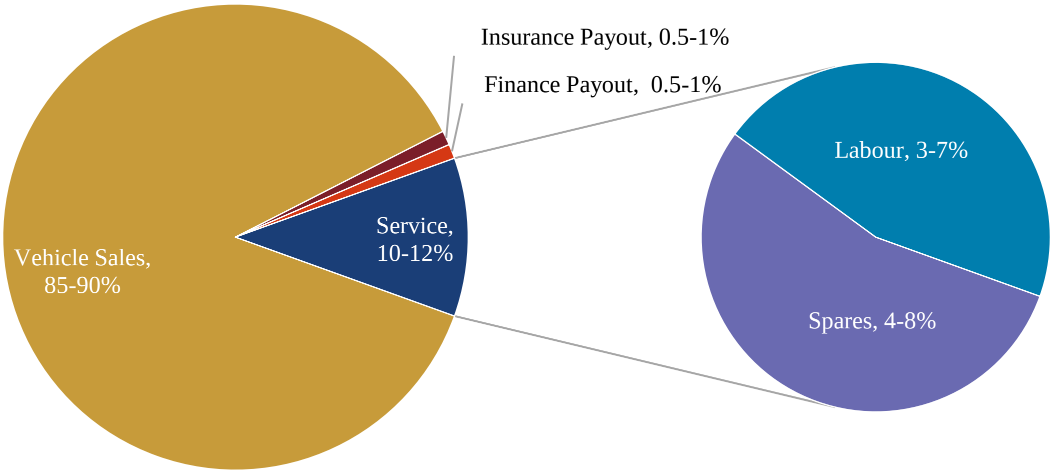


Vehicle sales: Selling of vehicles is the primary business for any dealership and forms the dominant share in overall dealership revenue, earned primarily from the sale of new vehicles.

In the CV industry, the sale of pre-owned vehicles is mainly undertaken by independent brokers, and its contribution to CV dealers is insignificant. Given the high running cost and extended replacement cycles in this industry, the association of pre-owned vehicle dealerships with new vehicle dealerships in relatively uncommon. Nonetheless, a few manufacturers introduced a vehicle exchange option in the last few years, but there were not many takers.

According to CRISIL Research, for a typical CV dealership, 85-90% of revenue is contributed by new vehicle sales.

Typical revenue break-up for a CV dealer



Source: Industry, CRISIL Research

Services: Income from the services segment is another major source of revenue for the dealer. The services segment can be divided into two major sub-segments: spares and labour. Revenue from the sale of automotive components, parts, lubricants, etc. for vehicle repair or maintenance is considered spares revenue. Labour revenue represents the amount charged for the effort or technical expertise provided for vehicle repair. For CV dealers, labour contributes 45-50% of services revenue, and spares the rest.

In CV dealerships, income from services is relatively limited to only 10-12% of overall revenue. Fleet operators normally use authorized workshops only during the AMC (annual maintenance contract) period, and thereafter prefer their own workshops or non-authorized mechanics.

CRISIL Research, however, expects the share of revenue from services to expand on the back of increased demand for technical expertise to repair the latest advanced vehicles – only authorized dealerships can provide this.

Over the years, for a safer, more efficient drive, the use of electronic engine control unit and various sensors in CVs has surged. Moreover, the implementation of emission norms, BS-IV and BS-VI, has propelled the use of sophisticated technology in vehicles.

As diesel vehicles are more polluting than their petrol counterparts, they witnessed a significant upgradation to comply with stringent emission norms. Thus, the impact of increased engine complexity and advanced active emissions control technology systems (e.g. selective catalytic reduction technology) was more pronounced on CVs, which are solely diesel vehicles.

These technological advances, however, necessitate sophisticated IT-backed tools to repair vehicles. Thus, in such cases, non-authorized mechanics can provide only limited assistance. With more customers opting for authorized workshops, CV dealers' services revenue will receive a boost.

Finance payout: Financing of vehicles is an integral part of vehicle purchase. For the CV segment, finance penetration is above 95%. CV dealers facilitate easy financing to their customers through tie-ups with various financial institutions. Representatives of these financial institutions are stationed at the dealerships and help customers avail financing for their vehicle purchase.

For every financing deal, the vehicle dealer receives a percentage of the financed amount as commission or finance payout – this contributes 0.5-1% of dealer revenue.

Insurance payout: While purchasing a new vehicle, the Motor Vehicles Act requires customers to purchase vehicle insurance as well. Dealers provide support to customers through various insurance schemes offered by insurance companies registered with the Insurance Regulatory and Development Authority.

As in the case of finance payout, the dealer earns a percentage as commission from vehicle insurance purchased at the dealership – this contributes 0.5-1% of dealer revenue.

Dealership additions

CV dealerships form ~10% of overall dealerships in India and contribute ~15% of overall touchpoints.

These dealerships are typically located on the city outskirts and have a sub-dealer network covering nearby semi-urban and rural areas. All the sub-dealers work under the umbrella dealership, where the primary dealer handles overall ordering and procurement. Typically, the main dealership has an attached workshop and provides 3S (sales, service and spares) – sub-dealer touchpoints have just a sales outlet (1S). Some dealers have only workshop outlets that are positioned along major highways to service transport vehicles.

Dealerships are allotted by manufacturers based on their coverage of the region, expected retail sales, and market share goals. Dealer expansion primarily takes into account the macroeconomic environment and the industry's growth prospects. Manufacturers also introduce dealerships in line with their long-term goals.

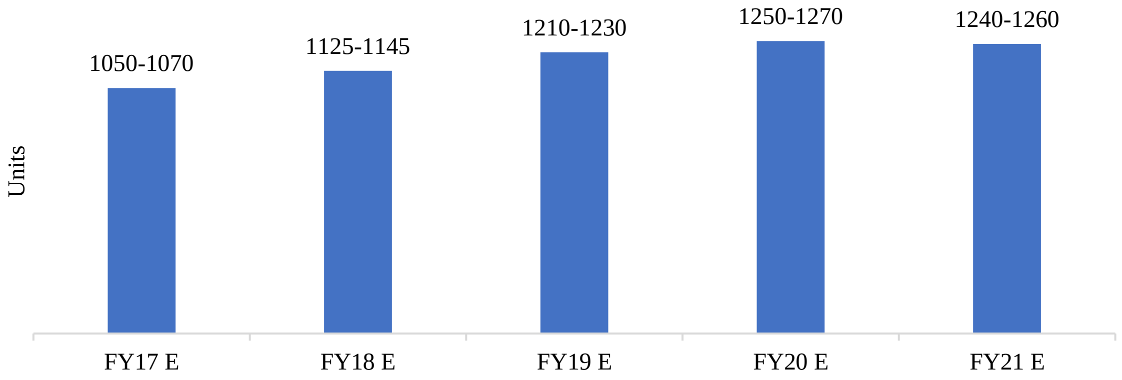
Manufacturers also face dealer closures due to unfavorable market conditions and circumstances that make the dealership unviable. In such cases, manufacturers take corrective actions with the introduction of new dealers in that area to maintain coverage.

Between Fiscals 2016 and 2019, manufacturers expanded their dealerships at 6-8% CAGR to cater to the healthy growth in domestic sales (14% CAGR over the same period). Expansion was done at a faster pace in Fiscals 2016 and 2017 in anticipation of high demand, given the consecutive above 8% growth in GDP. Dealership expansion was spearheaded by market leader Tata Motors to strengthen its foothold, especially in southern India.

Moreover, in Fiscal 2017, the PV segment's market leader Maruti forayed into the LCV segment with Super Carry and decided to open a separate chain of dealerships for its LCVs. This provided an additional push to dealership expansion in Fiscal 2017.

Domestic retail sales grew a significant 10% and 18% y-o-y in Fiscals 2018 and 2019, respectively. In Fiscal 2019, domestic retail sales reached an all-time high of ~0.9 million units, backed by the continued improvement in the macroeconomic scenario, despite the pace of GDP growth abating during the year. The banknote demonetization in Fiscal 2017 and GST implementation in Fiscal 2018 caused some uncertainty in the market, and most manufacturers went into wait-and-watch mode and slowed down dealership expansion.

Number of dealerships



Source: Industry, CRISIL Research

In Fiscal 2020, retail sales growth halted and the industry clocked near-flattish sales. In turn, dealership expansion slowed down as well and is estimated to have grown at a tepid pace of 3-4%.

During Fiscal 2021, the pandemic hit the CV industry hard and retail sales dropped ~52% (offtake dropped at a slower pace of 21%). Amidst the continued high fixed costs, sliding sales and increased Covid-compliance costs, some dealerships had to shut shop and dealership numbers dropped 3-5% during the Fiscal. However, some push to LCV dealerships in the second half of the Fiscal restricted the drop in dealership to 1-2%.

In Fiscal 2022, the strong resurgence of Covid-19 has crippled industry revival. Dealership expansion during the Fiscal is expected to be subdued.

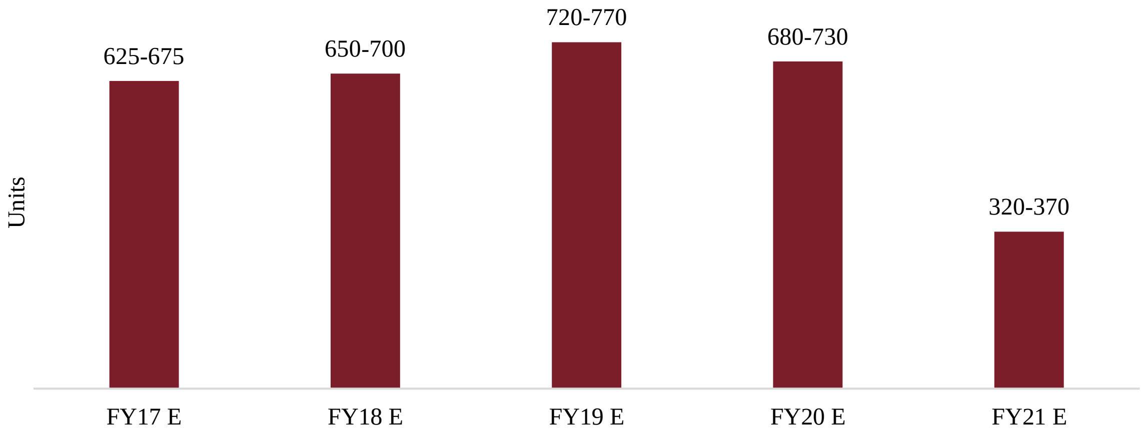
Average dealership sales

Between Fiscals 2017 and 2019, CV retail sales logged a sharp 14% CAGR, while dealerships clocked a relatively slow 6-8% CAGR. This, in turn, boosted average sales per dealership by 6-8% CAGR over the period.

In Fiscal 2020, dealer sales were under pressure amidst a 2% drop in retail sales and a 3-4% rise in dealerships. Average dealer sales are estimated to have dropped 5-7% during the Fiscal.

In Fiscal 2021, pandemic paralyzed CV retail demand and retail sales contracted sharply by ~50%. Manufacturers halted dealerships expansion. In fact, a few dealerships closed shop during the Fiscal. However, some dealership additions were seen in the less impacted LCV segment during the second half of the Fiscal. Overall, dealership levels remained range-bound (1-2% drop). Thus, average dealership sales nearly halved during the Fiscal, in line with retail sales contraction.

Average sales per dealership for CV dealers



Note: These represent average sales per dealership, which are 3x of the average sales per touchpoint
Source: Industry, SIAM, CRISIL Research

CRISIL Research expects some revival in retail demand during Fiscal 2022, following consecutive contractions in the last two Fiscals.

Between Fiscals 2021 and 2026, domestic sales are expected to increase at a healthy 13-15% CAGR. Dealership expansion is expected to be in sync with economic growth as well as projected growth in domestic sales. On a very low base of Fiscal 2021, CRISIL Research expects some improvement in dealer sales in the longer run.

Dealer profitability

Margins from the revenue segments vary significantly. Vehicle sales dominate overall revenue, but their returns are among the lowest. The spares and labour sub-segments have a relatively small share in overall revenue, but their contribution to profits is significant.

Profitability of revenue segments:

New vehicle sales: Margin earned from new vehicle sales is the per vehicle margin paid by the manufacturer to the dealer. The manufacturer pays a fixed margin to the dealer as a percentage of the vehicle price. This margin is decided by the manufacturer and is similar for all the dealers of that manufacturer across India.

For CVs, per vehicle margin hovers around 2-4%. M&HCVs have higher margin than LCVs. Over and above this per vehicle margin, the manufacturer offers incentives to the dealer based on dealer performance, quantum of vehicles sold by the dealer, target completion, manufacturer market share goals, seasonality, etc. These incentives vary between regions and dealers.

For a well-established large dealer, these incentives can provide additional margin of 2-4% per vehicle. This can take the overall margin per vehicle to 4-6% for a normal CV dealer.

Services: Another contributor to dealership revenue is the services segment. Unlike vehicle sales, this segment is a high-margin one for dealers and contributes significantly to overall dealer profitability.

Dealers use only OEM branded or manufacturer-approved genuine parts/ lubricants/ oils. Dealers procure these directly from manufacturers. Given the high number of parts used by dealer workshops, dealers also receive discounts on them.

For a CV dealer, margin of the spares sub-segment is normally in the range of 15-20%.

For the other major sub-segment, labour, dealer expense is limited to salary and benefits given to workers in the workshop. One mechanic works on a number of vehicles simultaneously, thus reducing the per vehicle spend of the dealer. This sub-segment is the most profitable for the dealer, with margin typically in the range of 60-70%.

Finance/ insurance payout: This is a relatively small segment. It contributes only 1-1.5% of revenue for PV dealers. The segment’s revenue is commission earned by dealers for facilitating finance or insurance schemes opted by customers.

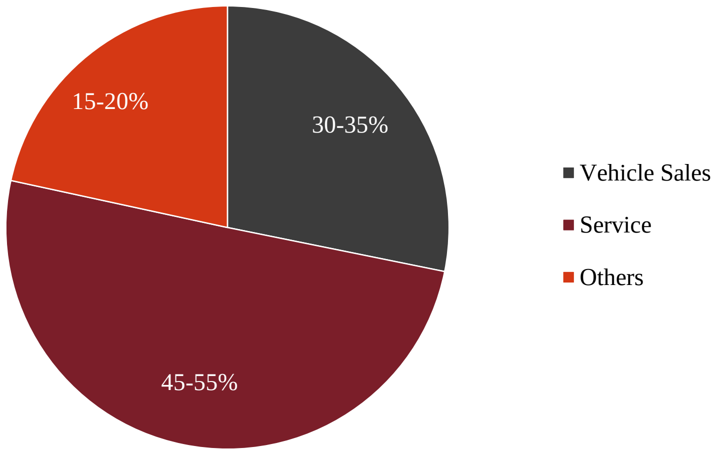
This does not warrant any notable additional expenses from the dealer, and the payout contributes directly to dealer profitability.

For CV dealers, vehicle sales dominate dealership revenue – contribution of vehicle sales to revenue is higher for CV dealers than PV dealers. The second-largest contributor, the services segment, has a much lower share.

However, dealer margin for the services segment (including spares) is 40-50% higher than the 2-4% margin for vehicle sales (not including incentives). Thus, the services segment continues to contribute significantly to dealers' profitability despite having a much lower share in revenue.

Dealers' margins for vehicle sales typically vary with the average dealer sales revenue as the per vehicle margin remains almost steady. However, contribution from the services segment, a significant share in dealer profitability, can vary considerably between dealers, in line with their focus on this segment.

Typical segment-wise share in gross profit



Source: Industry, CRISIL Research

Contribution of the services segment significantly influences the dealer's profitability. The higher the share of services in the dealer's revenue, the higher are the chances of increased profitability.

Dealer returns

CV dealers have relatively high fixed costs given the larger size of their workshops and the higher inventory costs. Also, they have limited room to add value in the end-product, which limits their EBITDA margins in a modest range of 2-3%. Limited contribution from the high-margin services segment also restricts their margins.

For large dealers, given their higher economies of scale, EBITDA margins are relatively high. Meanwhile, smaller dealers face stiff competition from larger players, which limits their bargaining power and impacts margins. Moreover, higher exposure of smaller dealers to the low-margin LCV segment limits their returns. Higher discounts offered by large dealers exert some pressure on their margins.

Compared with PV dealers, CV dealers have lower ROCE in the range of 10-12% given higher investment required to set up CV dealerships. For large dealers, ROCE is typically 15% and above, while for smaller dealers it is normally below 10%.

Returns for CV dealers have declined in the last two years amidst a sharp reduction in average dealership sales. CRISIL Research expects some improvement in returns going forward, with potential improvement in sales and services revenue.

Added advantages for large dealers

Large dealers, given the size of their business, receive added benefits and have higher economies of scale. A few of the major advantages for them are as follows:

Higher share of services revenue: Along with a high number of sales outlets, large dealers also have many workshops catering to the services segment. For large dealers, the services-to-sales ratio, i.e. the number of vehicles serviced to the number of vehicles sold, can be 10-15:1, whereas for smaller dealers this ratio is much flatter. Moreover, service centres of large dealers are highly automated and have higher spares inventory levels, helping them provide faster and better service to customers. With OBD II and major upgradations for BS-VI compliance, the CV segment is going through a major technological upgrade. Going forward, large dealer workshops armed with latest IT-backed instruments will be able to service and repair new-age vehicles, providing a boost to high-margin services revenue

Better insurance/ finance deals: Dealers earn a percentage of financed amount/ insurance premium as commission from financial institutions/ insurance companies. The percentage varies between dealers depending on the volume of customers provided to the service providers. Hence, large dealers benefit more than their smaller counterparts

Better OE negotiations: Large dealers enjoy higher bargaining power than smaller dealers, which helps them bag better deals with manufacturers. Moreover, large dealers get higher incentive per vehicle due to the higher number of vehicles sold

Better deals with vendors: While procuring supplies such as tyres, paint and spares from vendors, large dealers have an edge over their smaller counterparts

Higher customer retention: Compared with smaller dealers, large dealers can offer higher discounts to customers over and above the discounts offered by manufacturers. For typical CV customers and fleet owners, discounts are important selection criteria given the minimal scope of value addition in CVs. Thus, these discounts helps large dealers retain their customer base

Others: Large dealers also benefit from centralization of their services, and better utilization of their shared services such as call centers, IT backend services, human resources, and admin.

Player comparison

The below tables compare a few of the noteworthy large PV and CV dealership groups in India. Most of these groups have dealerships of multiple OEMs, comprising the PV, luxury vehicle and CV segments. Meanwhile, a few players such as Indus Motor, Sai Service and Pebco Motors represent only one manufacturer.

All the below players are regional with a stronghold in a few major states. Kataria Automobiles, Sai Service and Navnit Motors are concentrated in western India. PVSL, Indus Motor and VST Motors Group dominate southern India.

Player dominance also varies with vehicle segment. For example, PVSL is among the top three Maruti dealers in Kerala for PVs, while it is the top Tata Motors dealer in the state for CVs in FY21[1].

Player-wise OEM presence

Player		Popular Vehicles and Services	Sai Service	Bhandari Automobiles	Kataria Automobiles	Navnit Motors	Competent Automobiles	Pebco Motors	Indus Motor	VST Motors
PV	Maruti	✓	✓	✓	✓	✓	✓	✓	✓	
	Hyundai									
	Mahindra									
	Honda	✓								
	JLR	✓				✓				
	Mercedes									
	BMW					✓				
	Ferrari					✓				
	Tata (PV)									✓
	Mini					✓				
	Porsche				✓					
CV	Tata (CV)	✓		✓						✓
	BharatBenz				✓					
	Ashok Leyland									

Source: Industry, company website, CRISIL Research

Player-wise service offerings

1 Based on audited sales figures provided by PVSL and corresponding state level sales/registration for Maruti Suzuki India Limited and Tata Motors reported by SIAM and MoRTH.: Audited report to be received from PVSL

Particulars	Popular Vehicles and Services	Sai Service	Bhandari Automobiles	Kataria Automobiles	Navnit Motors	Competent Automobiles	Pebco Motors	Indus Motor	VST Motors
New vehicle sales	✓	✓	✓	✓	✓	✓	✓	✓	✓
Pre-owned vehicle sales	✓	✓	✓	✓	✓	✓	✓	✓	✓
Pre-owned vehicle purchase	✓	✓	✓	✓	✓	✓	✓	✓	✓
Service	✓	✓	✓	✓	✓	✓	✓	✓	✓
Spares	✓	✓	✓	✓	✓	✓	✓	✓	✓
Accident repair	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financing	✓	✓	✓	✓	✓	✓	✓	✓	✓
Insurance	✓	✓	✓	✓	✓	✓	✓	✓	✓

Source: Industry, company website, CRISIL Research

Player-wise financial comparison (Fiscal 2020)

Particulars	Popular Vehicles and Services Limited	Sai Service	Indus Motors	Kataria Automobiles	Bhandari Automobiles	Competent Automobiles	Navnit Motors	VST Motors	Pebco Motors
Operating revenue (Rs bn)	31.8	27.8	20.6	20.2	17.8	11.7	11.3	5.8	1.3
Type (national/regional)	Regional (south)	Regional (west and south)	Regional (south)	Regional (west)	Regional (east)	Regional (north)	Regional (west)	Regional (south)	Regional (east)
OEM	Maruti (PV), Honda (PV), JLR (PV), Tata Motors (CV)	Maruti (PV)	Maruti (PV)	Maruti (PV), Porsche (PV), BharatBenz (CV)	Tata Motors (CV), Maruti (PV)	Maruti (PV)	Maruti (PV), BMW (PV), Ferrari (PV), Mini (PV), JLR (PV)	Tata Motors (CV and PV)	Maruti (PV)
EBITDA margin (%)	3.5	6.3	0.5	3.6	3.4	3.8	-1.9	2.2	3.4
PAT margin (%)	0.4	2.9	-0.9	0.6	0.2	3.3	-5.2	0.1	0.8
ROCE (3-year moving average) (%)	12.7	24.8	12.2	12.8	13.4	24	4.5	7.6	8.3
ROI (%)	5.8	15.3	-32	29.4	5.6	16.8	-3	1.2	2.2
Share of services in revenue (%)	19.6	11.9*	18.8	8*	4.9*	10.1	18.6	19.7	10.5*
Working capital days	28	24	18	58	39	50	8	23	72
Debt/Equity	1.7	0.002	5.0	10.2	4.4	0.4	-3	1.7	0.3

Note:
Entities marked with asterisk (*) do not have spares revenue included
For Popular Vehicles and Services Limited ROCE is 2 year moving average.
Source: MCA, CRISIL Research

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward Looking Statements" on page 21 for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" on page 23 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the twelve months period ended March 31 of that year.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information included in this Draft Red Herring Prospectus on page 205. Certain information contained in this section is derived from the CRISIL Report titled "Industry Assessment of Automobile dealership industry in India" dated July 2021, which was commissioned and paid for by our Company. For details, see "Industry Overview" on page 97.

Overview

We are a leading diversified automotive dealership in India in terms of revenue (*Source: CRISIL Report*), with a presence across the automotive retail value chain, including sale of new passenger and commercial vehicles, services and repairs, spare parts distribution, sale of pre-owned passenger vehicles and facilitation of sale of third-party financial and insurance products. We operate passenger vehicle dealerships of Maruti Suzuki India Limited ("**Maruti Suzuki**"), Honda Cars India Limited ("**Honda**") and Jaguar Land Rover India Limited ("**JLR**") and the commercial vehicle dealership of Tata Motors Limited ("**Tata Motors (Commercial)**"). We are the sixth largest passenger vehicle dealership for Maruti Suzuki, the fifth largest passenger dealership for JLR, the sixth largest passenger vehicle dealership for Honda and the third largest commercial vehicle dealership group for Tata Motors (Commercial), in terms of sales by volume, across India as of March 31, 2021.

As a diversified and fully integrated automotive dealership company, we cater to the complete life-cycle of vehicle ownership, right from operating driving schools, retailing new vehicles, servicing and repairing vehicles, distributing spare parts, to facilitating sale or exchange of pre-owned vehicles and facilitation of sale of third-party financial and insurance products. In addition to benefiting from the inherent synergies arising out of such complementary business verticals, our diversified income streams also contribute to higher profitability margins at our dealerships and help mitigate the cyclicality that has historically impacted some elements of the automotive sector. Our profit after tax registered a growth from ₹ 213.74 million in FY 2019 to ₹324.55 million in FY 2021. With the services and repair segment being a key driver for automobile dealership profitability, our strong capabilities in the services and repair segment has helped us achieve a growth in total EBITDA from ₹1,424.73 million in FY 2019 to ₹1,748.53 million in FY 2021and profit margins. During FY 2021, we were ranked second, third, third and second, in terms of volume of services handled for Maruti Suzuki (Arena and Nexa), Honda, JLR and Tata Motors (Commercial), respectively. Further, our authorised service centres contributed to 14.50%, 14.60% and 10.10% of our total revenue and 51.00%, 53.00% and 36.00% of our EBITDA during FY 2021, 2020 and 2019, respectively; and our spare parts distribution vertical contributed to 6.20%, 5.50% and 5.80% of our EBITDA during FY 2021, 2020 and 2019, respectively..

As of March 31, 2021, we operate through our expansive network of 59 showrooms, 99 sales outlets and booking offices, 83 authorised service centres, 29 retail outlets, and 25 warehouses located across all 14 districts of Kerala, in Bengaluru, Mysuru, Mangaluru, Hubballi, Hosapete, Vijayapur and Shivamoga in Karnataka and in Chennai, Chengalpet, Dharmapuri, Krishnagiri and Thiruvallur in Tamil Nadu. Kerala and Tamil Nadu are amongst the top contributors to the national passenger vehicle sales. For the first nine months (9M) of FY 2021, Kerala and Tamil Nadu contributed 11.50% to the overall passenger vehicles sales and 13.00% of the domestic commercial vehicles sales in India (*Source: CRISIL Report*). Our dealerships contributed to 16.00% and 4.00%, respectively, of the total passenger vehicles sales and commercial vehicles sales in Kerala and Tamil Nadu during (9M) of FY 2021.

Our Company categorises its business into four key segments, namely passenger cars, luxury vehicles, commercial vehicles and others, as per "Management approach" defined in Ind AS 108, which contributed to consolidated revenues of ₹ 19,262.73 million, ₹ 1,442.00 million, ₹ 6,906.66 million and ₹ 1,323.86 million, respectively, during FY 2021.

Our key business verticals comprise new passenger vehicle sales, new commercial vehicles sales, services and repair, sale of pre-owned passenger vehicles, spare parts distribution, facilitation of sale of third party financial and insurance products.

New Passenger Vehicle Sales: Maruti Suzuki and Honda, together accounted for approximately 52.00% of the new passenger vehicles market share in India in FY 2021 (*Source: CRISIL Report*). Including JLR, our offerings cover the complete spectrum of passenger vehicles ranging from economy to luxury passenger vehicles and help in catering to the varied preferences of customers and retaining customers as their requirements evolve. We believe our product and brand mix is well-suited to what customers demand in the markets we serve. During FY 2021, we sold a cumulative of 28,393 new passenger vehicles across our dealerships.

The first ever dealership for Maruti Suzuki vehicles in Kerala was awarded to our Company in 1984 and formed part of the first batch of dealerships awarded by Maruti Suzuki across India. We operate the sixth largest selling Maruti Suzuki dealership in India under the Arena network (by volume) and the eleventh largest selling Maruti Suzuki dealership in India under the Nexa network (by volume), as of March 31, 2021. The agreement with Maruti Suzuki for the operation of our Nexa dealerships is in the process of being renewed. Our Maruti Suzuki dealerships are operated under the 'Popular' brand and offer economy to premium passenger vehicles under the Maruti Suzuki brands - 'Arena' and 'Nexa', respectively. Maruti Suzuki was the highest contributor to sales of passenger vehicles in Kerala and Tamil Nadu, accounting for 48.00% and 44.00%, respectively, of the total sales volume mix in these states for (9M) of FY 2021 (*Source: CRISIL Report*). During (9M) of FY 2021, we contributed to the sale of 25.00% and 8.00% of the total Maruti Suzuki vehicles sold in Kerala and Tamil Nadu, respectively. We have 14 showrooms, 70 sales outlets and booking offices, 48 authorised service centres and 22 dedicated showrooms and outlets for pre-owned passenger vehicles under our Maruti Suzuki dealerships spread across all 14 districts of Kerala and in Chennai, Tamil Nadu, as of March 31, 2021.

Our Honda dealerships are operated under the 'Vision' brand, through seven showrooms, one sales outlet and seven authorised service centres located in Kerala, as of March 31, 2021 and cater to the premium segment of our offerings. Honda accounted for 4.00% of the total sales volume mix in Kerala for (9M) of FY 2021 (*Source: CRISIL Report*). During (9M) of FY 2021, we contributed to the sale of 32.00% of the total Honda vehicles sold in Kerala.

Our JLR dealership, which caters to the luxury segment, is operated under the 'Marqland' brand through three showrooms and three service centres in Karnataka as of March 31, 2021.

We have recently entered the electric vehicle segment in FY 2021. We are in the process of entering into arrangements with an OEM to operate dealerships for their three-wheeler electric vehicles in Ernakulam. We are also in discussions with other electric vehicle manufacturers to set up dealerships for two-wheeler electric vehicles. Our electric vehicle dealerships are proposed to be operated under the 'Ecomarq' brand.

New Commercial Vehicles Sales: We are the largest commercial vehicle dealership of Tata Motors (Commercial) in Kerala in terms of sales volumes for FY 2021 (*Source: CRISIL Report*). We were awarded our first Tata Motors (Commercial) dealership in 1997, when we decided to strategically expand into the commercial vehicle dealership sector. Tata Motors (Commercial) contributed to 19.00% and 37.00%, respectively of the total commercial vehicles sales volumes in Kerala and Tamil Nadu, respectively, for (9M) of FY 2021 (*Source: CRISIL Report*). During (9M) of FY 2021, we contributed to the sale 85.00% and 25.00% of the total Tata Motors (Commercial) vehicles sold in Kerala and Tamil Nadu, respectively. We also commenced sale of Maruti Suzuki commercial vehicles in February 2019. During FY 2021, we sold 6,504 new commercial vehicles through our network of 13 showrooms, 28 sales outlets and 25 service centres for commercial vehicles in Kerala and Tamil Nadu.

Services and Repair: During FY 2021, we were ranked second, third, third and second in terms of volume of services handled for Maruti Suzuki, Honda, JLR and Tata Motors (Commercial), respectively. Our maintenance and repair services under each of our dealerships include warranty work, customer paid work, running repair and collision repair services. During FY 2021, we serviced 549,023 passenger vehicles and 97,257 commercial vehicles through our network of 83 authorised service centres for all the vehicle brands that we represent in India.

Sale of Pre-Owned Passenger Vehicles: We have been named the No.1 Pre Owned Car Dealer in India in True Value certified vehicles in terms of sales by volume for FY 2021 by Maruti Suzuki. During FY 2021, we sold a cumulative of 9,413 pre-owned vehicles through 22 dedicated pre-owned vehicle showrooms and 23 of our new passenger vehicles showrooms in Kerala, Tamil Nadu and Karnataka, operated under our passenger vehicle dealerships. Our pre-owned passenger vehicles vertical, together with our new passenger vehicles vertical, helps us cater to all customer price points ranging from sub ₹100,000 at our Maruti True Value showrooms to more expensive luxury offerings of up to ₹30.00 million through our JLR dealership.

Spare Parts Distribution: We commenced our spare parts distribution business in 2005. As on March 31, 2021, our spare parts and distribution business was operated through 54 touch points comprising of 29 retail outlets, 25 warehouses and offices in Kerala and Karnataka and catered to around 10,000 customers including active retailers, independent workshops, authorised service centres and vehicle dealers.

Facilitating sale of third-party financial and Insurance products: As part of our bouquet of offerings, we also facilitate the sale and placement of various third-party finance and insurance products, extended warranty and maintenance contracts, as well as replacement and aftermarket automotive products. During FY 2021, we have facilitated the sale of 32,297 and renewal of 201,956 third-party insurance policies aggregating to a gross premium of ₹1,882.80 million and facilitated financial assistance aggregating ₹13,380.66 million to our customers from our empanelled lenders.

The profit after tax for the company in FY 2021, 2020 and 2019 is ₹324.55 million, ₹124.91 million and ₹213.74 million respectively. The contribution to total volume, revenue and EBITDA from our key income streams for FY 2021, 2020 and 2019 is as set out below:

₹ (in million)

Segment	FY 2021					FY 2020					FY 2019				
	Volume	Revenue	% of total revenue	EBITDA	% of total EBITDA	Volume	Revenue	% of total revenue	EBITDA	% of total EBITDA	Volume	Revenue	% of total revenue	EBITDA	% of total EBITDA
New Passenger Vehicles Sales	28,393	14,724.58	50.43%	391.33	22.38%	31,434	16,476.48	51.80%	73.40	5.28%	44,953	23,467.12	59.92%	573.30	40.24%
New Commercial Vehicles Sales	6,504	6,135.26	21.01%	243.61	13.93%	8,031	6,556.53	20.61%	212.33	15.27%	10,132	7,945.23	20.29%	300.84	21.12%
Pre-Owned Passenger Vehicles Sales	10,115	2,459.48	8.42%	58.06	3.32%	12,181	2,389.84	7.51%	(0.35)	-0.02%	11,448	2,292.89	5.85%	6.97	0.49%
Services and Repair	646,280	4,231.48	14.49%	889.16	50.85%	817,961	4,650.49	14.62%	739.62	53.20%	732,549	3,961.89	10.12%	510.85	35.86%
Spare Parts Distribution	NA	1,545.67	5.29%	108.36	6.20%	NA	1,688.67	5.31%	76.74	5.52%	NA	1,360.85	3.47%	82.16	5.77%
Other Income	NA	98.85	0.34%	58.00	3.32%	NA	44.41	0.14%	288.50	20.75%	NA	135.70	0.35%	(49.51)	(3.48)%

The Kuttukaran Group (i.e. the group of entities and business operated by our Promoters and their family members) has over 69 years of experience in the automotive industry. John K. Paul, our Managing Director and one of our Promoters has over 44 years of experience in the automobile sector. He is currently the President of the Kerala Automobiles Dealers Association. Francis K Paul, our Executive Director and one of our Promoters has over 44 years of experience in the automobile sector. Naveen Philip, our Non-executive Director and one of our Promoters has over 24 years of experience in the automobile industry. Our senior management team is also experienced in the automobile dealership industry. The majority of our heads of departments have spent more than 15 years each in our Company. We believe that the experience, depth and diversity of our management team and our Promoters and the long standing presence of the Kuttukaran Group in the automotive industry have enabled us to become valued partners of each of our OEMs giving us a distinct competitive advantage in the industry in which we operate.

Strengths

Strong capabilities in high volume and high margin services and repair offerings leading to business stability

During FY 2021, we were ranked second, third, third and second, in terms of volume of services handled for Maruti Suzuki (Arena and Nexa), Honda, JLR and Tata Motors (Commercial), respectively. We offer fully integrated services and repair offerings through our authorised service centres that contribute to higher-margin revenues at each of our dealerships and helps mitigate the cyclicality that has historically impacted some elements of the automotive sector. Our authorised service centres contributed to 14.50%, 14.60% and 10.10% of our total revenue and 51.00%, 53.00% and 36.00% of our EBITDA during FY 2021, 2020 and 2019, respectively; and our spare parts distribution vertical contributed to 6.20%, 5.50% and 5.80% of our EBITDA during FY 2021, 2020 and 2019, respectively. We serviced 549,023 passenger vehicles and 97,257 commercial vehicles through our network of 83 authorised service centres during FY 2021.

Despite a decline in revenues from operations between FY 2019 and FY 2021 in line with industry trends, our operations have demonstrated a growth in total EBITDA from ₹1,424.73 million in FY 2019 to ₹1,748.53 million in FY 2021, primarily attributable to higher margin revenues generated through our authorised service centres. The services and repair segment is the primary driver for automobile dealership profitability, typically contributing 60.00%-65.00% of a dealership's profitability (*Source: CRISIL Report*). Dealerships with a higher dependence on vehicle sales are at a disadvantage given the much lower profitability margins earned from vehicle sales compared to service which provides 30.00%-50.00% margin to dealers. (*Source: CRISIL Report.)*

We serviced 19 vehicles for each new vehicle sold by us in FY 2021. Our services and repair offerings at each of our dealerships comprise of warranty work, customer paid work, running repair and collision repair services. Collision repair services contribute to higher margins under our services and repairs vertical and formed a significant portion of services and repair work undertaken by us in the last three financial years comprising 16.00%, 16.00% and 15.00% of all services and repairs undertaken by us during FY 2021, 2020 and 2019, respectively. Warranty work, customer paid work, running repair and collision repair services contributed to 6.00%, 35.00%, 19.00% and 40.00%, respectively, of the revenues and 5.00%, 20.00%, 5.00% and 70.00%respectively, of EBITDA from our services and repairs vertical in FY 2021.

Modern vehicles are increasingly complex and require sophisticated equipment and specially trained technicians to perform certain services. We have trained and qualified technicians to work at our service centres and have also invested in diagnostic and repair equipment to be utilized by these technicians. Our technicians and our service capabilities have been recognised by our OEMs. For instance, some of our technicians have routinely won awards at skill contests organised by our OEMs, such as the MSIL National CCM Skill Contest 2016, World Skills Competition for Car Painting Skills 2017 and Maruti True Value Contest 2017. Given the highly specialised skill set involved, our service models are not easily replicable by online platforms and other independent workshops. In recent years, use of sensors and other hi-tech technology has increased significantly in passenger vehicles. While these upgrades have improved vehicle efficiencies, the repair of such vehicles require IT backed automated repair systems and enhanced technical expertise. (*Source: CRISIL Report*). It is therefore expected that the share of revenue from services will expand in future on the back of the increased requirement for technical expertise as well as the supporting repair infrastructure to repair the advanced vehicles which only authorised dealerships can provide (*Source: CRISIL Report*).

Our OEMs offer maintenance programs packaged with the vehicle sale and permit warranty work to be performed only at authorised service centres such as ours. In addition, our emphasis on selling extended service contracts has bolstered our service and repairs vertical in each of our dealerships by ensuring customer stickiness beyond the term of the standard manufacturer warranty period.

We also benefit from the inherent synergies between our new and pre-owned passenger vehicle sales verticals and our services and repairs vertical given that a significant number of our services and repairs customers opt to avail of our pre-owned vehicles sales services and vice-versa. During FY 2021, our existing services and repairs customers contributed to 1.60% of the total pre-owned vehicle inventory acquired by us and 6.00% of our services and repairs customers during FY 2021 were customers who purchased new or pre-owned vehicles sold through our dealerships. While we do benefit from such synergies, we have also been able to attract a significant proportion of walk-in service customers. During FY 2021, 15.00% of our services and repairs customers were walk-in customers with no prior association with our dealerships.

We have also been able to leverage our scale of operations to achieve competitive operating margins by centralizing and streamlining various business processes. Our vendor purchases including, *inter alia*, lubricants and paint are streamlined to enable centralised purchase. We are also able to capitalise on our economies of scale in purchasing equipment including lubricants and paint, through pan-India vendor relationships.

We believe that our brand mix and the complexity of modern vehicles, combined with our investment in trained technicians and advanced facilities and our emphasis on selling extended service contracts and synergies across our business verticals have bolstered our services and repairs vertical.

Long standing presence in the automotive industry and established relationships with leading OEMs

The Kuttukaran Group entered the automotive industry in 1953 with the commencement of the automobile spare parts business. We have since forayed into the automobile dealership business by partnering with various leading brands. Maruti Suzuki and Honda represented approximately 52.00% of the new passenger vehicles market share in India in FY 2021 and Tata Motors (Commercial) represented 42.00% of the commercial vehicles market share in India in FY 2021 (*Source: CRISIL Report*).

We set up the first Maruti Suzuki showroom in Trivandrum, Kerala in 1984 under the ‘Popular’ brand. We have since strategically expanded our dealership network across the value-chain, from economy to premium and luxury offerings, by partnering with Honda and JLR in 2008 and 2010, respectively. We also entered the commercial vehicle dealership space in 1997 by partnering with Tata Motors (Commercial). We have further diversified our operations within the automotive dealership space by and commencing our spare parts and distribution business in 2005. We have entered into spare parts distributorship agreements with various OEMs in Kerala and Karnataka. We have recently in FY 2021, taken steps to enter into the electric vehicles dealership segment.

We are among the top six dealerships in India, in terms of sales by volume, as of March 31, 2021, with respect to each of our passenger and commercial vehicles dealerships.

Our Maruti Suzuki dealerships, which we operate under our ‘Popular’ brand, caters to our offering of economy to premium vehicles under the ‘Arena’ and ‘Nexa’ brands, respectively. In FY 2021, Maruti Suzuki had a market share of 48.00% in the domestic passenger vehicle industry (*Source: CRISIL Report*). Further, in (9M) of FY 2021, Maruti Suzuki had a market share of 48.00% and 44.00% of the total passenger vehicles sales volume mix in Kerala and Tamil Nadu, respectively (*Source: CRISIL Report*). During (9M) of FY 2021, we contributed to the sale of 25.00% and 8.00% of the total Maruti Suzuki vehicles sold in Kerala and Tamil Nadu, respectively. Seven out of the top 10 passenger vehicle models sold in FY 2021 in India, were manufactured by Maruti Suzuki (*Source: CRISIL Report*).

Similarly, the Honda dealership, which we operate under the “Vision” brand caters to our offering of premium cars. Honda is the sixth largest OEM in India in terms of volume of sales as of March 31, 2021 (*Source: CRISIL Report*). Honda accounted for 4.00% of the total sales volume mix in Kerala for (9M) of FY 2021 (*Source: CRISIL Report*). During (9M) of FY 2021, we contributed to the sale of 32.00% of the total Honda vehicles sold in Kerala.

We cater to the luxury segment through our JLR dealership operated under the “Marqland” brand.

Further, our Tata Motors (Commercial) vehicle business, which we operate under our “Popular Mega Motors” brand, caters to the complete range of commercial vehicles manufactured by Tata Motors (Commercial). Tata Motors (Commercial) is India’s largest commercial vehicle manufacturer as of FY 2021 in terms of volumes (*Source: CRISIL Report*). Tata Motors

(Commercial) contributes to 42.00% of the commercial vehicle market share in India in (9M) of FY 2021 (*Source: CRISIL Report*). We contributed to 85.00% and 25.00% of the total market share of Tata Motors (Commercial) in Kerala and Tamil Nadu during (9M) of FY 2021.

We believe that our long-term association with each of our OEMs and our strong business capabilities have resulted in us becoming a valued partner of each of our OEMs. Our dealerships have consistently been validated by our OEMs by various awards and accreditations. For instance, we have been categorised within the "Platinum Band" by Maruti Suzuki for our Arena dealerships in Kerala, "Gold Band" by Maruti Suzuki for Arena dealerships in Chennai, and "Alpha Band" by Maruti Suzuki for our Nexa dealerships in Fiscal 2020 and 2021, respectively. Further, we believe that each of our brands, namely, Popular", "Vision", and "Marqland" under which we operate our Maruti Suzuki, Honda and JLR dealerships, respectively, is widely recognised in South India by our customers. We received the 'Dhanam Best Retailer 2016 Award' at the Dhanam Retail Summit in 2017, our Marqland dealership was also recognised as the 'Best Luxury Car Dealership' at the Times Business Awards in 2018.

Deep penetration in markets in which we operate complemented by innovative marketing strategies

As of March 31, 2021, our network comprised of 23 showrooms and 71 sales outlets and booking offices for sale of new passenger vehicles, 14 showrooms and 28 sales outlets for sale of commercial vehicles; 58 authorised service centres for servicing and repair of passenger vehicles and 25 authorised service centres for servicing and repair of commercial vehicles; and 22 dedicated showrooms for sale of pre-owned passenger vehicles. The break-up of our sales and services network of our Maruti Suzuki, Tata Motors (Commercial), Honda and JLR as of March 31, 2021 are set out below:

OEM	Showrooms	Sales Outlets and Booking Offices	Service Centres	Showrooms and Sales Outlets for Pre-Owned Vehicles**
Maruti Suzuki	14*	70	48	22
Tata Motors (Commercial)	13	28	25	-
Honda	7	1	7	-
JLR	3	-	3	-
Total	**37***	**99**	**83**	**22**

* *Includes one showroom for sale of Maruti Suzuki commercial vehicles*
** *Includes 13 sales outlets*

As on March 31, 2021, our spare parts and distribution business operated through 54 touch points which comprises of 29 retail outlets, 25 warehouses and offices.

Our vehicle dealership network is spread across all the 14 districts of Kerala, in Bengaluru and Mangaluru in Karnataka and in Chennai, Chengalpet, Dharmapuri, Krishnagiri and Thiruvallur in Tamil Nadu. Further, our spares and parts distribution dealerships are located across Karnataka and Kerala. Kerala and Tamil Nadu are amongst the top contributors to the national passenger vehicle sales. For (9M) of FY 2021, Kerala and Tamil Nadu contributed 11.50% to the overall passenger vehicles sales and 13.00% of the domestic commercial vehicles sales in India (*Source: CRISIL Report*). Our dealerships contributed to 16.00% and 4.00%, respectively, of the total passenger vehicles sales and commercial vehicles sales in Kerala and Tamil Nadu during (9M) of FY 2021.

We have a deep penetration in semi-urban and rural areas which is attributable to several innovative models adopted by us including the "hub and spoke" model in respect of Maruti Suzuki and Tata Motors (Commercial) dealerships in Kerala, wherein our showrooms serve as a "hub" to our sales outlets located in small towns and rural areas under the showroom. Our sales outlets are typically operated out of smaller premises showcasing one or more vehicle models and are each managed by designated sales representatives with all other operational support being provided by our showrooms. Our showrooms, sales outlets and booking offices are present in almost all taluks of Kerala. We have 92 sales outlet spread across 14 districts in Kerala, which significantly contributes towards increasing our brand recall among potential buyers across the state of Kerala. As of March 31, 2021, in respect of our Maruti Suzuki dealership, we had 565 field sales executives in semi-urban and rural areas in Kerala that conduct field campaigns in order to increase our penetration in such areas. 50.00 %, 51.00 % and 48.00% of our sales under our Maruti Suzuki dealership for FY 2019, FY 2020 and FY 2021, respectively, were attributed to our sales outlets and booking offices. Demand for vehicles is expected to increase in the rural areas on the back of a rise in finance penetration in the long term, as banks and NBFCs continue to focus on semi-rural and rural areas and improvements in rural infrastructure which is likely to bolster rural incomes (*Source: CRISIL Report*). Given our deep penetration in semi-urban and rural areas in Kerala, we believe that we are well poised to meet such increase in demand.

We have also introduced innovative marketing strategies to improve customer engagement and increase footfalls at each of our showrooms, sales outlets and service stations. We have dedicated online portals through which customers can browse through our offerings, make bookings and book test drives. We have also introduced virtual reality headsets which permits customers to view, and virtually experience our vehicles from the comfort of their homes. We organise regular customer meets, print advertisements and online contests that adds to our brand recall. We have also recently introduced schemes enabling customers to test our pre-owned passenger vehicles for a period of 5-7 days before taking a decision to purchase them.

Our expansive network of touch points, coupled with innovative marketing strategies, has helped us expand our reach in the markets in which we operate and tap into largely underserved demographies.

Strong presence in pre-owned passenger vehicle sales segment contributing to higher margin growth

We have been named the No.1 Pre Owned Car Dealer in India in True Value certified vehicles in terms of sales by volume for FY 2021 by Maruti Suzuki. In FY 2021, we sold 9,413 pre-owned vehicles through our network of 22 dedicated pre-owned vehicle showrooms and sales outlets and 13 new passenger vehicle showrooms in Kerala and Tamil Nadu operated under our passenger vehicle dealerships. Sale of pre-owned passenger vehicles contributed 8.00%, 8.00% and 6.00% of our total sales by revenue during FY 2021, 2020 and 2019 respectively. Our Company has 13 Maruti Suzuki showrooms, 70 Maruti Suzuki sales outlets and booking offices and 22 dedicated showrooms and sales outlets for pre-owned vehicles in Kerala and Tamil Nadu which cater to the sale of pre-owned passenger vehicles under the 'Maruti True Value' brand. Sale of pre-owned vehicles by our Honda and JLR dealerships are also undertaken through Honda and JLR showrooms.

Between FY 2016 and FY 2020, the pre-owned passenger vehicle market is estimated to have clocked a CAGR of 6.00%-8.00% to reach 4 million – 4.5 million vehicle levels by FY 2020. The pre-owned passenger vehicle segment has outpaced the new passenger vehicles segment which recorded a slight de-growth (0.20%) over the stated period. Pre-owned passenger vehicles sales continued to outpace new passenger vehicles sales even in FY 2021, with the ratio of pre-owned passenger vehicles to new passenger vehicles sales remaining around 1.3-1.7 during the year (*Source*: *CRISIL Report*). The onset of the COVID-19 pandemic has caused people to switch from public transport to personal vehicles. This phenomenon is expected to support the already growing demand for passenger vehicles and younger customers are expected to opt for pre-owned passenger vehicles (*Source: CRISIL Report*). Our scale and presence in the pre-owned passenger vehicles segment place us at an advantage to capture this opportunity.

Our inventory of pre-owned passenger vehicles comprises a combination of vehicles traded in by our customers in exchange for new vehicles purchased from our dealerships as well as pre-owned vehicles sourced by us from the open market including vehicle auction brokers, online portals and other dealers. Given the higher EBITDA margins associated with pre-owned vehicles sourced from the open market, we place emphasis on increasing the proportion of vehicles sourced from the open market. Pre-owned vehicles traded in by customers and pre-owned vehicles purchased by us from the open market comprised 80.00% and 20.00% respectively, of our total pre-owned vehicles inventory during FY 2021 and contributed an EBITDA margin of 1.90% and 3.20% respectively for FY 2021.

We have also implemented comprehensive pre-owned passenger vehicle marketing activities in each of our dealerships and on our websites and deployed dedicated personnel to our pre-owned vehicle sales business. Our websites are customised to meet the needs of customers seeking to purchase pre-owned passenger vehicles and allow customers to view and compare our inventory of certified, and pre-owned vehicles and provide consumers a simple way to view extensive vehicle information, including photos, prices, promotions, videos, etc.. Our websites also enable customers to sell us their pre-owned passenger vehicles without requiring them to purchase new vehicles from our dealerships.

To improve customer confidence in our pre-owned vehicle inventory, we procure vehicles only after undertaking a 376 point check. If the pre-owned vehicle is certified by the OEM, the pre-owned vehicle owner is typically provided benefits and warranties similar to those offered to new vehicle owners by the applicable manufacturer.

Presence across the complete life cycle of vehicle ownership leading to greater customer retention and diversified revenue streams.

As a diversified and fully integrated automotive dealership company, we cater to the complete life-cycle of vehicle ownership right from operating driving schools, retailing new vehicles, servicing and repairing vehicles, distributing spare parts to facilitating sale or exchange of pre-owned vehicles and distribution of third party financial and insurance products. In addition to benefiting from the inherent synergies arising out of such complementary business verticals, our diversified income streams also contribute to greater customer retention and higher profitability margins at our dealerships and help mitigate the cyclicality that has historically impacted some elements of the automotive sector.

Our authorised service centres contributed to 14.50%, 14.60% and 10.10% of our total revenue and 51.00%, 53.00% and 36.00% of our EBITDA during FY 2021, 2020 and 2019, respectively; and our spare parts distribution vertical contributed to 6.20%, 5.50% and 5.80% of our EBITDA during FY 2021, 2020 and 2019, respectively.

We benefit from the synergies amongst each of our business verticals. Each of our business verticals play a key role in strengthening customer relations, furthering our brand-recall and cross-selling products and services across our business verticals. For instance, our driving schools acts as a good starting point for us to establish relationships with first-time drivers and potential car purchasers. Each sale of a new or pre-owned vehicle provides us the opportunity to sell the customer an extended service contract or a financial product such as vehicle financing and other automobile accessories, such as alarm sensors, rear view reverse parking cameras etc. Customers who purchase vehicles from us also entrust us with the servicing and repairs of their vehicles. A significant number of our services and repairs customers also opt to avail of our pre-owned vehicles sales services and vice-versa. During FY 2021, our existing services and repairs customers contributed to 1.60% of the total pre-owned vehicle inventory acquired by us and 6.00% of our services and repairs customers during FY 2021 were customers who purchased new or pre-owned vehicles sold through our dealerships. Further, our service centres act as points of renewal for insurance policies from the second year onwards. Out of the total vehicles sold, 47.00% are brokered by us for finance. Out of the total vehicles sold, 93.00% are insured by insurance policies facilitated by us. As part of our after sales services, during FY 2021, we have facilitated the sale of 32,297 and renewal of 201,956 third-party insurance policies, aggregating to a gross premium of ₹1,882.80 million, and facilitated financial assistance aggregating ₹13,380.66 million to our vehicle customers from our empanelled lenders.

Sale of such extended finance and insurance products also helps increase our service and spare parts business by building a customer base for future repair work at our locations. We have partnered with some leading OEMs with respect to our spare parts distributorships. As on March 31, 2021, our spare parts and distribution business was operated through 54 touch points comprising of 29 retail outlets, 25 warehouses and offices in Kerala and Karnataka and catered to around 10,000 customers including active retailers, independent workshops, authorised service centres and vehicle dealers. Our spare parts distributorship contributed towards 6.20%, 5.50% and 5.80% of our EBITDA margin during FY 2021, 2020 and 2019 respectively.

Our strong presence across complementary but diversified business verticals aids in greater customer retention growth in EBITDA and profit margins.

Sustained financial performance and increasing profitability

We reported a total income of ₹39,163.39 million, ₹31,804.56 million and ₹29,192.52 million for FY 2019, 2020 and 2021, respectively. Our profit/(loss) after tax was ₹213.74 million, ₹124.91 million and ₹324.55 million for FY 2019, 2020 and 2021, respectively. Our EBITDA was ₹1,424.73 million, ₹1,389.84 million and ₹1,748.53 million for FY 2019, 2020 and 2021, respectively. The 2018 floods in Kerala, one of our key markets, hampered our operations. Further, demonetisation and uncertainty due to the imposition of GST caused a drop in the GDP growth to 6.80%, in FY 2018. The consequent economic slowdown and dull consumer sentiments affected the growth of the domestic automotive industry in Fiscal 2019 and, inter-alia, factors like inventory correction for BS VI upgradation, caused a de-growth in FY 2020. The COVID-19 pandemic further impacted growth levels in FY 2020 (*Source: CRISIL Report*). Despite a decline in revenues from operations between FY 2019 and FY 2021, in line with industry trends, our operations demonstrated a growth in total EBITDA from ₹1,424.73 million in FY 2019 to ₹1,748.53 million in FY 2021 during this period.

Proven ability to identify and capture inorganic as well as organic growth opportunities

We have in the past achieved inorganic growth through our strategic acquisitions. For instance, we acquired sales showrooms of an existing dealership in Ernakulam and Muvattupuzha in Kerala in FY 2016. Further, we acquired Tata Motors (Commercial) dealership in North Kerala in 2015. As part of our strategic plans to expand our business into other territories and states, we acquired the entire operations of a sizeable a spare parts distributorship in Karnataka, in FY 2019, which helped us gain established business channels and a steady foothold in Karnataka with a presence in Bengaluru, Hubballi, Vijayapur, Hosapete, Shivamoga, Mysuru and Mangaluru. The business division acquired by us contributed to a total turnover of ₹219.10 million, and 15.00% of our total turnover and 5.00% of the total EBITDA of the Company for FY 2021. Such strategic acquisitions were made considering the consequent geographic and dealership addition to our business operations. Post such acquisitions, we carry on the business under our own brand name. We have successfully been able to integrate businesses acquired through such strategic acquisitions.

We have also achieved organic growth by identifying underserved locations, including through consultation with OEMs, and by setting up new dealerships in such areas. We have added 3 showrooms and 10 service stations under our Maruti Suzuki dealership, Honda dealership and JLR dealership, during the three financial years ended March 31, 2019, March 31, 2020 and March 31, 2021. Similarly, we have added 3 service centers under our Tata Motors (Commercial) dealership during the three financial years ended March 31, 2019, March 31, 2020 and March 31, 2021.

Experienced promoters and management team

The Kuttukaran Group has over 69 years of experience in the automotive industry. John K. Paul, our Managing Director and one of our Promoters has over 44 years of experience in the automobile sector. He is currently the President of the Kerala Automobiles Dealers Association. Francis K Paul, our Executive Director and one of our Promoters has over 44 years of experience in the automobile sector. Naveen Philip, our Non-executive Director and one of our Promoters has over 24 years of experience in the automobile industry. Our senior management team is also experienced in the automobile dealership industry. The majority of our heads of departments have spent more than 15 years each in our Company. We believe that the experience, depth and diversity of our management team and our Promoters and the long standing presence of the Kuttukaran Group in the automotive industry have enabled us to become valued partners of each of our OEMs giving us a distinct competitive advantage in the industry in which we operate. Several key members of our management team, such as our vice-president for project planning & development, vice-president for sales & strategy and vice president of the service department have been with us for over 15 years. Commencing with the establishment and operation of our first showroom in Trivandrum in 1984 and the subsequent expansion of our network in South India, we believe that our management team has gained significant and unique experience in establishing and operating an expansive network of automobile dealerships.

As of March 31, 2021, we had 8,465 employees on our rolls in the states of Kerala, Tamil Nadu and Karnataka. Two of our Subsidiaries, namely, VMPL and PAPL have been termed 'Great Workplace' by Great Place to Work Institute, India from March, 2020 till March, 2022.

Strategy

Sustained growth of our higher margin services and repair business, sale of pre-owned passenger vehicles and facilitation of sale of third-party financial products

We intend to sustain and increase the growth of our services and repair vertical through a combination of measures including increasing the number of authorised service centres, focussing on customer retention, raising awareness about preventative maintenance amongst customers, selling vehicle service contracts in conjunction with vehicle sales and efficient management of parts inventory. We intend to add incremental service bays and additional authorised service centres in the markets in which we operate in order to cater to additional customers and further enhance our higher-margin service and repair revenues. We also propose to leverage the linkages between our showrooms, sales outlets and service centres to retain customers of our new and pre-owned vehicles as continuing clients of our service departments. To accomplish this end, we use database systems and analytics that track the vehicle owners' maintenance records and provide advance notice to them when their vehicles are due for periodic service. We continue to train our service personnel to establish relationships with their service clients to promote long-term business relationships.

India's pre-owned passenger vehicle segment is expected to grow at a CAGR of 12%-14% between FY 2021 and FY 2026 and reach 6.8 million - 7.3 million vehicles by FY 2026. Increased need for personal mobility, change in customer perceptions, rising aspirations of customers, growing disposable income, lowering replacement cycles and increasing financial penetration is expected to drive this growth. *(Source: CRISIL Report)*. The onset of the COVID-19 pandemic has caused people to switch from public transport to personal vehicles. This phenomenon is expected to support the already growing demand for passenger vehicles and younger customers are expected to opt for a pre-owned passenger vehicles (*Source: CRISIL Report*). Our scale and market presence place us at an advantage to capture this opportunity. We intend to leverage on our early mover advantage in this space by increasing the number of showrooms and outlets catering to the sale of pre-owned passenger vehicles under our dealerships and employ robust analytical tools to better manage and optimise our pre-owned passenger vehicle procurement and sales processes. We also propose to provide consumers with tools to help compare new and pre-owned vehicles and obtain proprietary valuation estimates to facilitate their purchase or sale of a vehicle.

Given our scale of operations, we tie up with various lenders and insurers to provide financing and insurance coverage for new vehicles as well as pre-owned vehicles sold at our showrooms and sales outlets. As on March 31, 2021, we had empanelled 25 insurers and financial institutions, the sale of whose products we facilitated at our dealerships. We intend to continue to engage with a wider range of lenders and insurers in order to provide our customers with varied options. In order to improve facilitation of sales of third-party financial products such as insurance policies and vehicle financing, we propose to continue to focus on enhancing our salesperson training program and increasing our product offerings.

Continue to increase sales at our existing dealerships

India's passenger vehicle market is highly underpenetrated compared with most developed economies and some developing nations. As of FY 2020, India had approximately 24 passenger vehicles per 1,000 people. This is significantly lower than both developed nations and even other nations in the BRIC block (Brazil, Russia, and China), based on per-capita GDP. Further, comparing the penetration of cars and UVs with per-capita GDP across countries, India still lags behind most countries and, as such, the gap is expected to reduce gradually after a decline in FY 2021 (*Source: CRISIL Report*).

Given that vehicle sales is a key driver for generating income under our other business verticals including our services and repairs business, we intend to capitalise on the expected growth in demand for automobiles in India by increasing sales of our passenger vehicles and commercial vehicles at each of our existing showrooms and sales outlets through targeted marketing efforts/strategies, operational efficiencies, as well as capital investments designed to support our growth targets.

To increase awareness and footfalls at our showrooms and sales outlets, we shall continue to use a combination of traditional, digital and social media to reach potential customers. We propose to continue to focus on enhancing our enquiry capabilities, and workshop conversions. Our marketing strategies are customised to the specific segment of customers which we intend to cater to. Given that a major thrust of the growth in the automobile retail sector is expected to come from the younger population, we intend to increase customer engagement in the digital space, by adopting a comprehensive marketing strategy that encompasses all avenues of customer engagement including websites, social media, video, mobile, email marketing, online advertising, search engine optimization, branding, and content. In this regard, we have introduced digital brochures, and have initiated a business development centre to generate enquires through the non-traditional channels. We also have a customer relationship centre in which customers can contact us 24/7 for all vehicle related needs.

Expansion of our network and diversification of our product portfolio

Passenger vehicles production is expected to grow at a robust pace of 10.00%-12.00% CAGR from FY 2021 to FY 2026 and reach approximately 5.1 million units by FY 2026. Domestic passenger vehicles sales are expected to increase by 10.00%-12.00% CAGR over FY 2021 to FY 2026 (*Source: CRISIL Report*). Further, pre-owned passenger vehicles segment is expected to grow at 12.00%-14.00% CAGR between FY 2021 to FY 2026 and reach 6.8 million - 7.3 million vehicles by FY 2026 (*Source: CRISIL Report*). Over mid to long-term, moderate macroeconomic growth, increasing disposable income, consumer outlook, relatively stable cost of vehicle ownership, and lower fuel prices are likely to drive demand for passenger vehicles. Other factors that would aid demand are increasing urbanization, government support to farm incomes, and improved availability of finance (*Source: CRISIL Report*).

We intend to capitalise on the increasing demand for new and pre-owned passenger vehicles by adding new showrooms, sales outlets and booking offices and service centres to our existing network of 23 showrooms, 71 sales outlets and booking offices and 58 authorised service centres for passenger vehicles and partnering with well-known OEMs. Our expansion plans are evaluated on the basis of factors unique to that opportunity such as expected investment and financial returns, location, concentration of the same brands in the area and the catchment area served.

The automobile industry is yet to fully tap into demand from semi-urban and rural areas. Previously, consumers from these areas would need to go to automobile dealerships in towns and cities for their vehicle purchases. Going forward, dealership additions are expected to be in sync with the economic growth as well as estimated growth in passenger vehicle sales. New entrants are expected to continue their network expansion, especially in tier 2/ tier 3 cities (*Source: CRISIL Report*). Demand for vehicles is expected to increase in the rural areas on the back of a rise in finance penetration in the long term, as banks and NBFCs continue to focus on semi-rural and rural areas and improvements in rural infrastructure which is likely to bolster rural incomes (*Source: CRISIL Report*).Given our early-mover advantage in catering to the semi-urban and rural areas through our significant network of sales outlets, we believe we are well placed to take advantage of the expected growth in this sector. We intend to continue to increase our penetration in these areas by the addition of newer showrooms and sales outlets.

We also monitor trends in customer preferences and adapt to changing preferences by managing our inventory and diversifying our portfolio. For instance, we anticipated the increasing demand for premium and luxury vehicles in the markets that we operate, and added vehicles manufactured by Maruti Suzuki under the ‘Nexa’ brand to our portfolio in 2015 and vehicles manufactured by Honda and JLR through two of our Subsidiaries. We intend to continue to increase our presence and offerings in these segments by expanding our existing dealerships as well as setting up new dealerships for our existing OEMs in the relevant segments.

We intend to continue to strategically diversify our portfolio, and will thus, continue to evaluate prospects of introducing additional brands to our existing portfolio to meet changing customer preferences. We have also taken steps to enter the electric vehicle segment. We are in the process of entering into arrangements with an OEM to operate dealerships for their three-wheeler electric vehicles in Ernakulam. We are also in discussions with other electric vehicle manufacturers to set up dealerships for two wheeler electric vehicles. Our electric vehicle dealerships are proposed to be operated under the ‘Ecomarq’ brand.

Grow through strategic acquisitions

We believe that attractive expansion opportunities exist for well-capitalized dealership groups with experience in identifying, acquiring and integrating dealerships. As of March 31, 2021, our network comprised of 23 showrooms and 71 sales outlets and booking offices for new passenger vehicles, 14 showrooms and 28 sales outlets for commercial vehicles, 58 service centres for passenger vehicles, 25 service centres for commercial vehicles and 22 showrooms and sales outlets for pre-owned passenger vehicles through which we seek to offer an optimal mix of our products and services within our key markets.

We generally seek to acquire dealerships with high-growth automotive brands which may or may not be part of our existing portfolio in highly concentrated or growing demographic areas that will benefit from our management expertise, manufacturer relations and scale of operations, as well as smaller, single location dealerships that can be effectively integrated into our existing operations. We have seen consistent growth in the OEMs that we represent at our existing dealerships and believe that there are opportunities for us to continue to make strategic acquisitions over time. We have made strategic acquisitions, considering the consequent geographic and dealership addition to our business operations and continue to look for opportunities for inorganic growth through strategic acquisitions and undertake the same for continued growth. We have in the past achieved inorganic growth through strategic acquisitions. For instance, we acquired sales showrooms of an existing dealership in Ernakulam and Muvattupuzha in FY 2016. Further, we acquired Tata Motors (Commercial) dealership in North Kerala in 2015. As part of our strategic plans to expand our business into other territories and states, we acquired the entire operations of a sizeable, a spare parts distributorship in Karnataka, in FY 2019, which helped us gain established business channels and a steady foothold in Karnataka with a presence in Bengaluru, Hubballi, Vijayapur, Hosapete, Shivamoga, Mysuru and Mangaluru.The business division acquired by us contributed to a total turnover of ₹219.10 million, and 15.00% of the total turnover and 5.00% of the total EBITDA of the Company for FY 2021.

Increase our digital presence

The internet is primarily influencing the choices of customers with respect to new and pre-owned vehicle purchase decisions. The internet is generating better-informed customers and improving the efficiency of the sales process. We intend on enhancing our digital and online presence to make it more user friendly and informative about the products and services offered by us, latest launches by our OEM partners, discounts, features and related information etc. Using our proprietary software, our website, www.popularmaruti.com, and the websites of our OEMS including, www.marutisuzuki.com, www.hondacarindia.com and www.tatamotors.com, we intend to enable internet users to consider the various new and pre-owned vehicle models available in our inventory. Customers will also be able to track their vehicle maintenance schedules and reach out to us for any complaints or queries. We have also entered into lead referral agreements with online portals to lead customer inquiries to our website. We also intend to employ specially-trained internet sales personnel at our dealerships to respond to customer inquiries online. This, we believe, will help customers make more informed decisions, enhance our brand recall with customers and encourage them to make a purchase from us, enabling us expand our network of customers. As of July 15, 2021, we had 0.15 million followers on Facebook, and Instagram.

OUR BUSINESS OPERATIONS

Passenger Vehicle Dealerships

Our Company operates passenger vehicle dealership of Maruti Suzuki and two of our Subsidiaries, VMPL and PAPL operate passenger vehicle dealerships of Honda and JLR, respectively.

Our passenger vehicle dealership network is spread across all the 14 districts of Kerala, in Bengaluru and Mangaluru, in Karnataka, and in Chennai, in Tamil Nadu as of March 31, 2021. Our network comprised of 23 showrooms and 71 sales outlets and booking offices for new passenger vehicles, 58 authorised service centres and 22 dedicated showrooms and sales outlets for pre-owned passenger vehicles, as of March 31, 2021. The break-up of our sales and services network as on March 31, 2021 is set out below:

OEMs	Showrooms	Sales Outlets and Booking Offices	Authorised Service Centres	Showrooms and Outlets for Pre-owned Vehicles
Maruti Suzuki	13	70	48	22*
Honda	7	1	7	-
JLR	3	-	3	-
Total	**23**	**71**	**58**	**22**

* *Includes 13 sales outlets*

We offer a wide spectrum of new passenger vehicles, from economy to luxury, manufactured by Maruti Suzuki, Honda and JLR. We believe our brand mix is well-suited to the customer demand in the markets that we serve.

In respect of the sale of passenger vehicles vertical, our range of offerings under the Maruti Suzuki, Honda and JLR dealerships along with the number of units sold over the last three financial years is as set out below:

Passenger vehicle segment	FY 2021	FY 2020	FY 2019
No. of units sold			
Maruti Suzuki			
Mini	7,664	7,898	10,218
Compact	13,153	15,600	22,325
Mid Size	263	439	723
UVs	3,621	3,206	4,056
Vans	1,229	997	1,828
Total (A)	**25,930**	**28,140**	**39,150**
Honda			
B Segment	-	-	-
B+ segment	2,075	2,459	4,846
LC Segment	152	404	429
UC Segment	74	135	155
Mid SUV	13	54	74
SUV	-	6	2
MUV	-	-	-
Total (B)	**2,314**	**3,058**	**5,506**
JLR			
Luxury vehicles (C)	149	236	297
Total (A)+(B)+(C)	**28,393**	**31,434**	**44,953**
Revenue from sale of new PVs (₹ million)	**14,725.00**	**16,476.00**	**23,467.00**
EBITDA Margin from sale of new PVs	**2.70%**	**0.40%**	**2.40%**

In respect of the services and repairs vertical, the number of services delivered over the last three financial years is as set out below:

Services segment	FY 2021	FY 2020	FY 2019
No. of services delivered	549,023	702,922	625,190
Revenue from services(₹ million)	3,681.00	4,187.00	3,576.00
EBITDA Margin*	22.00%	17.00%	13.00%

** EBITDA = Profit before tax, Depreciation & Amortisation & Finance Cost. EBITDA Margin is % of EBITDA to Total Revenue*

In respect of the sale of pre-owned passenger vehicles segment, the number of units sold over the last three financial years is as set out below:

Pre-owned vehicle segment	FY 2021	FY 2020	FY 2019
No. of units sold	10,115	12,181	11,448
Revenue(₹ million)	2,459.00	2,390.00	2,293.00

With respect to the facilitation of sale of third-party financial products vertical, the number of units in respect of which we have facilitated sale of financial products over the last three financial years is as set out below:

Other Operating Income	FY 2021	FY 2020	FY 2019
No. of passenger vehicles insured	225,951	222,721	198,316
No. of passenger vehicles financed	17,591	21,644	27,156
Revenue(₹ million)	445.00	553.00	542.00

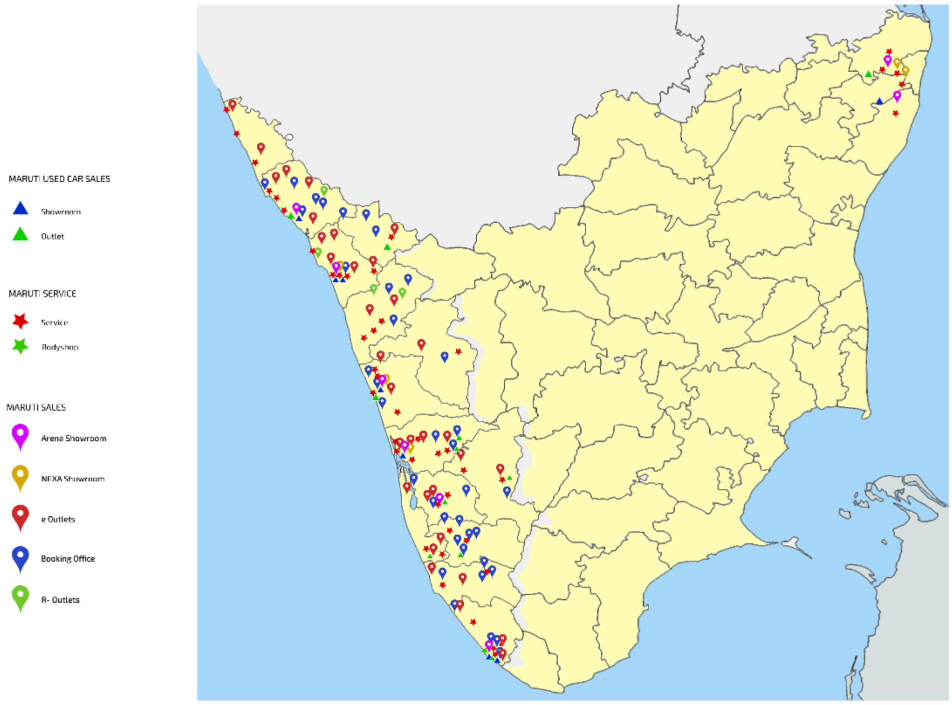
Maruti Suzuki Dealership

The first ever dealership for Maruti Suzuki vehicles in Kerala was awarded to our Company in 1984. We operate our Maruti Suzuki dealership in various cities of Kerala, and in Chennai, in Tamil Nadu. We operate 8 Arena showrooms and 5 Nexa showrooms along with 70 sales outlets and booking offices, 48 authorised service centres, 22 vehicle showrooms and sales outlets for pre-owned vehicle and six driving schools as of March 31, 2021. We sell 25.00% and 8% of all passenger vehicles sold by Maruti Suzuki in the states of Kerala and Tamil Nadu.

Our Maruti Suzuki dealerships are operated directly by our Company under the 'Popular' brand in various cities of Kerala, and in Chennai, Tamil Nadu. Through our network of 'Arena' and 'Nexa' dealerships, we retail new passenger vehicles manufactured by Maruti Suzuki, facilitate sale of pre-owned vehicles under the 'Maruti True Value' brand of showrooms, service and repair vehicles manufactured by Maruti Suzuki and operate six driving school under the brand 'Maruti Driving School'.

Our Company has entered into a dealership agreement with Maruti Suzuki, pursuant to which we have been authorised as a dealer of Maruti Suzuki passenger vehicles, on a non-exclusive and non-transferable basis, to sell and service passenger vehicles manufactured by Maruti Suzuki in various cities of Kerala, and in Chennai, Tamil Nadu. The agreement is valid for a term of three years and is renewable for successive terms of three years with the mutual consent of both parties. The agreement with respect to our Nexa dealerships is currently under renewal. The dealership agreements may be terminated by Maruti Suzuki without cause by providing a notice of 90 days and for cause on account of breach of the terms thereof or, *inter alia*, upon us becoming bankrupt or committing fraud in connection with the agreement. Pursuant to the terms of the agreement, we are required to ensure that our dealerships comply with the specified operational procedures, our technicians are trained as per Maruti Suzuki's requirements and also comply with restrictions relating to inventory levels, working capital levels, marketing and branding, among other things. For details of how our OEMs can influence our operations, see "*Risk Factors – We are subject to the significant influence of and restrictions imposed by OEMs pursuant to the terms of our dealership agreements that may adversely impact our business, financial condition, results of operations, cash flows, and prospects, including our ability to acquire additional dealerships.* " on page 26. We are also required to ensure that our facilities, including the showrooms, authorised service centres and sales outlets and booking offices, meet the specifications prescribed by the OEMs. Further, expansion of our dealership to new locations would be subject to the consent and sole discretion of Maruti Suzuki. Similarly, entering into agreements with new OEMs would require the prior consent of Maruti Suzuki. For further details in relation to restrictions imposed on us in this regard, see "*Risk Factors – We may fail to successfully implement our growth strategy, which includes acquiring existing dealerships, diversifying our portfolio and penetrating deeper into existing geographic locations*. " on page 29.

The map below sets out details of the presence of our Company in Kerala and Tamil Nadu, as of March 31, 2021.



Retail of new passenger vehicles

We are the sixth largest passenger vehicles dealership for Maruti Suzuki, in terms of sales by volume, in India, as of March 31, 2021. During FY 2021, we sold 25,930 new Maruti Suzuki vehicles. Our Maruti Suzuki dealerships contributed towards the sale of 91.00%, 90.00% and 87.00% of the total number of passenger vehicles sold by us in FY 2021, FY 2020 and FY 2019, respectively.

Our Maruti Suzuki dealerships are operated under the 'Popular' brand and offer economy to premium vehicles under the Maruti Suzuki brands - 'Arena' and 'Nexa', respectively. Our 'Arena' showrooms retail Alto 800, Spresso, Celerio, Wagon R, Eeco, Swift, Dzire, Ertiga and Brezza models of passenger vehicles and our 'Nexa' showrooms retail the S Cross, Baleno, Ciaz, XL6 and Ignis models of passenger vehicles.

We purchase our new vehicle inventory directly from Maruti Suzuki. While we place orders with Maruti Suzuki for passenger vehicles on a fortnightly basis based on our internal assessment of customer demand (which is based on past trends and model-wise targets given to us by Maruti Suzuki), Maruti Suzuki generally allocates new vehicles to us based on availability, monthly sales level market area demand and our order forecast. Accordingly, we rely on Maruti Suzuki to provide us with vehicles that meet consumer demand at dealership locations, in appropriate quantities and prices. However, if certain models of vehicles, or vehicles with certain option configurations are in short supply, we attempt to exchange vehicles among our own showrooms to accommodate customer demand and to balance inventory. We also receive monetary incentives from Maruti Suzuki for meeting certain targets set by Maruti Suzuki for sale of specific models of vehicles.

Services and Repairs

We were ranked second in the all India dealer ranking, in terms of volume of services, for Maruti Suzuki (Arena and Nexa) in FY 2021. Our Company was ranked the "All India Second Highest Paid Service Load" for FY 2021 among Maruti Suzuki Dealerships. We were also recognised as "number 1 in highest paid service load growth" in Arena for 3000-6000 vehicle category in Chennai in FY 2020. We were ranked number one in the maximum sales to service ratio for Arena in more than 12,000 vehicle category in FY 2020 among Maruti Suzuki dealerships. Services and repairs at our Maruti Suzuki dealerships accounted for 16.20% of our passenger vehicle dealership revenue and 60.60% of our passenger vehicle dealership EBITDA during FY 2021. Our maintenance and repair services under each of our dealerships include warranty work, customer paid work, running repair and collision repair services. New passenger vehicles sold by Maruti Suzuki are covered under manufacturer warranty for a period of two years or 40,000 kilometres, whichever is met earlier. We also sell extended warranty contracts to customers which will cover periods of up to five years or 100,000 kilometres, whichever is met earlier. We also offer road-side assistance in case of emergencies and periodic maintenance packages. We strive to make each customer at our showrooms or sales outlets a customer of our services and repairs department. Our dealerships keep detailed records of our customers' maintenance and service histories, and promptly follow up with customers when vehicles are due for periodic maintenance or service. Several of our service centres have extended evening and weekend service hours and also offer vehicle pick up and drop services for the convenience of our customers. We also offer express repair services such as paint-less dent removal, plastic repair, headlight reconditioning and quick body repair service at most of our facilities in order to offer our customers the convenience of one-stop shopping for all of their automotive requirements. We also provide 24 hour break down/ accident assistance to our customers.

We have 46 bodyshops across Kerala and Tamil Nadu, where we provide collision repair services which includes services covered under vehicle insurance claims as well as cash payments made by customers. Our Company was ranked "All India Highest in the Bodyshop Load" for FY 2021 for Maruti Suzuki. In instances where services are covered under vehicle insurance policies, we assist customers in completing the relevant formalities to make the necessary claims under the insurance policies.

Pre-owned Vehicle Sales

We have been named the No.1 Pre Owned Car Dealer in India in True Value certified vehicles in terms of sales by volume for FY 2021 by Maruti Suzuki. We operated 22 showrooms and outlets under the 'Maruti True Value' brand as of March 31, 2021. During FY 2021, we retailed 9,413 pre-owned vehicles through our 'Maruti True Value' showrooms, which generated 12.70% of the passenger vehicle dealership revenue of our Company and 5.40% of the passenger vehicle dealership EBITDA of our Company. We acquire pre-owned vehicles of all manufacturers by way of trade-ins from customers in connection with their purchase of a new vehicle from us, as well as from the open market including vehicle auction brokers, online portals and other dealers. To improve customer confidence in our pre-owned vehicle inventory, certain pre-owned vehicles sold by us, which meet certain specified criteria are certified by Maruti Suzuki under its pre-owned car certification programme. If certified, the pre-owned vehicle owner is typically provided benefits and warranties similar to those offered to customers purchasing new Maruti Suzuki vehicles.

Vehicle Finance and Insurance Sales

Facilitating sale of third-party financial products including insurance policies and vehicle finance through our Maruti Suzuki dealerships represented 2.30% of the passenger vehicle dealership revenue of our Company, during FY 2021. At our customers' option, our dealerships can arrange third-party financing and insurance coverage in connection with new vehicle purchases. Further, our service centres also facilitate renewal of insurance for our customers. As part of our after sales services, we have facilitated the sale of 25,577 new insurance policies and renewal of 1,86,045 insurance policies, aggregating to a gross premium of ₹1,459.57 million and facilitated financial assistance aggregating ₹6,962.10 million to our vehicle customers from our empanelled lenders during FY 2021 through our Maruti Suzuki dealerships. Third-party financing and insurance options offered by us are based on a list of lenders and insurers empanelled by Maruti Suzuki which is uniform for all Maruti Suzuki dealerships. We typically receive a portion of the cost of the financing paid/ sum assured by the customer for each transaction as a fee from the finance/ insurance companies.

Honda Dealership

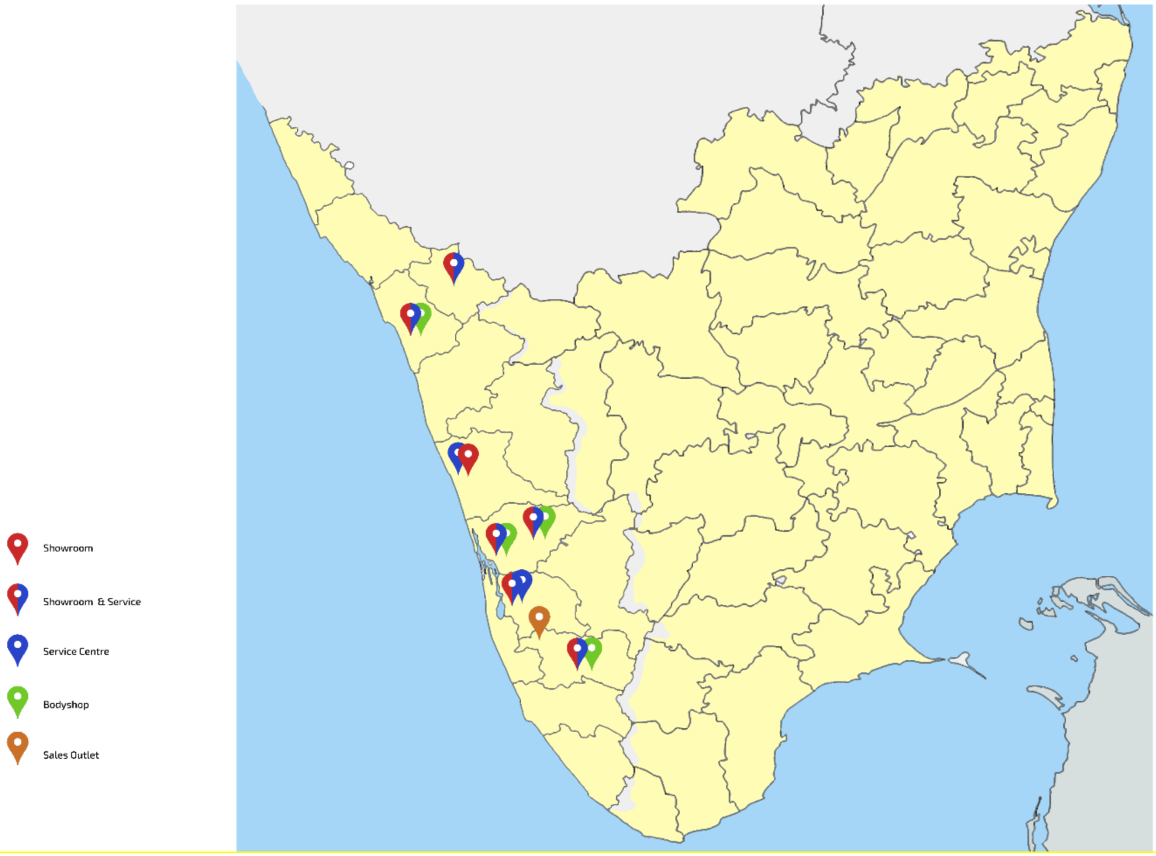
We are amongst the top six passenger vehicles dealership for Honda, in terms of sales by volume, in India, as of March 31, 2021. We commenced dealerships with Honda in the year 2008 though our Subsidiary, VMPL, in Kerala and operated seven showrooms, one sales outlet and seven service centres in Kerala, as of March 31, 2021. As of March 31, 2021, we sold 32% of all passenger vehicles sold by Honda in Kerala.

Our Subsidiary VMPL, operates our Honda dealership under the brand 'Vision'. Through our Honda dealership, we retail and service economy to premium passenger vehicles in Kerala. We also sell pre-owned passenger vehicles under various brands through our showrooms.

VMPL has entered into a dealership agreement with Honda, in respect of the dealership. Pursuant to the terms of the dealership agreement, we have been authorised as a dealer on a non-exclusive and non-transferable basis, to sell and service passenger vehicles manufactured by Honda in identified parts of Kerala. The agreement is valid for a term of one year and is renewable with the mutual consent of both parties. Additionally, as per the terms of the dealership agreement, Honda may terminate the agreement without prior notice on the occurrence of any exceptional event or for breach of terms including, *inter alia*, upon VMPL becoming bankrupt or undergoing a change in control or ownership without the prior consent from the OEM, or undertaking actions which could bring disrepute to the name of the dealership. The agreements cover business processes, operational standards and procedures that we are required to comply with, for enhancing operational efficiency and ensuring desired customer experience at our dealerships. Further, pursuant to the terms of the agreements, we are subject to numerous operational requirements and restrictions relating to inventory levels, working capital levels, the sales process, marketing and branding, showroom and service facilities, signage, personnel, changes in management, and monthly financial reporting, among other things. For details of how our OEMs can influence our operations, see "*Risk Factors – We are subject to the significant influence of and restrictions imposed by OEMs pursuant to the terms of our dealership agreements that may adversely impact our business, financial condition, results of operations, cash flows, and prospects, including our ability to acquire additional dealerships*." on page 26. Further, expansion of our dealership to new locations would be subject to the consent and sole discretion of the OEM. In addition to the above, engaging in the business of *inter alia,* procuring, advancing and/or selling the competing products of any other suppliers (OEM) or entering into agreements with new OEMs would require the prior consent of Honda.

We are required to adhere to certain service and customer satisfaction levels prescribed by Honda in operating our dealerships and our failure to do so may lead to the termination of the dealership agreement. Sale of vehicles for use as taxis, car rentals or as a reward in any competition is subject to the prior consent of the OEMs. We are also required to ensure that our facilities, namely, the showrooms, service centres, sales office etc. meet the specifications prescribed by the OEM.

The map below sets out details of our showrooms, sales outlets and service centres in Kerala as of March 31, 2021:



Retail of new passenger vehicles

During FY 2021, we sold 2,314 new passenger vehicles through Honda dealership. We are within top six with respect to our dealership with Honda in terms of sales by volume, across India as of March 31, 2021. Our Honda dealership contributed towards the sale of 8.00%, 10.00% and 12.00% of the total number of passenger vehicles sold by us in FY 2021, FY 2020 and FY 2019.

We retail various models of vehicles, ranging from economy to premium vehicles, as mutually agreed upon in the dealership agreement and the retailer and repairer agreement entered into with Honda.

We purchase our new vehicle inventory and in certain cases, the spare parts inventory, directly from Honda. However, if certain models of vehicles, or vehicles with certain option configurations, are in short supply, we attempt to exchange such vehicles with other dealerships of Honda and also among our own showrooms, to accommodate customer demand. New vehicles and parts are retailed by us at prices decided by us provided that the prices are not above the maximum sale price issued to us by Honda.

Service and Repairs

We were ranked third in terms of volume of services handled for Honda and we were also the fifth largest dealer for Honda Cars India Limited in terms of the "units in operations" base handled as of March 31, 2021. Service and repairs at our Honda dealerships account for 25.00% of our Honda dealership revenue and 87.00% of our Honda dealership EBITDA margin during FY 2021. New passenger vehicles sold by us through our Honda dealership are covered under manufacturer warranty for a period typically ranging from two to three years or in certain cases, based on kilometres. We generate services and repair revenue in connection with warranty as well as non-warranty work performed at each of our service centres. We also offer road side assistance in case of emergencies and periodic maintenance packages. We strive to make each customer at our showrooms or sales outlets a customer of our services and repairs department. Our dealership keeps detailed records of our customers' maintenance and service histories, and promptly follow up with customers when vehicles are due for periodic maintenance or service. Many of our service centres have extended evening and weekend service hours and also offer vehicle pick up and drop services for the convenience of our customers. We also offer express repair services such as paint-less dent repair, headlight reconditioning and quick body repair service at most of our facilities in order to offer our customers the convenience of one-stop shopping for all of their automotive requirements.

Pre-Owned Vehicle Sales

We retail pre-owned passenger vehicles under various brands through our existing Honda showrooms. We believe that this business helps in promoting new vehicle sales through exchange of pre-owned vehicles. Further, to improve customer confidence in our pre-owned vehicle inventory, pre-owned vehicles that meet certain specified criteria are sold as certified vehicles under various programs of Honda.

Vehicle Finance and Insurance Sales

Facilitating sale of third-party financial products including insurance policies and vehicle finance through our Honda dealerships represented 1.70% of the passenger vehicle dealership revenue of our Company during FY 2021. At our customers' option, our dealerships can arrange third-party financing and insurance coverage in connection with new vehicle purchases. Further, our service centres also facilitate renewal of insurance for our customers. As part of our after sales services, we have facilitated the sale of 1,835 new insurance policies and renewal of 11,957 insurance policies, aggregating to a gross premium of ₹171.79 million, and facilitated financial assistance aggregating ₹ 724.06 million to our vehicle customers from our empanelled lenders during FY 2021 through our Honda dealership. We typically receive a portion of the cost of the financing paid/ sum assured by the customer for each transaction as a fee from the finance/ insurance companies

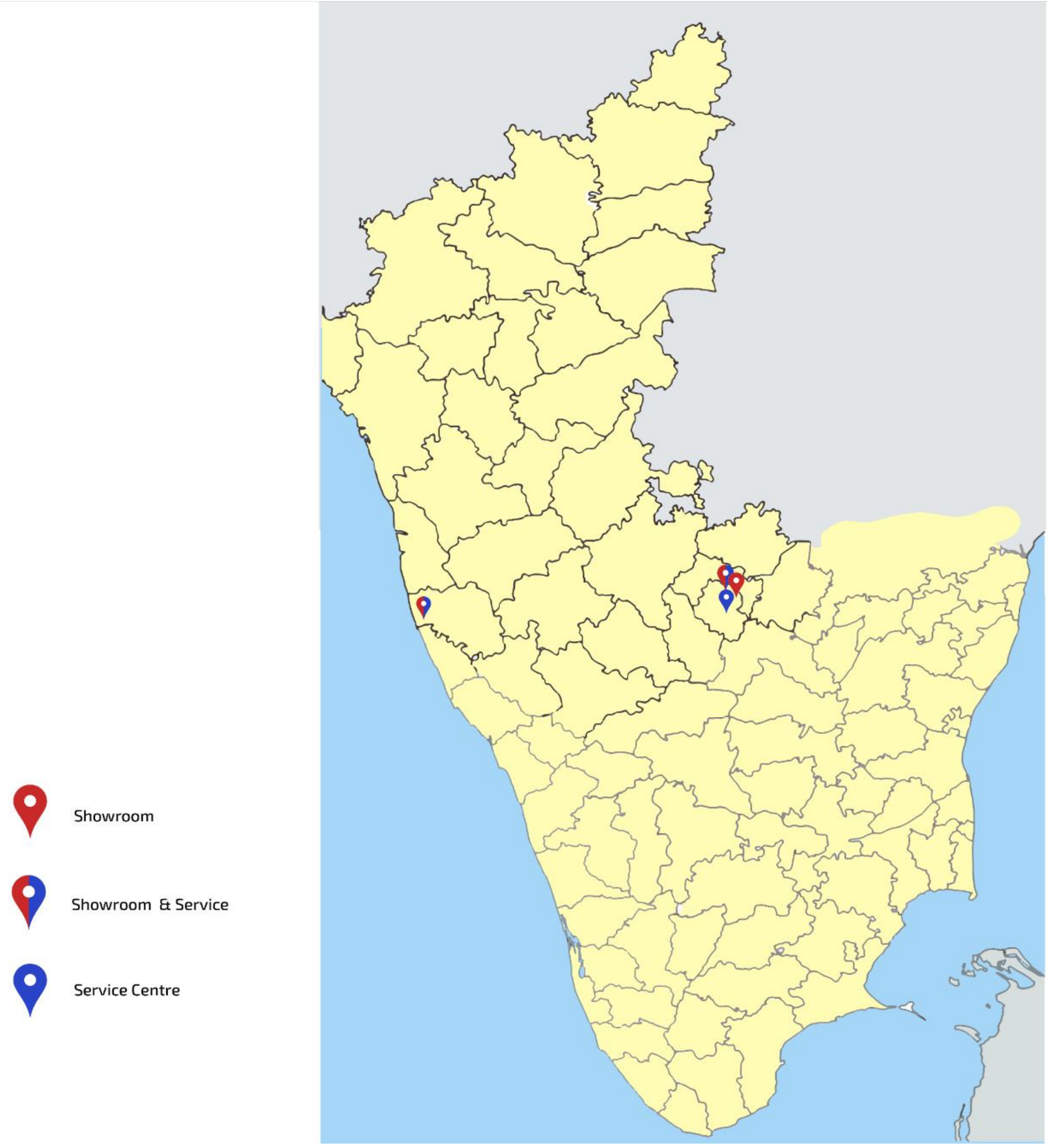
JLR Dealership

Our JLR vehicles dealership is operated PAPL, our Subsidiary, under the 'Marqland' brand in Karnataka through which we retail and service new passenger vehicles in the luxury passenger vehicle segment. We also retail pre-owned passenger vehicles through our existing showrooms.

PAPL has entered into a dealership agreement with JLR pursuant to which we have been authorised as a dealer of JLR on a non-exclusive basis, to sell and service passenger vehicles manufactured by JLR in Karnataka. The agreements are valid for a term of 5 years and are renewable with the mutual consent of both parties unless terminated earlier by either party with a notice of six months. The agreements may be terminated unilaterally by the OEM for breach of the terms thereof or, *inter alia,* upon us failing to comply with repayment terms of our debt documentation and contravening applicable laws and regulations. Pursuant to the terms of the agreement, it covers business processes, operational standards and procedures that we need to comply with, for enhancing operational efficiency and ensuring desired customer experience at dealerships. Further, pursuant to the terms of the agreements, we are subject to numerous operational requirements and restrictions relating to inventory levels, working capital levels, the sales process, marketing and branding, showroom and service facilities, signage, personnel, changes in management, and monthly financial reporting, among other things. We are required to adhere to certain service and customer satisfaction levels prescribed by the OEM in operating our dealerships and the failure to do so may lead to termination of the agreement. For details of how our OEMs can influence our operations, see "*Risk Factors – We are subject to the significant influence of and restrictions imposed by OEMs pursuant to the terms of our dealership agreements that may adversely impact our business, financial condition, results of operations, cash flows, and prospects, including our ability to acquire additional dealerships* " on page 26. We are also required to ensure that our facilities, namely, the showrooms, service centres, sales office etc. meet the specifications prescribed by the OEM.

We commenced the JLR dealership in 2010 in Karnataka. We operated three showrooms and three service centres in Karnataka, as of March 31, 2021.

The map below sets out details of our showrooms, pre-owned vehicle showrooms and service centres in Karnataka as of March 31, 2021:



Retail of new passenger vehicles

During FY 2021, we sold 149 JLR vehicles. We were the fifth largest retailer with respect to our dealership with JLR in terms of sales by volume, across India as of March 31, 2021.

Our JLR dealerships of contributed towards the sale of 1.00%, 1.00% and 1.00% of the total number of passenger vehicles sold by us in FY 2021, FY 2020 and FY 2019, respectively.

We purchase our new vehicle inventory and in certain cases, the spare parts inventory, directly from JLR. We place orders for vehicles on a monthly basis based on our internal assessment of customer demand (which is based on past trends). However, JLR generally allocates new vehicles to us based on availability, monthly sales levels and market area demand. Accordingly, we rely on the OEMs to provide us with vehicles that meet consumer demand at suitable locations, in appropriate quantities and prices.

Prices for all models of vehicles and related accessories are fixed by JLR. Additionally, discount schemes and other offers are announced by JLR periodically.

Service and Repairs

We were ranked third in terms of volume of services handled for JLR as of March 31, 2021. Service and repairs at our JLR dealerships account for 23.00% of our passenger vehicle dealership revenue and 50.00% of our JLR dealership EBITDA margin during FY 2021. New passenger vehicles sold by us through our JLR dealerships are covered under manufacturer warranty for a period typically ranging two years or in certain cases, based on kilometres. We also sell extended warranty contracts to customers which will cover periods of up to two to five years. Our dealerships keep detailed records of our customers' maintenance and service histories, and promptly follow up with customers when vehicles are due for periodic maintenance or service. Many of our service centres have extended evening and weekend service hours and also offer vehicle pick up and drop services for the convenience of our customers. We also offer express repair services such as paint-less dent repair, headlight reconditioning and quick body repair service at most of our facilities in order to offer our customers the convenience of one-stop shopping for all of their automotive requirements.

Pre-owned Vehicle Sales

We retail pre-owned passenger vehicles through our existing showrooms. We believe that this business helps in promoting new vehicle sales through exchange of pre-owned vehicles. Further, to improve customer confidence in our pre-owned vehicle inventory, pre-owned vehicles that meet certain specified criteria are sold as certified vehicles under various programs of JLR.

Vehicle Finance and Insurance Sales

Facilitating sale of third-party financial products including insurance policies and vehicle finance through our JLR dealership represented 1.00% of the passenger vehicle dealership revenue of our Company during FY 2021. At our customers' option, our dealerships can arrange third-party financing and insurance coverage in connection with new vehicle purchases. Further, our service centres also facilitate renewal of insurance for our customers. As part of our after sales services, we have facilitated the sale of 116 new insurance policies and renewal of 421 insurance policies, aggregating to a gross premium of ₹46.18 million and facilitated financial assistance aggregating ₹421.46 million to our vehicle customers from our empanelled lenders during FY 2021 through our JLR dealership. We typically receive a portion of the cost of the financing paid/ sum assured by the customer for each transaction as a fee from the finance / insurance companies.

Commercial Vehicle Dealership

We operate our commercial vehicle dealership of Tata Motors (Commercial) through PMMPL, one of our Subsidiaries. Our Tata Motors (Commercial) dealership network is spread across 14 showrooms, 28 sales outlets and 25 authorised service centres for commercial vehicles in Kerala and Tamil Nadu. We also commenced sales of commercial vehicles of Maruti Suzuki in February 2019 through our showroom in Thrissur, Kerala. The break-up of our sales and services network as on March 31, 2021 is set out below:

OEM	Showrooms	Sales Outlets	Authorised Service Centres
Tata Motors (Commercial)	13	28	25
Maruti Suzuki	1	-	-
Total	**14**	**28**	**25**

We offer new commercial vehicles ranging from small commercial vehicles, light commercial vehicles, intermediate commercial vehicles and medium and heavy commercial vehicles manufactured by Tata Motors (Commercial).

Our revenue from operations of the commercial vehicle vertical for FY 2021, 2020 and 2019 is ₹6,906.66 million, ₹7,491.23 million and ₹8,859.67 million respectively. In respect of the commercial vehicle vertical, our range of offerings under the Tata Motors (Commercial) dealership along with the number of units sold over the last three financial years is as set out below:

Commercial vehicle segment	FY 2021	FY 2020	FY 2019
No. of units sold			
SCV Cargo & Pickups	4,275	4,168	4,594
SCV Passenger	32	430	1263
Light Commercial Vehicles	522	775	806
Intermediate Commercial Vehicles	584	895	1065
M& HCV	937	1106	1603
Buses and Vans	154	657	801
Total	**6,504**	**8,031**	**10,132**
Revenue from sale of new commercial vehicles (₹ in million)	6,135.00	6,557.00	7,945.00
EBITDA Margin from sale of new commercial vehicles	4.00%	3.20%	3.80%

Our revenue from operations of the commercial vehicle vertical for FY 2021, 2020 and 2019 is ₹6,906.66 million, ₹7,491.23 million and ₹8,859.67 million respectively. In respect of the services and repair vertical, the number of services delivered over the last three financial years is as set out below:

Services segment	FY 2021	FY 2020	FY 2019
No. of services delivered	97,257	1,15,039	1,07,359
Revenue from services **(₹ in million)**	711.00	726.00	701.00
EBITDA Margin*	4.00%	3.00%	4.00%

** EBITDA = Profit before tax, Depreciation & Amortisation & Finance Cost. EBITDA Margin is % of EBITDA to Total Revenue*

Our revenue from operations of the commercial vehicle vertical for FY 2021, 2020 and 2019 is ₹6,906.66 million, ₹7,491.23 million and ₹8,859.67 million respectively. With respect to the facilitation of third-party financial products, the number of units in respect of which we have facilitated sale of financial products over the last three financial years is as set out below:

Other Operating Income	FY 2021	FY 2020	FY 2019
No. of commercial vehicles insured	8,302	8,318	9,381
No. of commercial vehicles financed	5,023	5,686	7,237
Revenue	12	21	19

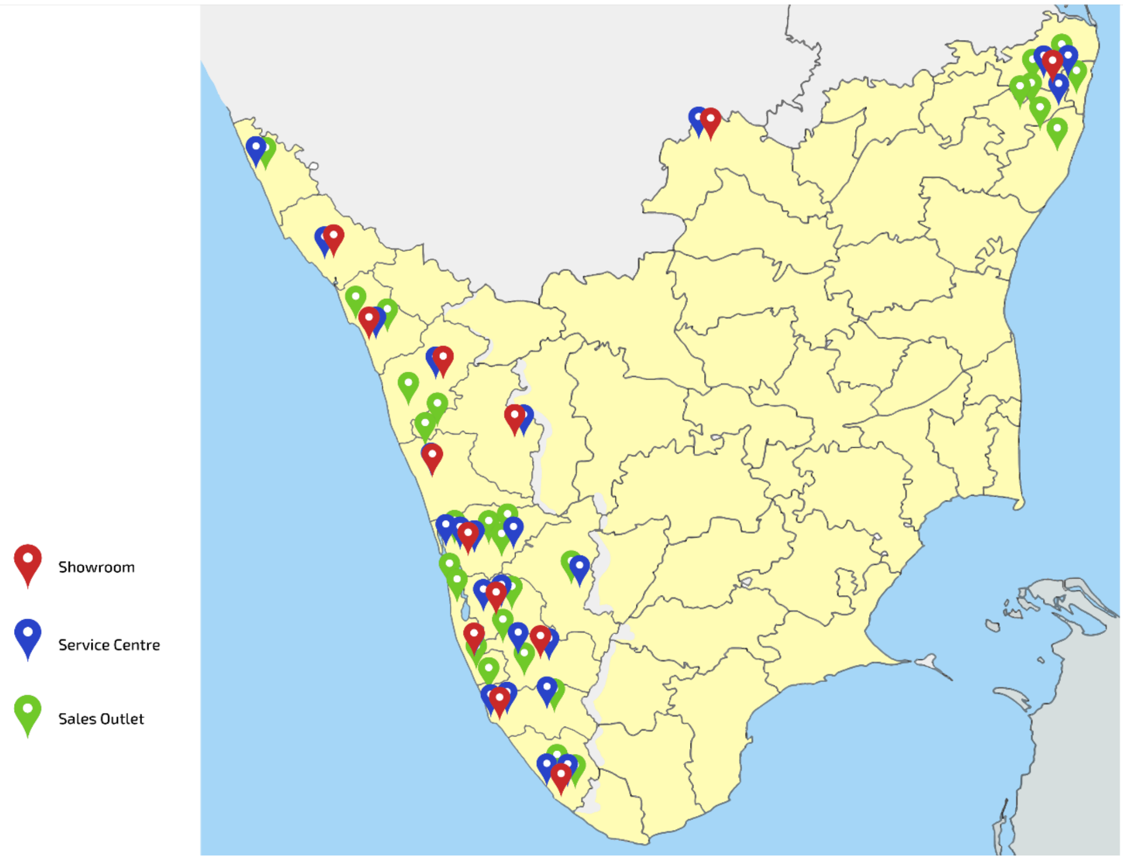
Tata Motors (Commercial) Dealership

Our Tata Motors (Commercial) vehicles dealership is operated by one of our Subsidiaries, PMMPL, under the 'Popular Mega Motors' brand in Kerala and Tamil Nadu. We retail a full range of commercial vehicles manufactured by Tata Motors (Commercial) as well as operate services and repairs departments, providing a full range of repair services.

PMMPL has entered into dealership agreements with Tata Motors Limited pursuant to which we have been authorised as a dealer of Tata Motors (Commercial) on a non-exclusive and non-transferable basis, to sell and service commercial vehicles manufactured by Tata Motors (Commercial) in identified parts of Kerala and Tamil Nadu. The agreements are valid for a term of five years and are renewable with the mutual consent of both parties unless terminated earlier by either party with a notice of 90 days. The agreements may be terminated unilaterally by the OEM for breach of the terms thereof or, *inter alia*, upon us failing to comply with repayment terms of our debt documentation and contravening applicable laws and regulations. Pursuant to the terms of the agreement, we are subject to numerous operational requirements and restrictions relating to inventory levels, working capital levels, the sales process, marketing and branding, showroom and service facilities, signage, personnel, changes in management, and financial reporting, among other things. Further, expansion of our dealership to new locations would be subject to the consent and sole discretion of the OEM. Similarly, entering into agreements with new OEMs would require the prior consent of Tata Motors (Commercial). For details of how our OEMs can influence our operations, see "*Risk Factors – We are subject to the significant influence of and restrictions imposed by OEMs pursuant to the terms of our dealership agreements that may adversely impact our business, financial condition, results of operations, cash flows, and prospects, including our ability to acquire additional dealerships*" on page 26. We are required to adhere to certain service and customer satisfaction levels prescribed by the OEM in operating our dealerships and the failure to do so may lead to termination of the agreement. We are also required to ensure that our facilities, namely, the showrooms, service centres, sales office etc. meet the specifications prescribed by the OEM.

We commenced our first Tata Motors (Commercial) dealership in 1997 in Kottayam. We operated 13 showrooms, 28 sales outlets, and 25 service centres across each of the 14 districts of Kerala and also in Chennai, Chengalpet, Dharmapuri, Krishnagiri and Thiruvallur in Tamil Nadu, as of March 31, 2021.

The map below sets out details of our showrooms, sales outlets and service centres in Kerala and Tamil Nadu as of March 31, 2021:



Retail of commercial vehicles

Our Tata Motors (Commercial) dealerships offer a complete range of commercial vehicles (including small commercial vehicles, light commercial vehicles, intermediate commercial vehicles and medium and heavy commercial vehicles).

We are the third largest commercial vehicle dealership group for Tata Motors (Commercial) in terms of sales by volume, as of March 31, 2021. During FY 2021, we sold 6,504 Tata Motors (Commercial) vehicles.

We purchase our inventory directly from Tata Motors (Commercial). While we place orders with Tata Motors (Commercial) for vehicles on a monthly basis based on our internal assessment of customer demand (which is based on past trends), Tata Motors (Commercial) generally allocates new vehicles to us based on availability, monthly sales levels and market area demand.

Tata Motors (Commercial) advises in its absolute discretion, the maximum price for all models of vehicles and related accessories retailed by us. Specifically, for the spare parts and related accessories, Tata Motors (Commercial) establishes a uniform maximum retail price on an All-India basis. We are restricted from retailing the vehicles at a price higher than the maximum price fixed by Tata Motors (Commercial). However, we are authorised to retail vehicles at prices lower than the maximum price.

Services and Repairs

Our Company was ranked second in terms of volume of services handled for Tata Motors (Commercial). We were also ranked second, second and first in all India for sum of parts revenue, sum of job cards raised and sum of labour revenue, respectively, for FY 2021. Service and repairs at our Tata Motors (Commercial) dealerships account for 10.10% of our commercial vehicle dealership revenue and 19.80% of our commercial vehicle dealership EBITDA during FY 2021. We generate service and repair revenue in connection with warranty and non-warranty work performed at each of our service centres. New passenger vehicles sold by Tata Motors (Commercial) are covered under manufacturer warranty for a period of two to three years or 72,000 kilometres. We also sell extended warranty contracts to customers which will cover periods of up to three years or 108,000 kilometres, whichever is met earlier. We also offer road-side assistance in case of emergencies and periodic maintenance packages.

Vehicle Finance and Insurance Sales

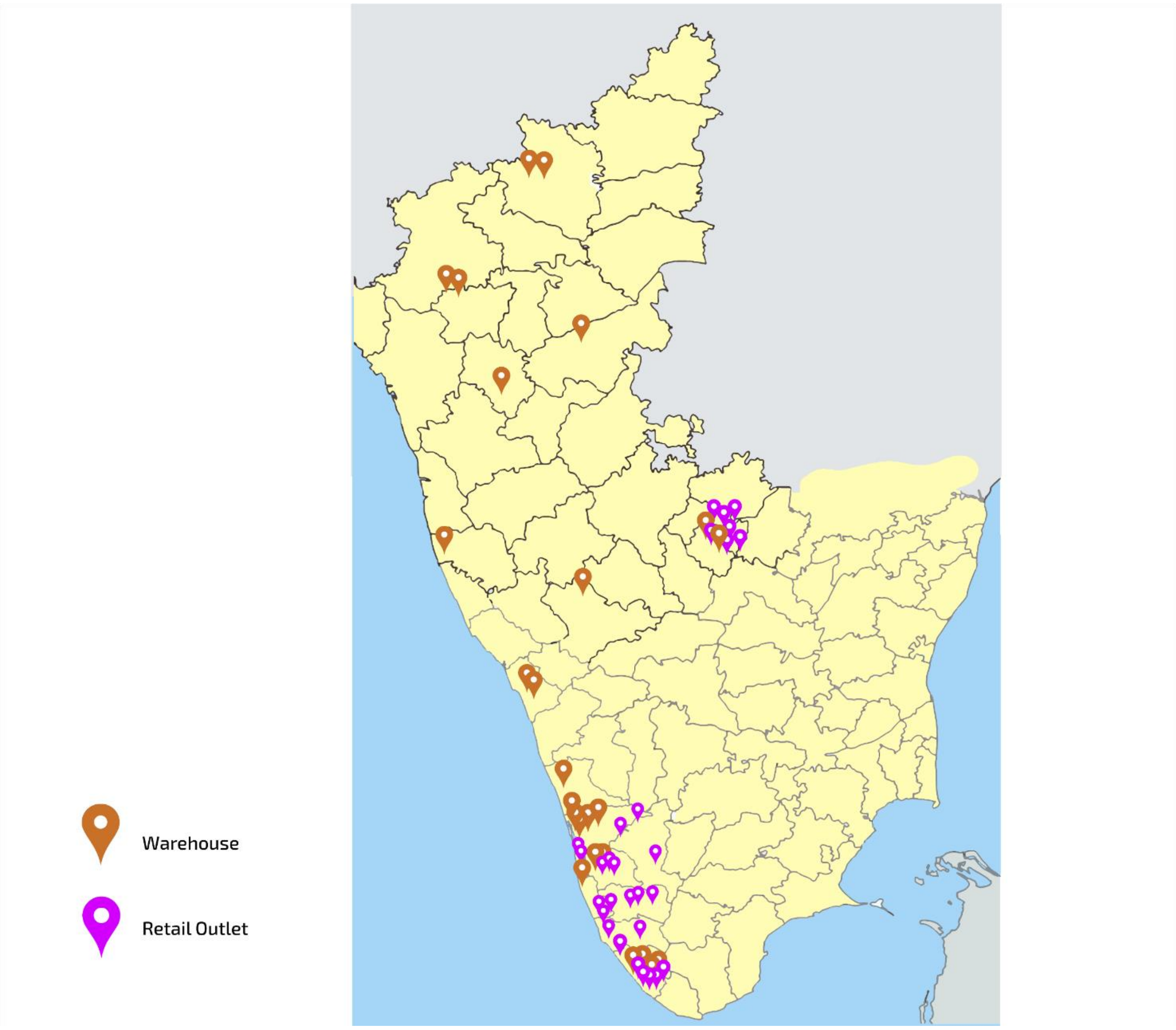
Facilitating sale of third-party financial products including insurance policies and vehicle finance through our Tata Motors (Commercial) dealership represented 0.2% of the commercial vehicle dealership revenue of our Company during FY 2021. At our customers' option, our dealerships can arrange third-party financing and insurance coverage in connection with new vehicle purchases. Further, our service centres also facilitate renewal of insurance for our customers. As part of our after sales services, we have facilitated the sale of 4,769 new insurance policies and renewal of 3,533 insurance policies, aggregating to a gross premium of ₹205.26 million and facilitated financial assistance aggregating ₹5,273.04 million to our vehicle customers from our empanelled lenders through our Tata Motors (Commercial) dealership during FY 2021.Third-party financing and insurance options offered by us are based on a list of lenders and insurers empanelled by Tata Motors (Commercial) which is uniform for all Tata Motors (Commercial) dealerships. We typically receive a portion of the cost of the financing paid/ sum assured by the customer for each transaction as a fee from the finance/ insurance companies.

Spares Parts Distributions

We ventured into the spare parts distribution business in 2005. Our spare parts and distribution business is operated by PADPL, one of our Subsidiaries. PADPL has entered into distributorship agreements with various OEMs and is engaged in the business of sale of genuine parts in aftermarket in Kerala and Karnataka. As on March 31, 2021, our spare parts and distribution business operated through 54 touch points which comprises of 29 retail outlets, 25 warehouses and offices. Further, as on March 31, 2021, we operate our spare parts distributorship across Kerala and Karnataka and cater to around 10,000 customers including active retailers, independent workshops, authorised service centres and vehicle dealers. 21.00% of the total spares and parts sold by us during FY 2021 were to independent customers. Under most of our agreements, the maximum price in relation to all the spare parts that we sell is fixed by the OEMs. However, we are authorised to sell spare parts at prices, lower than the maximum price.

As on March 31, 2021, we have around 6000 walk-ins on a monthly basis. We cater to more than 250 customers on a daily basis. The spare parts are distributed from warehouses through a fleet of 19 vehicles to various retailers and independent workshops in addition to other logistic providers.

The map below sets out details of our distribution network as of March 31, 2021:



Sales and Marketing

Sales and marketing activities for our dealerships are carried out by our sales and marketing personnel at each of our dealerships. Our marketing strategy focuses on our individual businesses to capitalize on local branding, as well as corporate programs and web presence. This allows us to leverage scale and brand recognition. We align ourselves with the marketing implemented by our OEMs for their respective brands and integrate those initiatives and resources across the brands we represent.

We carry out targeted marketing campaigns under each of our dealerships focusing on various segments of customers such as corporates, exchange buyers etc. to support our sales and marketing team, including test drive campaigns and exchange campaigns. We also carry out targeted marketing campaigns by targeted displays at luxury apartment complexes and luxury malls, as well as by sponsoring events including fashion shows. Additionally, we undertake advertising campaigns on various platforms including print, television, radio and social media, to enhance our brand image and visibility. We undertake digital marketing activities through four broad streams (i) marketing through in-house digital assets such as our websites, social media campaigns, the 'My Popular App' etc.; (ii) in house campaigns targeted at lead generation through our social media as well as internet advertising; (iii) hyper-local OEM specific campaigns on our OEM websites; (iv) advertisements on third party lead aggregator websites. We have also tapped into online video conferencing platforms to stay in touch with our customers during the COVID-19 pandemics and organised various awareness sessions and customer meets.

We have dedicated online portals through which customers can browse through our offerings, make bookings and book test drives. We have also introduced virtual reality headsets which permits customers to view, and virtually experience our vehicles from the comfort of their homes. During FY 2021, we sold a cumulative of 28,393 new passenger Vehicles and 6,504 new commercial vehicles, through our network of 37 showrooms, 99 sales outlets and booking offices located in Kerala, Tamil Nadu and Karnataka.

Customer Care

We prioritise customer feedback across our dealerships. Customer care managers at each of our dealerships are responsible for taking feedback from customers at various stages, right from the time of booking the vehicle up to delivery of the vehicle which is further followed up by post sales feedback. Each of our dealerships have dedicated helplines which address customer grievances.

We also have centralised customer call centres for our Maruti Suzuki and Honda dealerships. We have five customer call centres for our Maruti Suzuki dealerships with 290 customer service personnel; and 1 call centre for our Honda and Tata motors dealerships with 15 and 18 customer service personnel, respectively, to handle customer queries including queries in post booking, sales and post sales, insurance, referrals, etc. Centralised customer call centres helps us in ensuring standardized customer care protocols. Our customer call centres also aid in promoting various revenue generating services by tapping into external customer databanks.

Training

We have training managers and human resource managers who co-ordinate the training needs of our workforce. Several of our senior team members have enrolled in various educational institutions to attend various management development programmes. Our staff are trained periodically in sales and service. Specific training sessions are organised at the time of introduction of changes to existing models of vehicles or introduction of new models or sales schemes. Our staff members are also required to undergo specific periodic training sessions each year with the respective OEMs as per the terms of the dealership agreements or retailer and repairer agreement entered into by us with them.

Intellectual Property

Our Company has obtained trademark protection over our "Popular Vehicles and Services" logo. For details in relation to our trademark , please see "*Government Approvals – Intellectual Property Rights*" on page 310.

Our Company has executed a brand license agreement dated November 1, 2015 with Kuttukaran Trading Ventures, a partnership firm, in which two of our Promoters and certain Promoter Group members are partners, for a non-exclusive and assignable license to use the trademarks "Kuttukaran Group", "Kuttukaran", "Popular", "POPULAR", "Kuttukaran" (logo) and "Kuttukaran journeys with you" (logo). While Kuttukaran Trading Ventures has obtained trademark registration for the trademarks, "Kuttukaran Group", "Kuttukaran", "Kuttukaran" (logo) and "Kuttukaran journeys with you" (logo), it has filed applications for registration of the trademarks "Popular" and "POPULAR", under various classes, which are currently pending. For further details, please see "*Risk Factors – We have licensed certain trademarks that we use as part of our operations from Kuttukaran Trading Ventures. We do not have control on the activities of Kuttukaran Trading Ventures and any change in operation of this entity could adversely affect our reputation and results of operations.*" on page 34.

Further, our Subsidiary, PAPL has obtained trademark registration for the trademark, "Marqland".

Employees

As at March 31, 2021, we had 8,465 employees across our business verticals. The following table sets out the details of our employees across our different dealerships as at March 31, 2021:

Category	Maruti Suzuki Dealerships	Tata Motors (Commercial) Dealership	Honda	JLR	Spare Parts Distribution
New Vehicle Sales	1,922	477	179	46	281
Pre-owned Vehicle Sales	334	0	17	7	0
Service	3,625	857	381	81	0
Corporate office	137	62	42	7	10
Total	**6,018**	**1,396**	**619**	**141**	**291**

We also enter into agreements with third-party service providers in relation to ancillary services such as security services and housekeeping services.

Competition

We operate in a highly competitive industry. We believe that the principal competitive factors in the automotive retail business are trust, service, selection, location and price. Each of our markets includes a number of well capitalized competitors that have extensive automotive retail managerial experience, retail locations and facilities. We face competition from (i) several public and private companies that operate numerous automotive retail stores on a regional or national basis and online and mobile sales platforms. We compete with other dealerships that sell the same vehicle brands that we sell, as well as dealers and certain manufacturers that sell other vehicle brands that we do not represent in a particular market. Other dealerships have agreements with various OEMs and, as such, generally have access to new vehicles on the same terms as we have. We also compete with other dealers for qualified employees, particularly for general managers and sales and service personnel. Under most of our dealership agreements with the OEMs, acquisition of multiple dealerships of a given vehicle brand within a particular market or dealerships of a new vehicle brand is subject to obtaining the prior consent of the OEM.

We also compete with independent automobile service shops and service centre chains. We believe that the principal competitive factors in the parts and service business are customer service, expertise with the particular vehicle lines, location and price. We also compete with a broad range of financial institutions in our business of facilitating sale of finance and insurance products. We believe that the principal competitive factors in the finance and insurance business are product selection, convenience, price, contract terms, special offers from other institutions and the ability to finance vehicle protection and aftermarket products.

We believe that our long standing presence in the automotive industry coupled with our presence across the automotive retail value chain has enabled to us to become a valued partner of each of our OEMs and a trusted brand for our customers. Our dealerships have consistently been validated by our OEMs by various awards and accreditations. For instance, we have been categorised within the "Platinum Band" by Maruti Suzuki for our Arena dealerships in Kerala, "Gold Band" by Maruti Suzuki for Arena dealerships in Chennai, and "Alpha Band" by Maruti Suzuki for our Nexa dealerships in Fiscals 2020-2021 respectively. Further, we believe that each of our brands, namely, Popular", "Vision", and "Marqland" under which we operate our Maruti Suzuki, Honda and JLR dealerships, respectively, is widely recognised in South India by our customers. We received the 'Dhanam Best Retailer 2016 Award' at the Dhanam Retail Summit in 2017, our Marqland dealership was also recognised as the 'Best Luxury Car Dealership' at the Times Business Awards in 2018.

Insurance

Our business exposes us to the risk of liabilities arising out of our operations. For example, liabilities may arise out of claims of employees, customers, or other third parties for personal injury or property damage occurring in the course of our operations. We could also be subject to fines and civil and criminal penalties in connection with alleged violations of applicable laws and regulations. The automotive retail business is also subject to substantial risk of property loss due to the significant concentration of property values at showroom locations. Natural disasters and severe weather conditions (such as earthquakes, floods, storms and fires,) may subject us to substantial risk of property loss and operational disruption. We maintain insurance policies which cover our showrooms, sales outlets and booking offices, service centres and retail outlets to protect against loss in the case of fire, special perils, burglary and housebreaking and to protect our inventory such as our electronic equipment. Further, we maintain insurance coverage including, fidelity guarantee for insurance against infidelity of employees; money insurance policy for protecting money in transit and protecting cash whilst on premises during business hours; plate glass insurance policy for accidental breakage of fixed plate glass in our showrooms, service centres and other units; and internal risk insurance for cases of bodily injuries, property damage, and damage to own vehicles. For details, see "*Risk Factors - Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition and results of operations.*" on page 37.

Regulations and Approvals

For details of regulations and approvals applicable to our Company and our business and of the pending licences and approvals, see the sections "*Regulations and Policies*", "*Government and other Approvals*" and "*Risk Factors – "Our operations are subject to various governmental laws and regulations and certain state specific notifications and guidelines. If we are found to be in purported violation of or subject to liabilities under any of these laws or regulations, or if new laws or regulations are enacted that adversely affect our operations, our business, operating results, and prospects could suffer"* on pages 166, 308 and 29, respectively.

Awards, Recognitions and Accreditation

For details of awards, recognitions and accreditations received by our Company, see "*History and Certain Corporate Matters*" on page 171.

Our Properties

Our registered and corporate office is situated at Kuttukaran Centre, Mamangalam, Kochi, Ernakulam 682 025, Kerala, India and is held by us on a leasehold basis.. As of the date of this Draft Red Herring Prospectus, we own four properties in Kerala at Kottayam, Kollam, Kannur and Trissur and 187 properties in Kerala and Tamil Nadu are held by us on lease hold basis. Lease agreements of some properties have expired and we have applied for their renewal. We use the leased properties for our workshops, showrooms, SPCs, yards etc. Our Subsidiaries also hold properties on lease which they use for purposes such as showrooms, service centers, mess, yard body shops etc. Lease agreements of some properties have expired and we have applied for their renewal..

Impact of the COVID-19 pandemic

An outbreak of COVID-19 was recognized as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. In India, some of these measures have been lifted and partial travel has been permitted. A rapid increase in severe cases and deaths where measures taken by governments have failed or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse impact of the COVID-19 pandemic remain uncertain and could be severe. The COVID-19 pandemic and the related preventive and protective actions had impacted our business through complete suspension of activities at our showrooms, sales outlets and booking offices and service centres, which were shut. The table below sets forth the maximum periods for which our showrooms, sales outlets and booking offices and service centres were shut down in specific locations, due to the COVID-19 pandemic.

Location	Period of shut down		Duration of shutdown (in number of working days)
Kerala	Showrooms	From March 23, 2020 to May 3, 2020	33
	Sales Outlets	From March 23, 2020 to May 3, 2020	33
	Service Centres	From March 23, 2020 to May 3, 2020	33
	Showrooms and Outlets for pre-owned vehicles	From March 23, 2020 to May 3, 2020	33
Karnataka	Showrooms	From March 23, 2020 to May 4, 2020	35
	Sales Outlets	NA	NA
	Service Centres	From March 23, 2020 to May 4, 2020	35
	Showrooms and Outlets for pre-owned vehicles	NA	NA
Tamil Nadu	Showrooms	From March 23, 2020 to May 10, 2020	40
	Sales Outlets	From March 23, 2020 to May 10, 2020	NA
	Service Centres	From March 23, 2020 to May 10, 2020	40
	Showrooms and Outlets for pre-owned vehicles	From March 23, 2020 to May 10, 2020	40

As a result of the complete suspension of commercial activities (excluding essential services), due to lockdown restrictions in India and globally, followed by partial and gradual easing of the lockdown, we experienced overall low consumer demand in the automotive markets, and consequently reduced footfalls at our showrooms during the first and second quarter of FY 2021.We experienced improved business conditions and improved financial results in the third and fourth quarters of FY 2021. We faced a de-growth of 70.00% and 17.00%, respectively in the first and second quarters of FY 2021. Improved business conditions in the third and fourth quarter of FY 2021, enabled us to register a 7.00% and 64.00% growth, respectively. We ended FY 2021 with an overall de-growth of 8.00%.

In response to the lock-down restrictions, we shifted our focus to digital and on-line channels. We facilitated enquiries through our websites, social media platforms and also contacted customers through video conferencing means. This is helping us to strengthen our business "as omni-channel retailer. We modified certain business practices to conform to government restrictions and best practices by implementing enhanced sanitsation procedures, deep cleaning of facilities, enforcing social distancing guidelines, and taking precautions to safeguard the health and safety of our employees and customers, including providing for PPEs, masks, hand sanitizers, and gloves to employees in our facilities and staggered working shifts at our facilities We are experiencing increased costs associated with some of these measures.

The pandemic impact production levels of our OEMs resulting in lower inventory levels for certain models of vehicles. While production levels have improved, inventory levels continue to remain low for certain models of commercial vehicles.

We began to receive additional incentives and support from our OEMs in the form of cash support on unsold stock as of April 2020, modifications in qualifying conditions for trade discount and dealer cash back schemes etc. The OEMs also extended support to customers by introducing various measures including extension of warranties, providing free services for services falling due between March 15, 2020 and June 30, 2020, exempting penal interest on overdue invoices, etc. We were also able to avail of the loan moratorium declared by the Reserve Bank of India and negotiate rent waivers for some of our leased premises. The above measures helped the Company enhance its EBITDA from ₹ 1,389.84 million in Fiscal 2020 to ₹ 1,748.53 million in Fiscal 2021.

We believe that business disruption relating to the COVID-19 pandemic will continue to negatively impact the global economy and may materially affect our business and results of operations. The situation caused by the COVID-19 pandemic is rapidly evolving and while we continue to adjust our operations to conform to regulatory changes and consumer preferences in the evolving environment, we cannot anticipate with certainty, the length, scope or severity of the business impact from the pandemic in each of the jurisdictions in which we operate.

See "*Risk Factor – The extent to which the COVID-19 pandemic affects our business, financial condition and results of operations will depend on future developments, which are uncertain and cannot be predicted* " on page 25 for potential risks of the COVID-19 pandemic on our operations and financial condition.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this section has been obtained from publications available in the public domain. The regulations and their descriptions set out below may not be exhaustive and are only intended to provide general information to the bidders and are neither designed nor intended to substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.

We operate in the automotive dealership business through our locations/units spread across Kerala, Tamil Nadu and Karnataka. For details, see "*Our Business*" on page 142.

Under the provisions of various Central Government and State Government statutes and legislations, our Company and our Subsidiaries are required to obtain and periodically renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details, see "*Government and Other Approvals*" on page 308.

Given below is a brief description of certain relevant legislations that are currently applicable to the business carried on by us.

INDIAN LAWS APPLICABLE TO OUR COMPANY

I. Key laws applicable to our business operations

The key laws applicable to the automotive industry include:

- ***The Batteries (Management and Handling) Rules, 2001***

  The Batteries (Management and Handling) Rules, 2001, as amended ("**Batteries Rules**") apply to every manufacturer, importer, re-conditioner, assembler, dealer, recycler, auctioneer, consumer and bulk consumer involved in manufacture, processing, sale, purchase and use of batteries or components thereof. The Batteries Rules provides that it shall be the responsibility of a manufacturer, importer, assembler and re-conditioner to, inter alia, ensure that the used batteries are collected back as per the applicable law and to ensure that used batteries collected back are of similar type and specifications as that of the new batteries sold. In addition, the manufacturer, importer, assembler and re-conditioner is also required to file half-yearly returns of their sales and buy-back to the State Pollution Control Board in Form-I latest by June 30, and December 30 of every year, set up collection centres for collection of used batteries from consumers or dealers, ensure that used batteries collected are sent only to the registered recyclers, ensure safe transportation and create public awareness through advertisements and publications of hazards of lead, addresses of dealers and designated collection centres etc. As per the Batteries Rules, every dealer is required to file half-yearly returns of the sale of new batteries and buy-back of old batteries to the manufacturer in Form V by 31st May and 30th November of every year.

- **Shops and Establishments Legislations**

  Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered as prescribed. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holiday, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employee. Our locations/units have to be registered under the shops and establishments legislations of the state where they are located.

- ***Legal Metrology Act, 2009 ("LM Act")***

  The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The LM Act makes it mandatory to obtain a license from the Controller of Legal Metrology by any person who manufactures sells or repairs any weight or measure. All weights or measures in use or proposed to be used in any transaction, are required to be verified and stamped at such place and during such hours as the Controller of Legal Metrology may specify, on payment of prescribed fees. Various penalties have been provided for contravention of the provisions of the LM Act. The penalty of using a non-standard weight or measure may attract a fine of up to ₹ 20,000 and a subsequent offence may lead to penalties and imprisonment extending to three years along with fine. In case a person imports any weight or measure without being registered under the LM Act, he may be punished with fine which may extend to ₹ 25,000. The LM Act also provides for provisions relating to compounding of offences.

- ***Sale of Goods Act, 1930 (the "Sale of Goods Act")***

  The Sale of Goods Act governs contracts relating to sale of goods in India. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one, or based on certain conditions. The Sale of Goods Act, 1930 contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of gods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

- ***Motor Vehicles Act, 1988 ("MVA") and Central Motor Vehicles Rules, 1989 ("CMV Rules")***

  The MVA read with the CMV Rules is an umbrella legislation which regulates all aspects of road transport vehicles including licensing of drivers and conductors, registration of motor vehicles, control of motor vehicles through permits, licensing of driving schools, special provisions relating to state transport undertakings, traffic regulation and insurance. As per MVA and the CMV Rules, no person shall drive any motor vehicle in any public place or in any other place unless the vehicle is registered with the registering authority and the vehicle carries a registration mark displayed in the manner as specified in the MVA and the CMV Rules. The MVA and the CMV Rules also state that no person shall establish or maintain any driving school or establishment for imparting instructions for hire or reward in driving motor vehicles without a license in Form 11 granted by the licensing authority.

II. Laws governing foreign investments

Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by RBI thereunder, and the Consolidated FDI Policy issued by the DPIIT from time to time.

Under the current consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT including any modifications thereto or substitutions thereof, issued from time to time, 100% FDI through automatic route is permitted in the trading sector.

Under the FDI policy, FDI up to 100% is permitted in the services sector, under the automatic route, subject to compliance with the specified conditions.

III. Key applicable intellectual property laws

- ***The Copyright Act, 1957 ("Copyright Act")***

  The Copyright Act governs copyrights subsisting in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings, including computer programmes, tables and compilations including computer databases. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as a prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations.

- ***Trade Marks Act, 1999 ("Trade Marks Act")***

  The Trademarks Act provides for the application and registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement of such marks. Application for the registration of trademarks has to be made Controller-General of Patents, Designs and Trade Marks who is a Registrar of Trademarks for the purposes of the Trade Marks Act. The Trademarks Act prohibits registration of deceptively similar trademarks. It also provides for penalties for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public.

IV. Environment Regulations

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be kept renewed.

- ***Environment Protection Act, 1986 ("EPA") and Environment (Protection) Rules, 1986***

  The EPA is the umbrella legislation in respect of the various environmental protection laws in India. Under the EPA, the GoI is empowered to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, *inter alia*, laying down standards for the quality of environment, standards for emission of discharge of environment pollutants from various sources, as provided under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ₹ 100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of Government analysts.

- ***Water (Prevention and Control of Pollution) Act, 1974 ("Water Act") and Water (Prevention and Control of Pollution) Cess Act, 1977***

  The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the central and state pollution control board. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, using any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases, the state pollution control board may cause the local magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines and/or imprisonment.

- ***Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")***

  The Air Act has been enacted to provide for the prevention, control and abatement of air pollution. The Air Act was enacted with a view to protect the environment and surroundings from any adverse effects of the pollutants that may emanate from any factory or manufacturing operation or activity. It lays down the limits with regard to emissions and pollutants that are a direct result of any operation or activity. Periodic checks on the factories are mandated in the form of yearly approvals and consents from the respective state pollution control boards. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board, prior to establishing or operating such industrial plant. The state pollution control board may then grant consent, subject to mentioned conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

- ***Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, ("Hazardous Wastes Rules")***

  The Hazardous Wastes Rules impose an obligation on every occupier of a facility generating hazardous waste to deploy safe and environmentally sound measures for handling of hazardous waste generated at such facility. Every person engaged in generation, processing, treatment, packaging, storage, transportation, use, collection, destruction, conversion, offering for sale and transfer of hazardous waste, must obtain an approval from the applicable state pollution control board. The occupier, the importer, the transporter and the operator of disposal facility are liable for damages to the environment or third party resulting from the improper handling and disposal of hazardous waste.

- ***Fire* prevention and life safety measures**

  We are subject to the fire control and safety rules and regulations framed by the state governments of Kerala, Tamil Nadu and Karnataka under the Kerala Fire Force Act, 1962, Tamil Nadu Fire Service Act, 1985, and the Karnataka Fire Force Act, 1964 respectively.

V. Tax Legislations

The tax related laws that are applicable to our Company include the Central Goods and Services Tax Act, 2017, Kerala Goods and Services Tax Act, 2017, Tamil Nadu Goods and Services Tax Act, 2017, Karnataka Goods and Services Tax Act, 2017, Income Tax Act, 1961, Income Tax Rules, 1962, as amended by the Finance Act in respective years, along with the applicable rules framed thereunder.

VI. Labour laws and Regulations

In respect of our business and operations, our Company and Subsidiaries are also required to obtain licences and registrations and make timely payments as prescribed under various labour laws and regulations including, *inter alia,*

- Child Labour (Prohibition and Regulation) Act, 1986;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;****
- Employees' State Insurance Act, 1948;****
- Factories Act, 1948;**
- Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957;***
- Industrial Employment (Standing Orders) Act, 1946;***
- Maternity Benefit Act, 1961;****
- Minimum Wages Act, 1948;*
- Motor Transport Workers Act, 1961;
- Payment of Bonus Act, 1965;*
- Payment of Gratuity Act, 1972;****
- Payment of Wages Act, 1936;*
- Equal Remuneration Act, 1976;*
- Employee's Compensation Act, 1923;
- The Tamil Nadu Industrial Establishments (National And Festival Holidays) Act, 1958; and
- The Tamil Nadu Industrial Establishments (National And Festival Holidays) Rules 1959

* *The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The provisions of this code will be brought into force on a date to be notified by the Central Government.*

** *The Government of India enacted 'The Occupational Safety, Health and Working Conditions Code, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on April 1, 2021. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.*

*** *The Government of India enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on April 1, 2021. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.*

**** *The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on April 1, 2021. It proposes to subsume several separate legislations including the Employee's Compensation Act,1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996*

VII. Other Regulations

- ***Consumer Protection Act, 2019***

The Consumer Protection Act, 2019 ("**CPA 2019**") has superseded Consumer Protection Act, 1986 and came into force on July 20, 2020. The CPA 2019 has introduced certain definitions including, *inter alia*, 'product liability', product manufacturer' and 'defect'. The CPA Act 2019 further established Central Consumer Protection Authority to protect, promote and enforce the rights of the consumers.

In addition to the above, our Company and Subsidiaries are also required to, among other things, comply with the provisions of certain other legislations including the Electricity Act, 2003 read with the Indian Electricity

Rules, 1956 and the relevant Panchayat/ Municipality/ Corporation Acts enacted by Kerala, Tamil Nadu and Karnataka.

VIII. Applicable Plans and Policies

- ***The Automotive Mission Plan, 2016-2026***

The Automotive Mission Plan, 2016-2026 ("**Automotive Mission Plan**") was released by the Department of Heavy Industry jointly with Indian Automobile Industries in September 2015, and it seeks to define the path of evolution of the automotive ecosystem in India including specific regulations and policies that govern research, design, technology, testing, manufacturing, imports/exports, sales, use, repair, and recycling of automotive vehicles, components and services The Automotive Mission Plan aims to achieve various objectives including *inter alia,* to make the Indian automotive industry a top job creating industry and the prime mover of manufacturing sector as well as of the "Make in India" programme, and to promote safe, efficient and comfortable mobility, with an eye on environmental protection and affordability through both public and personal transport options. The Automotive Mission Plan recommends increasing the export of vehicles by 5 times and components by 7.5 times and also highlights the need of a coordinated and stable policy regime for the automotive sector. Under the Automotive Mission Plan, specific interventions are envisaged to sustain and improve manufacturing competitiveness and to address challenges of environment and safety.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as Popular Vehicles and Services Limited on July 5, 1983 at Kochi, Ernakulam, Kerala, India as a public limited company under the Companies Act, 1956 and received its certificate for commencement of business on July 14, 1983. Our Company was converted to a private limited company pursuant to a special resolution passed by our Shareholders at the EGM held on December 29, 2014 and the name of our Company was changed to Popular Vehicles and Services Private Limited. A fresh certificate of incorporation consequent upon conversion of our Company to a private limited company was issued on March 24, 2015 by the RoC. Our Company was subsequently converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on June 11, 2018 and the name of our Company was changed to Popular Vehicles and Services Limited. A fresh certificate of incorporation consequent upon conversion of our Company to a public limited company was issued on July 10, 2018 by the RoC.

Changes in the Registered and Corporate Office

Except as disclosed below, there has been no change in the registered and corporate office of our Company since the date of incorporation:

Date of change of Registered and Corporate Office	Details of change in the address of Registered and Corporate Office
July 1, 1986	From House No. XXXVII/3000, Banerji Road, Cochin 682 031, Kerala, India to Kuttukaran Centre, Mamangalam, Cochin, Ernakulam 682 025, Kerala, India

The change in the Registered and Corporate Office was made to facilitate operational convenience, to explore better synergy, proximity and rationalize costs.

Main Objects of our Company

"1. To carry on the business of dealing in, importing, exporting, manufacturing, assembling, repairing, servicing of and acting as agents in respect of Motor cars, Trucks, Vans, Jeeps, Tractors, Motor Cycles, Scooters, Three Wheeler Vehicles and Motor Lunches and Boats and their Spare Parts.

2. To carry on the business of manufacture of light, medium and heavy engineering goods and equipments.

3. To import, export, purchase, sell, manufacture or otherwise deal in machinery, plant and equipment including precision machine tools and testing instruments and tools of every description used for the manufacture of auto parts.

4. To carry on the business of body builders of motor vehicles and trucks.

5. To carry on the business of hires, repairers, cleaners and stores of motor-cars, motor-buses, motor-lorries, motor –cycles, scooters, other two wheelers, motor boats, motor –launches, aero planes and other conveyances of all descriptions.

6. To carry on the business of mechanical engineers, electrical engineers, filters, founders, painters and upholsteries.

7. To act as agents, dealers, hire purchase, jobbers and otherwise of motor vehicles and their spare parts.

8. To carry on the business of manufacture, fabricating, assembling and dealing in automobile parts for cars, trucks, buses, tractors, vans, jeeps, lorries, agricultural implements and engineering goods.

9. To carry on the business of online shopping, net marketing, selling and marketing of consumer and other goods, internet advertising and marketing, creating virtual malls, stores, shops, providing secured payment processing, online trading in and outside India but does not include banking and money circulating business."

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out and proposed to be carried out.

Amendments to the Memorandum of Association

Set out below are the amendments to our MoA in the last 10 years:

Date of Shareholders' Resolution	Particulars
December 29, 2014	Pursuant to the change in the name of our Company from Popular Vehicles and Services Limited to Popular Vehicles and Services Private Limited, Clause I of the Memorandum of Association was amended to replace

Date of Shareholders' Resolution	Particulars
	the words 'Popular Vehicles and Services Limited' with the words 'Popular Vehicles and Services Private Limited'
September 30, 2015	Clause 5 of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹20,000,000 comprising of 2,000,000 Equity Shares of face value of ₹10 each to ₹50,000,000 comprising of 5,000,000 Equity Shares of face value of ₹10 each
May 18, 2018	Clause III(a) of the Memorandum of Association was amended to align the Memorandum of Association with Table A to the Companies Act, 2013
June 11, 2018	Clause I of the MoA was amended to reflect the change in name of our Company from Popular Vehicles and Services Private Limited to Popular Vehicles and Services Limited, due to the conversion of our Company from a private limited company to a public limited company
August 6, 2018	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹50,000,000 comprising of 5,000,000 Equity Shares of face value of ₹10 each to ₹150,000,000 comprising of 15,000,000 Equity Shares of face value of ₹10 each
December 10, 2019	Alteration of the Main Object Clause of the Memorandum of Association by inserting a new sub clause (9) under the main object clause (3) (a), as set out below: "*To carry on the business of online shopping, net marketing, selling and marketing of consumer and other goods, internet advertising and marketing, creating virtual malls, stores, shops, providing secured payment processing, online trading in and outside India but does not include banking and money circulating business"*

Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company:

Calendar Year	Particulars
1984	Our Company commenced automobile dealership business with setting up their first Maruti Suzuki showroom in Trivandrum, Kerala
1997	Our Subsidiary, PMMPL commenced its first dealership in Kerala for Tata commercial vehicles
2002	Our Company commenced the 'Popular Motors' dealership in Chennai, Tamil Nadu, for Maruti Suzuki passenger vehicles
2005	Our Subsidiary, PADPL commenced spare parts distribution business in Kerala
2006	Our Subsidiary, PMMPL commenced the 'Popular Motors; dealership in Tamil Nadu for Tata Motors (Commercial) commercial vehicles
2008	Our Subsidiary, VMPL commenced our 'Vision Motors' dealership in Kottayam, kerala for Honda passenger vehicles
2010	Our Subsidiary, PAPL, commenced our 'Marqland' dealership in Bengaluru for JLR passenger vehicles
2012	Our Subsidiary, KCPL commenced the Bharat Benz dealership in Salem and Coimbatore for commercial vehicles
2015	Investment by BanyanTree in our Company
2018	Exited the Bharat Benz dealership by demerger of the Bharat Benz dealership into Prabal Motors Private Limited
2021	Our Subsidiary, KGPL, entering into a letter of intent with an OEM to operate dealerships for three-wheeler electric vehicles in Ernakulam
2021	Our Subsidiary, KCPL, entered into a letter of intent with Ather Energy Private Limited to operate the two-wheeler electric vehicles dealership in Trivandrum

Awards, accreditations and accolades received by our Company and our Subsidiaries

Calendar Year	Awards and Accreditations
2003	PMMPL received the first ISO 9001:2015 certification
2004	Our Company was declared as the winner of the All India Best HR Practices Award in the Maruti Suzuki Dealers' Conference.
2005	Our Company was declared as the winner of the All India Best HR Practices Award in the Maruti Suzuki Dealers' Conference.
2007	Our Company was declared as the winner of the All India Best HR Practices Award in the Maruti Suzuki Dealers' Conference.
2008	Our Company was declared as the runner up of the Sales Award for Excellence in Sales and Best HR Practices in the Maruti Suzuki Dealers Conference.
2013	PAPL was recognised as the National Dealer Champion by JLR at the Dealer Excellence Awards.
2014	PAPL was recognised as the National Dealer Champion by JLR at the Dealer Excellence Awards.
2014	PADPL received the Product Champion Brakes from Maruti Suzuki in Parts Distributor Meet 2014

Calendar Year	Awards and Accreditations
2015	PAPL was recognised as the National Champion for Overall Sales by a global vehicle brand at the Dealer Excellence Awards.
	PMMPL received the “Best Dealer in Commercial Vehicles” Award in the first Apollo CV Awards 2015
2016	PAPL was recognised as the Overall Champion Category – at the Dealer Excellence Awards.
2017	Kuttukaran Group received the Dhanam Best Retailer 2016 award at the Dhanam Retail Summit & Award Nite 2017
	Our Company was declared as the runner up of the Dealer Group with the Highest Sales Volume of S-Cross Award at the NEXA Awards for Innovation & Excellence.
	Our Company was declared as the second runner up of the Dealer Group with the Highest Sales Award at the NEXA Awards for Innovation & Excellence.
	Our Company was awarded the Best Corporate Presentation award along with an Excellence Award for Best Innovative Training Practice under Corporate Category at the National Trainers Summit 2017, Innovative Training Practices, jointly awarded by the Indian Society for Training and Development (ISTD), Jan Shikshan Sansthaan (JSS) and T4Trainer.com.
	VMPL showrooms in Pathanamthitta and Muvattupuzha received the President’s Award and were declared as the top performers by the global vehicle brand for their all-round consistency of performance in all 3 fields of sales, service and spares.
2018	Our Company was declared as the runner up of the All India Highest Sales Award (Arena Channel) in the Maruti Suzuki Dealer Conference.
	PMMPL was awarded the Excellence Award for highest sale of SCV Passenger by Tata Motors (Commercial).
	PMMPL was awarded the Excellence Award and was declared as the third ranked dealer in the Tata Genuine Parts Business by Tata Motors (Commercial).
	PMMPL was awarded the Excellence Award and was declared as the third ranked dealer in the Tata OK-Pre Owned Vehicles Business by Tata Motors (Commercial).
	PAPL was recognised as the Best Luxury Car Dealership at the Times Business Awards.
	PADPL received the Best Marketer- Independent Workshop award from Maruti Suzuki.
	PADPL was awarded Retail Outlet Champion from Maruti Suzuki in Parts Distributor meet 2018
	PADPL was awarded the Highest Growth in Retail Sales in Parts Distributor meet 2018
2019	PADPL was awarded the Outstanding Distributor in the Parts Distributor Meet 2019 held at Kathmandu, Nepal by Maruti Suzuki
	PADPL was awarded the Best Infrastructure & Warehouse Facility in the Parts Distributor Meet 2019 held at Kathmandu, Nepal by Maruti Suzuki.
	PADPL received the most enterprising CEO award byMaruti Suzuki
2020	Our Company was categorised within the “Alpha Band” in Nexa score card 2019-20 from Maruti Suzuki for Kerela and Chennai in Nexa
	PMMPL received Global Awards for Retail Excellence Dealership with maximum Branches- South Asia-Africa-GCC Retail Shopping Centre Congress & Awards 16th Edition by ET Now News.
	PMMPL was awarded the Best in Channel Partner Score Card (CPSC) by Tata Motors (Commercial) at the Regional Excellence Award H1 2019-20
	PMMPL was awarded the Outstanding Market Share Performance in SCV Cargo & PU by Tata Motors (Commercial) at the Regional Excellence Award H1 2019-20
	PMMPL was awarded the Best all Round Performance - South by Tata Motors (Commercial) at the Regional Excellence Award H1 2019-20
	VMPL was recognised as a great workplace by Great Place to Work Institute, India from March, 2020 till February 2021
	PAPL was recognised as a great workplace great workplace by Great Place to Work Institute, India from March, 2020 till February, 2021
	PMMPL received the ‘Safety Award – 2020’ from the Government of Kerala for outstanding performance in industrial safety
	Our Company was categorised within the “Platinum Band” in balance score card 2019-20 by Maruti Suzuki for Kerala in Arena.
	PADPL received the Highest Retail Growth 2019-20 by Maruti Suzuki.
2021	Our Company was categorised within the “Alpha Band” in Nexa score card 2020-21 from Maruti Suzuki for Kerela and Chennai in Nexa
	VMPL was recognised as a great workplace by Great Place to Work Institute, India from April, 2021 till March, 2022
	Our Company has achieved the coveted ‘Platinum Band’ in balance score card 2020-21 by Maruti Suzuki for Kerala in Arena
	Our Company has achieved the coveted ‘Gold Band’ in balance score card 2020-21 by Maruti Suzuki for Chennai in Arena
	PAPL was recognised great workplace by Great Place to Work Institute, India from April, 2021 till March, 2022

Time and cost over-runs

There have been no instances of time and cost overruns in the development of any of our locations or units.

Defaults or re-scheduling/restructuring of borrowings with financial institutions/banks

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

Significant financial and/or strategic partners

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Corporate profile of our Company

For details in relation to our corporate profile including details of our business, profile, activities, services, market, growth, competition, launch of key products, entry into new geographies or exit from existing markets, suppliers, customers, location of facilities and managerial competence, see "*Our Business*", "*Our Management*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Government and Other Approvals*" beginning on pages 142, 180, 267, and 308, respectively.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years

Except as disclosed below, our Company has not acquired any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets.

Scheme of Arrangement between Prabal Motors Private Limited and Popular Kuttukaran Cars Private Limited as approved by the National Company Law Tribunal, Chennai("Scheme")

The dealership with Bharat Benz, along with all activities performed for cars manufactured under the brand Bharat Benz, was being operated by our Subsidiary, Kuttukaran Cars Private Limited ("**KCPL**" formerly known as Prabal Motors Private Limited pursuant to a name swap under the Scheme) was demerged into Prabal Motors Private Limited ("**Prabal**" formerly known as Popular Kuttukaran Cars Private Limited pursuant to a name swap under the Scheme) pursuant to a scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956. On an application made by the Company, the High Court of Judicature at Ernakulam, by an order dated March 31, 2016, directed for convening the meeting of the equity shareholders and secured creditors of both the companies. Subsequently, the High Court of Judicature at Ernakulam by an order dated June 23, 2017 transferred the petition to the National Company Law Tribunal, Chennai which sanctioned the Scheme. The appointed date for the Scheme was April 1, 2016. Pursuant to this Scheme, *inter alia,* all estate, assets, properties, debts, outstandings, credits, liabilities, employees, duties and obligations of KCPL in relation to the dealership with Bharat Benz were transferred to and vested in Prabal. As consideration for the transfer, Prabal issued and allotted 20,000 0.01% non-cumulative redeemable preference shares of face value ₹10 each to shareholders of KCPL, amounting to ₹0.20 million, to be redeemed at the end of 20 years from the date of allotment. Further, pursuant to the Scheme, the erstwhile names of KCPL and Prabal were interchanged.

Holding Company

Our Company does not have a holding company.

Our Subsidiaries

As of the date of this Draft Red Herring Prospectus, our Company has seven subsidiaries.

Direct Subsidiaries

1. Popular Mega Motors (India) Private Limited ("PMMPL")

Corporate Information

PMMPL was incorporated on September 2, 1997 under the Companies Act, 1956 as a public limited company under the name of Motor World (India) Limited and received its certificate for commencement of business on September 29, 1997. The name of the company was subsequently changed to Popular Mega Motors (India) Limited and a fresh certificate of incorporation consequent upon change of name was issued on February 26, 1998. PMMPL was subsequently converted to a private limited company and a fresh certificate of incorporation consequent upon conversion to a private limited company was issued on March 24, 2015. PMMPL has its registered office at Door No. 32/2571 Kuttukaran Centre Mamangalam Kanayannur Taluk, Ernakulam 682 025 Kerala, India.

PMMPL is authorized to engage in, *inter alia,* the business of dealing in, importing, exporting, assembling, repairing, servicing and acting as distributors, franchisees or agents for all kinds of vehicles and vessels and their spare parts and accessories.

Capital Structure

The authorised share capital of PMMPL is ₹70,000,000 divided into 7,000,000 equity shares of ₹10 each and the issued and paid up share capital of PMMPL is ₹69,439,630 divided into 6,943,963 equity shares of ₹10 each.

Shareholding

Our Company directly holds 6,943,962 equity shares of ₹10 each aggregating to 99.99% of the issued and paid up share capital of PMMPL. One of our Promoters and Non-Executive Director, Naveen Philip holds one equity share out of the issued and paid up share capital of PMMPL as a nominee, on behalf of our Company.

2. Popular Autoworks Private Limited ("PAPL")

Corporate Information

PAPL was incorporated on June 15, 2009 under the Companies Act, 1956 as a private limited company. It has its registered office at 32/2571-H, Kuttukaran Centre Mamangalam, Ernakulam 682 025, Kerala, India.

PAPL is authorized to engage in, *inter alia*, the business of dealing in, importing, exporting, manufacturing, assembling, repairing, servicing and acting as distributors, franchisees or agents for all kinds of new and used passenger vehicles, commercial vehicles and vessels and their spare parts and accessories.

Capital Structure

The authorised share capital of PAPL is ₹280,000,000 divided into 28,000,000 equity shares of ₹10 each and the issued and paid up share capital of PAPL is ₹251,117,800 divided into 25,111,780 equity shares of ₹10 each.

Shareholding

Our Company directly holds 25,111,779 equity shares of ₹10 each aggregating to 99.99% of the issued and paid up share capital of PAPL. One of our Promoters and Non-Executive Director, Naveen Philip holds one equity share out of the issued and paid up share capital of PAPL as a nominee, on behalf of our Company.

As on March 31, 2021, our Company has given loans to PAPL for a sum aggregating to ₹ 80.00 million.

3. Kuttukaran Cars Private Limited ("KCPL")

Corporate Information

KCPL was incorporated on October 10, 2011 under the Companies Act, 1956 as a private limited company under the name of Prabal Motors Private Limited. The name of the company was subsequently changed to Kuttukaran Cars Private Limited, pursuant to a scheme of arrangement between Prabal and KCPL, and a fresh certificate of incorporation consequent upon change of name was issued on August 31, 2018. For details in relation to the scheme of arrangement, see "- *Scheme of Arrangement between Prabal Motors Private Limited and Popular Kuttukaran Cars Private Limited as approved by the National Company Law Tribunal, Chennai*" on page 174.

KCPL has its registered office at 32/2571-H, Kuttukaran Centre Mamangalam, Palarivattom, P.O., Ernakulam 682025, Kerala, India.

KCPL is authorized to engage in *inter-alia* the business of dealing in, importing, exporting, manufacturing, assembling, repairing, servicing and acting as distributors, franchisees or agents for all kinds of new and used passenger vehicles, commercial vehicles and vessels and their spare parts and accessories.

Capital Structure

The authorised share capital of KCPL is ₹20,000,000 divided into 2,000,000 equity shares of ₹10 each and the issued and paid up share capital of KCPL is ₹20,000,000 divided into 2,000,000 equity shares of ₹10 each.

Shareholding Pattern

Our Company directly holds 1,999,999 equity shares of ₹10 each aggregating to 99.99% of the issued and paid up share capital of KCPL. One of our Promoters and Non-Executive Director, Naveen Philip holds one equity share out of the issued and paid up share capital of KCPL as a nominee, on behalf of our Company.

4. Popular Auto Dealers Private Limited ("PADPL")

Corporate Information

PADPL was incorporated on September 28, 2005 under the Companies Act, 1956 as a private limited company. It has its registered office at 40/1506, Kuttukaran Centre Mamangalam Palarivattom, P.O., Ernakulam 682 025, Kerala, India.

PADPL is authorized to engage in, *inter alia*, the business of dealing in, importing, exporting, assembling, repairing, servicing and acting as distributors, or agents for all kinds of vehicles and vessels and their spare parts and accessories.

Capital Structure

The authorised share capital of PADPL is ₹6,500,000 divided into 60,000 equity shares of ₹100 each and 5,000 redeemable preference shares of ₹100 each and the issued and paid up share capital of PADPL is ₹5,103,400 divided into 51,034 equity shares of ₹100 each.

Shareholding

Our Company directly holds 51,033 equity shares of ₹100 each aggregating to 99.99% of the issued and paid up share capital of PADPL. One of our Promoters and Non-Executive Director, Naveen Philip holds one equity share out of the issued and paid up share capital of PADPL as a nominee, on behalf of our Company.

Step-down Subsidiaries

5. Vision Motors Private Limited ("VMPL")

Corporate Information

VMPL was incorporated on March 14, 2008 under the Companies Act, 1956 as a private limited company. It has its registered office at 32/2571, Kuttukaran Centre Mamangalam, Palarivattom, P.O. Ernakulam 682 025 Kerala, India.

VMPL is authorized to engage in the business of dealing in, importing, exporting, manufacturing, assembling, repairing, servicing and acting as distributor, franchisees or agents in respect of motor cars, trucks, vans, jeeps, tractors, motor cycles, scooters, three wheeler vehicles and motor lunches and boats and their spare parts and accessories.

Capital Structure

The authorised share capital of VMPL is ₹155,000,000 divided into 15,500,000 equity shares of ₹10 each and the issued and paid up share capital of VMPL is ₹146,766,660 divided into 14,676,666 equity shares of ₹10 each.

Shareholding

Our Subsidiary, PMMPL, holds 14,676,665 equity shares of ₹10 each aggregating to 99.99% of the issued and paid up share capital of VMPL. One of our Promoters and Non-Executive Director, Naveen Philip holds one equity share out of the issued and paid up share capital of VMPL as a nominee, on behalf of PMMPL.

6. Kuttukaran Green Private Limited (formerly known as Kuttukaran Pre Owned Cars Private Limited) ("KGPL")

Corporate Information

KGPL was incorporated on June 14, 2017 under the Companies Act, 2013 as a private limited company under the name Kuttukaran Pre Owned Cars Private Limited. Subsequently, the name was changed to Kuttukaran Green Private Limited pursuant to a fresh certificate of Incorporation dated May 17, 2021. It has its registered office at Door No.40/3397, 1st Floor, Kuttukaran Centre, Mamangalam, Kochi, Ernakulam 682025, Kerala, India.

KGPL is authorised to engage in, *inter alia*, the business of buying, selling and marketing of multi brand used cars, as well as the parking, selling and refurbishment of the same, and dealing in, importing, exporting manufacturing, repairing, assembling, servicing and acting as agents in respect of all kinds of vehicles, spare parts and their accessories.

Capital Structure

The authorised share capital of KGPL is ₹100,000 divided into 10,000 equity shares of ₹10 each and the issued and paid up share capital of KGPL is ₹100,000 divided into 10,000 equity shares of ₹10 each.

Shareholding Pattern

PADPL directly holds 9,999 equity shares of ₹10 each aggregating to 99.99% of the issued and paid up share capital of KGPL. One of our Promoters and Non-Executive Director, Naveen Philip holds one equity share out of the issued and paid up share capital of KGPL as a nominee, on behalf of PADPL.

7. *Avita Insurance Broking LLP ("Avita")*

Corporate Information

Avita was incorporated on December 14, 2018 as a limited liability partnership under Limited Liability Partnership Act, 2008. It has its registered office at Door No.40/3396, 1st Floor, Kuttukaran Centre, Mamangalam, Kochi, Ernakulam 682025, Kerala, India.

Avita is authorised to engage in, *inter alia,* the business of insurance broking service approved by Insurance Regulatory and Development Authority of India.

Our Company has filed an application for striking off of this entity. For details, see "*Risk Factors - Our Company is in the process of winding up its Subsidiary, Avita Insurance Broking, LLP, which may adversely affect our business and results of operations*" on page 40.

Capital Structure

Avita has a capital corpus of ₹ 7,500,000.

Shareholding Pattern

PADPL's contribution to the capital is ₹7,350,000. One of our Promoters and Managing Director, John K. Paul's contribution to the capital is ₹75,000 and one of our Promoters and Whole-time Director, Francis K. Paul's contribution to the capital is ₹75,000**.**

Accumulated Profits or Losses

There are no accumulated profits or losses of any of our Subsidiaries that are not accounted for by our Company in the Restated Financial Information.

Common Pursuits between our Subsidiaries and our Company

Other than PMMPL and VMPL, that are in the same line of business as that of our Company, there are no common pursuits between our Subsidiaries and our Company. For details, see "*Risk Factors - Conflicts of interest may arise out of common business objects between our Company and certain Group Companies and Subsidiaries*" on page 39.

Joint Ventures

Our Company does not have any Joint Ventures as on the date of filing of this Draft Red Herring Prospectus

Shareholders' agreements and other agreements

Shareholders' agreement dated October 13, 2015 entered into amongst our Company, Promoters and BanyanTree ("SHA") as amended by the deed of amendment executed on November 30, 2015 and letter dated September 5, 2018, between our Company, John K. Paul, Francis K. Paul, Naveen Philip and BanyanTree ("SHA Amendment Agreement", and together with the SHA, the "Shareholders' Agreement")

Our Company, our Promoters and BanyanTree have entered into the SHA *inter-alia* recording their rights and obligations in relation to the operation and management of our Company. Pursuant to the terms of the SHA, the Promoters have agreed, that they shall not directly or indirectly compete with the business of the Company during the term of the SHA. Pursuant to the SHA, BanyanTree is entitled to appoint one director and one observer on the Board of the Company and the Promoters are entitled appoint the remaining directors. The presence of the director nominated by BanyanTree is required to constitute valid quorum at Board and Shareholders' meetings. BanyanTree is also entitled to appoint one member in each committee constituted by the Board. Further, BanyanTree is also entitled to certain affirmative rights including in respect of issuance of securities, amending the business plan, entering into related party transactions etc. BanyanTree is also entitled to pre-emptive rights in respect of any issuance of securities, periodic information rights in respect of the activities and performance of the Company. Transfer of Equity Shares by our Promoters are subject to certain transfer restrictions including *inter-alia* the consent of BanyanTree and tag along rights. Further, our Company and Promoters are required to provide BanyanTree with an exit before the completion of the sixth anniversary of the closing date, i.e. December 31, 2021 by way of a qualified initial public offering or a trade sale. Further, BanyanTree has certain event of default rights, i.e., buy back, investor put option and drag along rights in the event that our Company, our Subsidiaries or our Promoters fail to comply with their obligations under the Shareholders' Agreement.

Our Company, our Promoters and BanyanTree have entered into the SHA Amendment Agreement, which *inter alia,* states that at no point shall BanyanTree hold more than 40% of the total issued and paid-up equity share capital of the Company on a fully diluted basis. The SHA Amendment Agreement also clarified that BanyanTree shall, in lieu of payment of the consideration, only be deemed to be entitled to such equity shares of the Company as are equivalent to 40% of the total issued and paid-up equity share capital of the Company on a fully diluted basis.

Waiver and Termination agreement dated July 29, 2021 ("Termination Agreement") entered into amongst our Company, John K. Paul, Francis K. Paul, Naveen Philip and BanyanTree

Our Company has entered into a waiver and termination agreement dated July 29, 2021 with our Promoters and BanyanTree which provides for the termination of the Shareholders' Agreement, as amended, upon receipt of listing and trading approval of the Equity Shares of the Company on the Stock Exchanges pursuant to the Offer. However, the right of BanyanTree to appoint one Director on the Board of the Company shall survive post listing, for so long as it holds at least 10% of the issued and paid up share capital of the Company (calculated on a fully diluted basis), subject to the receipt of shareholders' approval through a special resolution post listing, at the first shareholders' meeting held post such listing. Pursuant to the terms of the Termination Agreement, the parties have also agreed to amend certain clauses setting out the buy back and exit rights of BanyanTree as per the terms of the agreement. Further, BanyanTree has agreed that its information and inspection rights in relation to the Company shall fall away from the date of filing of the Red Herring Prospectus. Pursuant to the terms of the Termination Agreement, each party has consented to the issue and transfer of equity shares pursuant to the Offer and waived their respective pre-emptive and anti-dilutive rights and transfer restrictions in this regard. The Termination Agreement shall *ipso facto* terminate if the bid/offer opening date of the Offer does not occur within a period of 12 months from the date of the final observations issued on the DRHP by SEBI or an earlier date on which the Board decides not to undertake the Offer.

Share subscription agreement dated October 13, 2015 entered into amongst our Company, John K. Paul, Francis K. Paul, Naveen Philip and BanyanTree ("SSA")

Our Company entered into the SSA pursuant to which BanyanTree subscribed to 100 Equity Shares of face value of ₹10 each and 0.01% 6,500 cumulative compulsorily convertible debentures of the Company, each having a face value of ₹100,000 each, for an aggregate consideration of ₹ 650,010,000. Subsequently, the cumulative compulsorily convertible debentures of the Company were converted to Equity Shares on March 9, 2017. For details, see "*Capital Structure – Share Capital History of our Company*" on page 62.

Brand license agreement dated November 1, 2015, entered into between Kuttukaran Trading Ventures and our Company ("Brand License Agreement")

Our Company has entered into a Brand License Agreement whereby Kuttukaran Trading Ventures has provided a non-exclusive and assignable license to our Company for a period of 15 years to the brand names and brand marks as detailed out in the Brand License Agreement ("**Brand Marks**") including "Kuttukaran Group", "Kuttukaran", "Popular", "POPULAR", "Kuttukaran" (logo) and "Kuttukaran journeys with you" (logo), for a one-time license fee of ₹53.00 million. As per the terms of the Brand License Agreement, our Company as well as our Subsidiaries are permitted to make full use of the Brand Marks for the purposes of business for a period of 15 years ("**License Period**") from November 1, 2015. In the event Kuttukaran Trading Ventures is in breach of its obligations under the Brand License Agreement during the License Period, it has agreed to indemnify our Company for the same. Any dispute in relation to the terms of the Brand License Agreement is required to be settled by way of arbitration, with the arbitration venue being Kochi, India.

Upside sharing letter dated August 3, 2021 between John K. Paul, Francis K. Paul, Naveen Philip and BanyanTree ("Upside Letter")

The Upside Letter provides that in the event that BanyanTree fully exits the Company, by sale or transfer of its entire shareholding in the Company, whether in a single transaction or through a series of transactions on or before March 31, 2022 ("**Exit Transactions**"), BanyanTree shall make certain threshold based cash payments to the Promoters as specified in the Upside Letter on the occasion of its exit from the Company. The Upside Letter further provides that parties shall mutually agree on the modalities upon which the payments, if any, are to be made to the Promoters and that each party shall procure the approvals required to be procured by them as per the laws applicable to them to perform their respective obligations thereunder. These cash based payments will be paid to the Promoters entirely by BanyanTree (without any recourse or liability to our Company). The payments under the Upside Letter are proposed to be paid out of the proceeds from the Exit Transactions. Accordingly, to the extent that such payments are proposed to be paid out of the proceeds of the Offer for Sale, appropriate instructions to effect such payments are proposed to be incorporated in the cash escrow agreement to be executed in relation to the Offer.

Other Agreements

Except as disclosed above, as on the date of this Draft Red Herring Prospectus, our Company has not entered into any subsisting material agreements (other than in the ordinary course of business of our Company) and there are no subsisting shareholders' agreements with respect to our Company. For details with respect to agreements in relation to the business and operations of our Company, see "*Our Business*" on page 142.

Agreements with Key Managerial Personnel, Director, Promoter or any other employee

Other than as disclosed in *"Shareholders' agreements and other agreements – Upside Letter*" and *"Shareholders' agreements and other agreements – Shareholders Agreement*" on page 178 and 177, there are no agreements entered into by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

OUR MANAGEMENT

Board of Directors

In terms of the Articles of Association, our Company is required to have not less than three and not more than 15 Directors including Independent Directors with at least one woman director. As on the date of this Draft Red Herring Prospectus, our Board comprises of 7 Directors, including two Executive Directors, two Non-Executive, non-Independent Directors and three Non-Executive, Independent Directors including one woman Independent Director.

The following table sets forth details regarding our Board of Directors:

S. No.	Name, designation, date of birth, address, occupation, term, period of directorship and DIN	Age (years)	Other directorships
1.	**Jacob Kurian** ***Date of Birth:*** February 9, 1956 ***Designation:*** Chairman and Non-Executive Independent Director ***Address:*** 104 Tefilah Tranquille 154 Wheeler Road, Near Sameer House Fraser Town, Bangalore 560 005 Karnataka, India ***Occupation:*** Service ***Term:*** For a period of five consecutive years with effect from January 16, 2019 to January 15, 2024 ***Period of directorship:*** Director since January 16, 2019 ***DIN:*** 00213259	65	*Indian Companies* Popular Mega Motors (India) Private Limited *Foreign Companies* None
2.	**John Kuttukaran Paul ("John K. Paul")** ***Date of Birth:*** March 28, 1953 ***Designation:*** Managing Director ***Address:*** 42/1058 Kuttukaran House St. Benedict Road Ernakulam, Kochi 682 018 Kerala, India ***Occupation:*** Business ***Term:*** For a period of two years, commencing from April 1, 2020 to March 31, 2022, liable to retire by rotation ***Period of directorship:*** Director since July 5, 1983 ***DIN:*** 00016513	68	*Indian Companies* • Bluetimbre Music Private Limited • Foundation for Entrepreneurial Development (Kerala) • Keracon Equipments Private Limited • Kuttukaran Cars Private Limited • Kuttukaran Green Private Limited (formerly known as Kuttukaran Pre Owned Cars Private Limited) • Memorytrain Creatives Private Limited • Popular Auto Spares Private Limited • Popular Auto Dealers Private Limited • Prabal Motors Private Limited • Popular Autoworks Private Limited *Foreign Companies* None
3.	**Francis Kuttukaran Paul ("Francis K. Paul")** ***Date of Birth:*** February 9, 1948	73	*Indian Companies* • Bluetimbre Music Private Limited

S. No.	Name, designation, date of birth, address, occupation, term, period of directorship and DIN	Age (years)	Other directorships
	Designation: Whole-time Director ***Address:*** 34/542, A1 Kuttukaran House N.H. Bye Pass Road Padivattom, Edapally. P.O. Ernakulam 682 024 Kerala, India ***Occupation:*** Business ***Term:*** For a period of two years, commencing from April 1, 2020 to March 31, 2022, liable to retire by rotation ***Period of directorship:*** Director since July 5, 1983 ***DIN:*** 00018825		• Keracon Equipments Private Limited • Memorytrain Creative Private Limited • Kuttukaran Green Private Limited (formerly known as Kuttukaran Pre Owned Cars Private Limited) • Kuttukaran Cars Private Limited • Popular Auto Dealers Private Limited • Popular Auto Spares Private Limited • Popular Autoworks Private Limited • Prabal Motors Private Limited *Foreign Companies* None
4.	**Naveen Philip** ***Date of Birth:*** March 15, 1970 ***Designation:*** Non-Executive Director ***Address:*** Valiyathottathil House Dewans Road, Kochi, M.G. Road, Ernakulam 680 016 Kerala, India ***Occupation:*** Business ***Term:*** Liable to retire by rotation ***Period of directorship:*** Director since April 1, 2018 ***DIN:*** 00018827	51	*Indian Companies* • Bluetimbre Music Private Limited • Memorytrain Creatives Private Limited • Keracon Equipments Private Limited • Kuttukaran Green Private Limited (formerly known as Kuttukaran Pre Owned Cars Private Limited) • Kuttukaran Cars Private Limited • Popular Autoworks Private Limited • Popular Auto Dealers Private Limited • Popular Mega Motors (India) Private Limited • Vision Motors Private Limited *Foreign Companies* None
5.	**Preeti Reddy** ***Date of Birth:*** October 31, 1958 ***Designation:*** Non-Executive Independent Director ***Address:*** Gautam Nellore, C 478, Second Floor, Defence Colony, Lajpat Nagar South Delhi 110024 Delhi, India ***Occupation*:** Professional ***Term:*** For a period of five consecutive years with effect from January 16, 2019 to January 15, 2024 ***Period of directorship:*** Director since January 16, 2019	62	*Indian Companies* • Analyticsquotient Services India Private Limited • Hindustan Thompson Associates India Private Limited • India Market Research Bureau Private Limited • Kantar GDC India Private Limited • Kantar Market Research Services Private Limited • Millward Brown Market Research Services India Private Limited • Ziqitza Health Care Limited *Foreign Companies*

S. No.	Name, designation, date of birth, address, occupation, term, period of directorship and DIN	Age (years)	Other directorships
	DIN: 07248280		• AMRB L.L.C Dubai • Kantar Lanka Private Limited • IMRB Millward Brown Singapore Pte Ltd • Kantar Research (Bangladesh) Pvt Limited • Kantar Bangladesh Private Limited
6.	**George Joseph** ***Date of Birth:*** April 26, 1949 ***Designation:*** Non-Executive Independent Director ***Address:*** Melazhakath, Idukki, Arakulam 685591 Kerala, India ***Occupation:*** Service ***Term:*** For a period of five years from July 1, 2021 to June 30, 2026* ***Period of directorship:*** Director since July 1, 2021 ***DIN:*** 00253754	72	*Indian Companies* • Wonderla Holidays Limited • Creditaccess Grameen Limited • Madura Micro Finance Limited *Foreign Companies* Nil
7.	**Rahul G. Kurup** ***Date of Birth:*** June 2, 1982 ***Designation:*** Non-Executive Nominee Director ***Address:*** 1:2, C2-11, Sector 16, Near Fire Station, Vashi, Navi Mumbai 400 703 Maharashtra, India ***Occupation:*** Financial Professional ***Term:*** For a period of five years from April 23, 2021 to April 22, 2026 ***Period of directorship:*** Director since April 23, 2016 ***DIN:*** 07496119	39	*Indian Companies* • Origami Cellulo Private Limited *Foreign Companies* None

** Appointed as an additional director by our Board of Directors, pursuant to its resolution dated July 1, 2021, for a term of five years, i.e. from July 1, 2021 to June 30, 2026, subject to the approval of our shareholders*

Family relationship between our Directors and Key Managerial Personnel

None of our Directors and Key Managerial Personnel are related to each other, except as stated below:

- John K. Paul and Francis K. Paul are brothers; and
- Naveen Philip is the nephew of John K. Paul and Francis K. Paul

Brief Biographies of Directors

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. He was also awarded a distinguished alumnus award, 2008, by the National Institute of Technology, Tiruchirappalli. 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.

John K. Paul is the Managing 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. He has more than 44 years of experience in automobile industry. He is currently the president of Kerala Automobiles Dealership Association. He is also a trustee of the Lawrence School Lovedale Alumni Foundation.

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 44 years of experience in the automobile sector.

Naveen Philip is a Non-Executive 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 24 years of experience in the automobile industry. He is a member of the Federation of Automobile Dealers Association Council. Previously, he held the position of a manager at Godrej Telecom Limited.

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 is the chairperson South Asia at Kantar Consumer Insights organisation. She has previously served as a senior vice president at IMRB International Limited. She has previously worked in consumer consulting as a vice president at KSA Technopak (I) Pvt Ltd and has worked as Market Research Manager at VST Industries Limited.

George Joseph is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Kerala. He 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. He was associated with Canara Bank for a period of over 36 years and resigned as general manager in 2006. He has also served as chairman, whole time director and joint managing director of Wonderla Holidays Limited. He has in the past served as the independent director of Muthoot Finance Ltd and ESAF Small Finance Bank Ltd.

Rahul G. Kurup is the Nominee Director of our Company. He holds a master's degree in management studies from the University of Mumbai. He was previously associated as junior research analyst with the Atherstone Group and as an executive analyst with CRISIL Limited. He has also previously worked as a consultant with IndAsia Fund Advisors Private Limited. He has been appointed as a Nominee Director of our Company pursuant to the shareholders' agreement dated October 13, 2015, entered into amongst our Company, the Promoters and BanyanTree.

Confirmations

None of our Directors is, or was a director of any listed company during the five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during his/her tenure.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Directors

John K. Paul

John K. Paul was first appointed as our Managing Director pursuant to a Board resolution dated April 1, 2010, and was last re-appointed as a Managing Director pursuant to the board resolutions dated November 6, 2019 and a special resolution passed by the Shareholders of the Company dated December 10, 2019. He was paid a one-time special incentive of ₹ 7.50 million in FY 2019. The details of remuneration governing his re-appointment as approved by the Board in their meeting held on November 6, 2019 and the Shareholders in their meeting held on December 10, 2019. The details of remuneration as set out below are effective from April 1, 2020 for a period of two years until March 31, 2022:

Particulars	Remuneration
Basic Salary	₹ 0.6 million per month on an annual incremental scale of ₹ 605,000- ₹ 60,500- ₹ 665,500

Particulars	Remuneration
Performance Incentives*	As determined by the Board, based on consolidated net profits of the Company being: • upto ₹ 200 million - Nil • between ₹ 200 million - ₹ 300 million – 1% of the consolidated net profits of the Company; • over and above the above slabs milestone based incentive for every ₹50 million • at ₹ 350 million, 0.16% for ₹50 million; • at ₹ 400 million, 0.33% for ₹100 million; • at ₹ 450 million, 0.50% o for ₹150 million; and • at ₹ 500 million and multiples of every ₹50 million after that, 0.66% of the consolidated net profits of the Company
Perquisites	The following perquisites are provided: • Use of Company's furnished accommodation • Gas, electricity, water and furnishings • Club fees • Life and health insurance • Use of car and telephone facilities at residence • Leave and travel concessions • Educational benefits

** Performance incentive as revised pursuant to a board resolution passed on March 22, 2021 and shareholders' resolution dated July 8, 2021, applicable with effect from April 1, 2021, for FY 2022*

Francis K. Paul

Francis K. Paul was first appointed as our Whole-time Director pursuant to a Board resolution dated April 1, 2010, and was last re-appointed as a Whole-time Director pursuant to the board resolution dated November 6, 2019 and a special resolution passed by the Shareholders of the Company dated December 10, 2019. He was paid a one-time special incentive of ₹ 7.50 million in FY 2019. The details of remuneration governing his re-appointment as approved by the Board in their meeting held on November 6, 2019 and the Shareholders in their meeting held on December 10, 2019. The details of remuneration as set out below are effective from April 1, 2020 for a period of two years until March 31, 2022:

Particulars	Remuneration
Basic Salary	₹ 0.6 million per month on an annual incremental scale of ₹ 6,05,000- ₹ 60,500- ₹ 6,65,500
Performance Incentives*	As determined by the Board, based on consolidated net profits of the Company being: • upto ₹ 200 million-Nil • between ₹ 200 million - ₹ 300 million – 1% of the consolidated net profits of the Company; • over and above the above slabs milestone based incentive for every ₹50 million • at ₹ 350 million, 0.16% for ₹50 million; • at ₹ 400 million, 0.33% for ₹100 million; • at ₹ 450 million, 0.50% o for ₹150 million; and

Particulars	Remuneration
	• at ₹ 500 million and multiples of every ₹50 million after that, 0.66% of the consolidated net profits of the Company
Perquisites	The following perquisites are provided: • Use of Company's furnished accommodation • Gas, electricity, water and furnishings • Club fees • Life and health insurance • Use of car and telephone facilities at residence • Leave and travel concessions • Educational benefits

** Performance incentive as revised pursuant to a board resolution passed on March 22, 2021 and shareholders' resolution dated July 8, 2021, applicable with effect from April 1, 2021, for FY 2022*

Payment of benefit to Directors of our Company

Other than as disclosed below, our Company and our Subsidiaries have not paid any compensation or granted any benefit to any of our Directors (including contingent and deferred compensation) in any capacity during Financial Year 2021:

1. **Executive Directors:**

The details of the remuneration paid to our Executive Directors during the Financial Year 2021 is as follows:

S. No.	Name of the Director	Remuneration (*₹ in million*)
1.	John K. Paul	5.67
2.	Francis K. Paul	5.67

2. **Non-Executive Non-Independent Directors:**

Our Company does not pay remuneration to our Non-Executive Directors. While our Company has reimbursed Rahul G. Kurup for travel and accommodation expenses incurred in relation to attending meetings of the Board and committees of the Board, our Company has not paid any remuneration to its Non-Executive Non-Independent Directors in FY 2021.

3. **Non-Executive Independent Directors:**

Our Non-Executive Independent Directors are entitled to a sum of (i) ₹75,000 for attending each meeting of the Board and (ii) ₹50,000 for attending each meeting of the committees, in addition to reimbursement of actual expenses incurred for attending the meetings. Details of the remuneration paid to the Independent Directors in the FY 2021 is set forth below

S. No.	Name of the Director	Amount (*₹ in million*)
1.	Jacob Kurian	0.50
2.	Preeti Reddy	0.45
3.	George Joseph*	Nil

* *Since George Joseph was appointed as Independent Directors after March 31, 2021, no remuneration was paid to him during Financial Year 2021*

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except Rahul G. Kurup, who has been appointed as a nominee director of BanyanTree pursuant to the Shareholders' Agreement, entered into amongst our Company, BanyanTree, and our Promoters, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board. For details see "*History and other Corporate Matters – Shareholders' agreements and other agreements*" on page 177.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of filing of this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares	Percentage Shareholding (%)
John K. Paul	2,751,125	21.93
Francis K. Paul	2,751,125	21.93
Naveen Philip	2,751,125	21.93

Interest of Directors

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board or Committees thereof. For further details, see "– *Terms of Appointment of our Executive Director*" and "– *Payment or benefit to Directors of our Company*" on pages 183 and 197. Some of our Directors may also hold positions as directors on the board of directors of our Subsidiaries and Group Companies and as heads of certain business verticals. In consideration for these services, they are paid managerial remuneration in accordance with the provisions of applicable law. Further, our Directors, John K. Paul, Naveen K. Paul and Francis K. Paul receive payments towards repayment of unsecured interest-free borrowings provided by them to certain Subsidiaries and towards rent for property leased by them to the Company and Subsidiaries For details, see "*Related Party Transactions*" on page 266. Our Directors, John K. Paul, Naveen K. Paul and Francis K. Paul may also be interested in our Company to the extent of payments proposed to be received under the Upside Letter. For details, see "*History and Corporate Matters – Upside Letter*" on page 178.

Other than as disclosed in *"Financial Statements – Related Party Transactions"* and *"Our Promoters and Promoter Group – Interest of Promoters"* on page 257 and 198 respectively, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration and sitting fees for services rendered as Directors.

Our Directors have no interest in any property acquired by our Company or proposed to be acquired by our Company or in the formation or promotion of our Company, nor do our Directors have any interest in transaction for the acquisition of land, construction of building and supply of machinery in relation to the Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or their relatives or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

Except for John K. Paul and Francis K. Paul, and Naveen Philip, who are our Promoters as on the date of this Draft Red Herring Prospectus, none of our other Directors have any interest in the formation or promotion of our Company other than in the ordinary course of business.

No sum has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or otherwise for services rendered by such Directors or by such firms or companies in connection with the promotion or formation of our Company.

None of the Directors have availed any loan from our Company.

Other than the performance linked incentives given to our Managing Director and Whole-time Director, none of our Directors are party to any bonus or profit sharing plan of our Company.

No Directors have entered into any service contract with our Company pursuant to which such Directors are entitled to any benefits upon termination of employment.

Changes in Board in the last three years

Name of the Director	Date of Appointment/ Change/ Cessation	Reason
George Joseph	July 1, 2021	Appointment as Non-Executive Independent Director
Jacob Kurian	January 16, 2019	Appointment as Non-Executive Independent Director
Preeti Reddy	January 16, 2019	Appointment as Non-Executive Independent Director

Borrowing Powers of our Board

In accordance with our Articles and pursuant to a resolution passed by the Shareholders of our Company on September 27, 2014, the Board is authorised to borrow such sum of money (including by way of debentures, bonds, secured or unsecured loans or otherwise) at any time or from time to time as may be required for the purposes of business of the Company in excess the aggregate of paid up capital and its free reserves, that is to say, reserve not set apart for any specific purpose, subject to the condition that such conditions such borrowings together with the money which is already borrowed (apart from the temporary loans obtained by the Company from its bankers/other entities in the ordinary course of business) shall not exceed ₹5,000 million apart from the loan obtained by the Company from its bankers/other entities in the ordinary course of its business.

Corporate Governance

The Corporate Governance provisions of the SEBI ICDR Regulations and Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the Companies Act, SEBI ICDR Regulations and Listing Regulations in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, the SEBI ICDR Regulations, Listing Regulations and in accordance with best practices in corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas.

Currently, our Board has 7 Directors comprising two Executive Director, five Non-Executive Directors of whom three are Independent Directors (including one woman director).

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. George Joseph; *Chairperson*
2. Jacob Kurian;
3. Preeti Reddy;
4. Naveen Philip

The Audit Committee was constituted by a meeting of the Board of Directors held on January 16, 2019 and was reconstituted in the meeting of the Board of Directors held on June 10, 2021 and subsequently on July 1, 2021. The committee was further re-constituted at a meeting of the Board of Directors held on July 1, 2021 and the terms of reference were revised pursuant to the resolution dated August 4, 2021. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI Listing Regulations and its terms of reference include the following:

a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;

c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;

d) Approving payments to the statutory auditors for any other services rendered by statutory auditors;

e) Reviewing, the financial statements with respect to its unlisted Subsidiaries, in particular investments made by such Subsidiaries;

f) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    (i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;

    (ii) Changes, if any, in accounting policies and practices and reasons for the same;

(iii) Major accounting entries involving estimates based on the exercise of judgment by management;

(iv) Significant adjustments made in the financial statements arising out of audit findings;

(v) Compliance with listing and other legal requirements relating to financial statements;

(vi) Disclosure of any related party transactions; and

(vii) Qualifications and modified opinions in the draft audit report.

g) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

h) Scrutiny of inter-corporate loans and investments;

i) Review of utilization of loans availed or investments by the holding company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;;

j) Valuation of undertakings or assets of the Company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Approval of all related party transactions. Provided that only those members of the Audit Committee, who are Independent Directors, shall approve related party transactions

m) Approval or any subsequent modification of transactions of the Company with related parties, provided that the audit committee may make omnibus approval for related party transactions proposed to be entered into by our Company subject to such conditions as may be prescribed;

Explanation: The term "related party transactions" shall have the same meaning as provided in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or Companies Act, 2013.;

n) 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

o) Approving or subsequently modifying transactions of the Company with related parties;

p) Evaluating undertakings or assets of the Company, wherever necessary;

q) Establishing and overviewing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

r) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

s) 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;

t) Discussion with internal auditors on any significant findings and follow up thereon;

u) 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;

v) 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;

w) Looking 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;

x) Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

y) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

z) Carrying out any other functions as provided under the Companies Act, the Listing Regulations and other applicable laws; and

aa) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.

bb) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders"

The powers of the Audit Committee include the following:

a) To investigate activity within its terms of reference;

b) To seek information from any employees;

c) To obtain outside legal or other professional advice;

d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and

e) To have full access to the information contained in the records of the Company.

The Audit Committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and result of operations;

b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

c) Management letters/letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the chief internal auditor; and

f) Statement of deviations:

    (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

    (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

The Audit Committee is required to meet at least four times in a year and not more than 120 days are permitted to elapse between two meetings under the terms of the Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Preeti Reddy, *Chairperson*

2. Jacob Kurian

3. George Joseph

4. Rahul G. Kurup

The Nomination and Remuneration Committee was constituted by the Board of Directors held on January 16, 2019 and terms of reference were revised in the meeting of the Board of Directors held on June 10, 2021, and was further reconstituted on August 4, 2021. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee shall include the following:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

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

c) Devising a policy on Board diversity;

d) Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

e) Analysing, monitoring and reviewing various human resource and compensation matters;

f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

g) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component and recommend the remuneration payable to the senior management personnel;

h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

i) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

j) Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:

    (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or

    (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

k) Determine 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; and

l) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee."

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Naveen Philip, *Chairperson*

2. Preeti Reddy

3. Rahul G. Kurup

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on June 10, 2021. The scope and functions of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee include the following:

a) To resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reports of such statements.

b) To review measures taken for effective exercise of voting rights by the shareholders.

c) To review adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and shares transfer agent.

d) To review the various measures initiative taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

e) Carrying out such other functions as ma 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.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Francis K. Paul, *Chairperson*
2. John K. Paul
3. Jacob Kurian
4. Rahul G. Kurup

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on May 20, 2014 and was last reconstituted on January 16, 2019. The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder.

Risk Management Committee

The members of the Risk Management Committee are:

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

The Risk Management Committee was constituted by our Board of Directors at their meeting held on June 10, 2021 and was re-constituted on July 1, 2021. The terms of reference of the Risk Management Committee of our Company include the following:

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);

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.

IPO Committee

The members of the IPO Committee are:

1. Naveen Philip, *Chairperson*

2. John K. Paul;

3. Francis K. Paul;

4. Rahul G. Kurup

The IPO Committee was constituted by our Board of Directors at their meeting held on August 20, 2018 and terms of reference were revised in the meeting of the Board of Directors held on June 10, 2021. The terms of reference of the IPO Committee include the following:

1. To decide in consultation with the BRLMs on the timing, pricing and all the terms and conditions of the Offer, including the price band, Offer price, Offer size and to accept any amendments, modifications, variations or alterations thereto;

2. To appoint and enter into and terminate arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, sponsor bank, legal advisors, auditors, advertising agency and any other agencies or persons or intermediaries in relation to the Offer, including any successors or replacements thereof, and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs, and to remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc.;

3. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the prospectus, the preliminary and final international wrap, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the Offer and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, advertising agency, stock exchange(s), BRLMs, Selling Shareholders and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;

4. To finalize, settle, approve, adopt and file in consultation with the book running lead managers appointed for the Offer (the "BRLMs") where applicable, the draft red herring prospectus, the red herring prospectus and the prospectus in connection with the Offer, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto ("Offer Documents"), and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the Registrar of Companies, Kerala at Ernakulam or any other relevant governmental and statutory authorities or in accordance with applicable laws;

5. To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, the SEBI, the relevant registrar of companies, the RBI, and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;

6. To accept and appropriate the proceeds of the Offer in accordance with the applicable laws;

7. To approve code of conduct as may be considered necessary by the IPO Committee or as required under the applicable laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;

8. To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;

9. To approve the restated audited financial statements of the Company, prepared by the Company in accordance with the requirements of relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended for the purposes of inclusion in the Offer Documents;

10. To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of the Company to sign all or any of the aforestated documents;

11. To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

12. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs ;

13. To seek, if required, the consent and/or waiver of the lenders of the Company, customers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;

14. To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

15. To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

16. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and/ or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforestated documents;

17. To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;

18. To settle all questions, difficulties or doubts that may arise in regard to the Offer, including allotment, terms of the Offer, utilisation of the Offer proceeds and matters incidental thereto as it may deem fit;

19. To submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies, Kerala at Ernakulam and the relevant stock exchange(s) where the Equity Shares are to be listed;

20. To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;

21. To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

22. To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or any other applicable laws;

23. To approve the list of 'group companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the draft red herring prospectus, the red herring prospectus and the prospectus; and to approve the list of pending litigations involving such group companies which has a material impact on the Company;

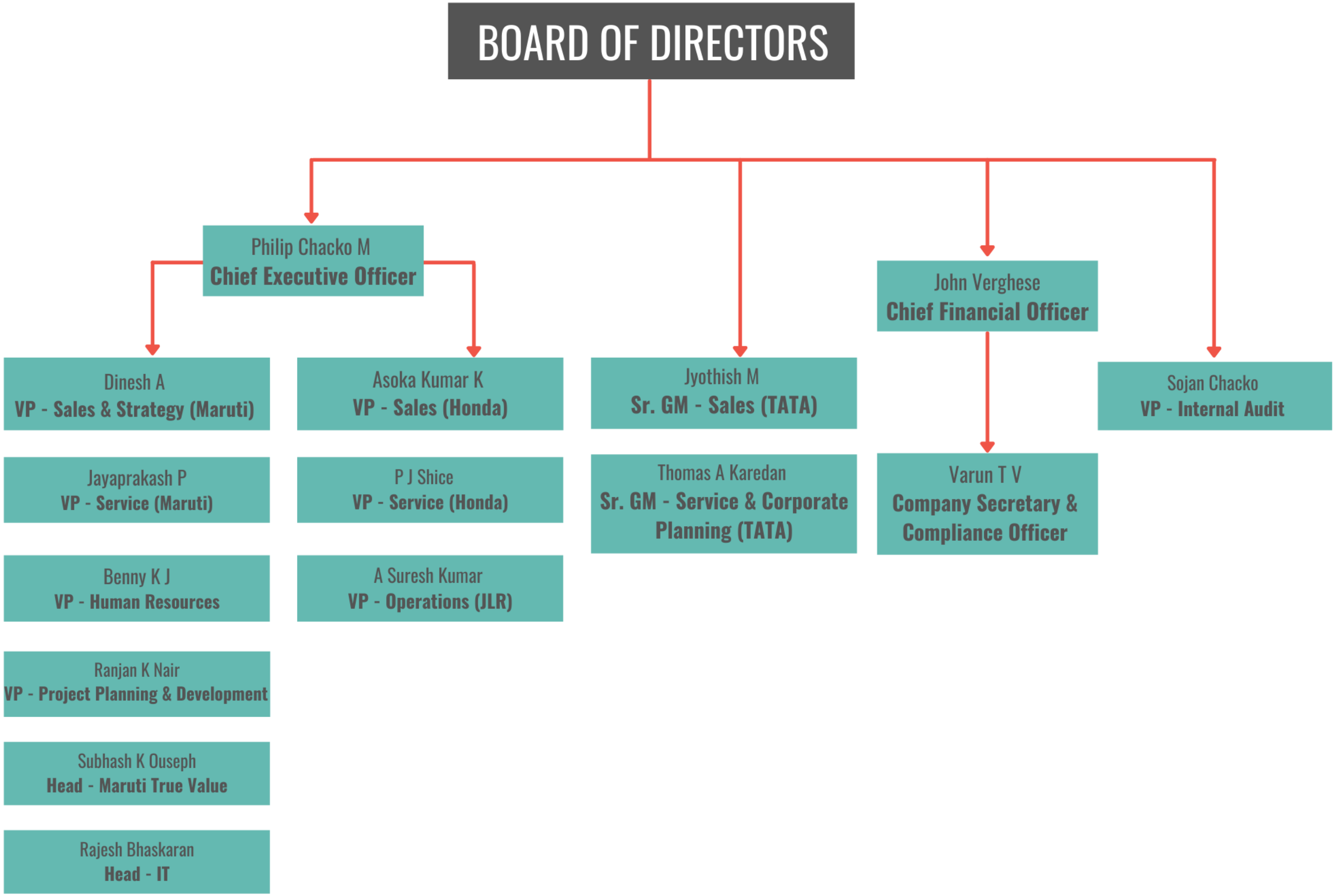
24. Deciding, negotiating and finalising the pricing and all other related matters regarding the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with applicable laws;

25. Taking on record the approval of the Selling Shareholders for offering their Equity Shares in the Offer for Sale and taking all actions as may be authorised in connection therewith;

26. To withdraw the draft red herring prospectus or the red herring prospectus or to decide to not proceed with the Offer at any stage in accordance with applicable laws and in consultation with the BRLMs; and

27. To delegate any of its powers set out hereinabove, as may be deemed necessary and permissible under applicable laws to the officials of the Company.

Management Organisation Chart



Key Managerial Personnel

The details of our Key Managerial Personnel are as follows:

John K. Paul, is the Managing Director of our Company. For details in relation to John K. Paul, see "*Our Management – Brief Biographies of Directors*" on page 182.

Francis K. Paul, is the Whole-time Director of our Company. For details in relation to Francis K. Paul, see "*Our Management – Brief Biographies of Directors*" on page 182.

Philip Chacko M, is the Chief Executive Officer of our Company. He was appointed as the Chief Executive Officer with effect from July 31, 2018. He holds a bachelor's degree in technology (Honours) in civil engineering from the Indian Institute of Technology, Kharagpur and a post graduate diploma in business management from the Indian Institute of Management, Calcutta. Prior to joining our Company he was the chief operating officer of Talwandi Sabo Power Limited which is a part of the Vedanta Group. During FY 2021, he was paid a gross compensation of ₹10.61 million.

John Verghese, is the Chief Financial Officer of our Company. He was appointed to this post with effect from July 31, 2018. He is an associate member of the Institute of Chartered Accountants of India. Prior to joining our Company worked as a chief financial officer with Plant Lipids Private Limited and as the president with Rane NSK Steering Systems Limited. Prior to his current appointment, he has served in our Company from September 2012 to March 2015. During FY 2021, he was paid a gross compensation of ₹5.46 million.

Varun T.V, is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company since May 15, 2018. He was appointed as Compliance Officer on June 10, 2021. He holds a bachelor's degree in commerce from the Mahatma Gandhi University and a master's degree in business administration from Anamalai University. He is as an associate member of the Institute of Company Secretaries of India. Prior to joining our Company he was working as a company secretary with Joyalukkas India Private Limited and as a company secretary and compliance officer with Muthoot Capital Services Limited. During FY 2021, he was paid a gross compensation of ₹2.05 million.

Dinesh A., is the vice president sales and strategy of our Company. He has been associated with our Company since March 1, 2006. He holds a bachelor's degree in commerce from the University of Madras. Prior to joining our Company, he was the area sales manager at Bharat Shell Limited. He also worked at Hindustan Cocoa Products Limited as the area sales incharge (trainee). During FY 2021, he was paid a gross compensation of ₹ 2.46 million

Asoka Kumar K, is the vice president sales of VMPL, our Subsidiary. He has been associated with our Company since August 1, 2008 and joined our subsidiary VMPL as senior manager-operations in 2011. He holds a bachelor's degree in arts from the University of Calicut. Prior to joining VMPL, he was a manager of our Company. During FY 2021, he was paid a gross compensation of ₹ 2.30 million.

P. Jayaprakash, is the vice president service of our Company. He has been associated with our Company since June 1, 1998. He completed the pre-degree examination from the University of Calicut. During FY 2021, he was paid a gross compensation of ₹2.15 million.

Jyothish M., senior general manager sales, of PMMPL, our Subsidiary. He has been associated with our Company since May 3, 1998. He holds a bachelor's degree in Commerce from the Mahatma Gandhi University. During FY 2021, he was paid a gross compensation of ₹ 1.35 million.

Sojan Chacko, is designated as vice president internal audit of our Company. He joined PMMPL, our Subsidiary as general manager, finance and accounts. He has been associated with our Company since May 17, 2016. He holds a bachelor's degree in commerce from the Mahatma Gandhi University, an executive post graduate diploma in management from the Indian Institute of Management, Kozhikode Society, is a fellow member of the Institute of Chartered Accountants of India. He received the Valiaveedan Award from St. Berchman's College, Changanacherry, for securing the highest rank in the bachelor's of commerce degree examination. He has also in the past been associated with Vertex Securities Limited, Ideal Marine Products LLC, Peninsular Capital Market Limited and Kitex Garments Limited. During FY 2021, he was paid a gross compensation of ₹ 1.56 million**.**

P. J. Shice, is the vice president service of VMPL, our Subsidiary. He has been associated with our Company since January 4, 2016. He holds a bachelor's degree in industrial and production engineering from the Bangalore University. Previously, he worked with MRF Limited, Mercedes Benz India Private Limited and Oman Marketing and Services Co. During FY 2021, he was paid a gross compensation of ₹2.26 million.

Thomas A Karedan, is the senior general manager service and corporate planning at PMMPL, our Subsidiary. He has been associated with our Company since January 24, 2000.He holds a bachelor's degree in engineering from the Mangalore University. Prior to joining PMMPL, he worked in the position of trainee engineer, assistant engineer and site engineer with

Techni Bharathi Private Limited and as mechanical engineer for Galfar Engineering and Contracting, LLC. During FY 2021, he was paid a gross compensation of ₹ 1.42 million.

A Suresh Kumar, is the vice president operation at PAPL, our Subsidiary. He has been associated with our Company since July 15, 2019. He holds a post graduate diploma, a master's degree in science in anthropology from the Mysore University and holds a master's degree in business administration from the Karnataka State Open University. Prior to joining PAPL, he worked at Olympus Motors Private Limited as the head of sales. He worked as the chief operating officer for A. K. Capital Finance Private Limited. He also worked at Sundaram Motors as the sales manager. He also worked as deputy sales manager at the Saud Bahwan Automatic LLC. During FY 2021, he was paid a gross compensation of ₹ 4.52 million.

Subhash K. Ouseph, is the head of Maruti True Value, the pre-owned car division of our Company. He has been associated with our Company since August 1, 2000. He holds a diploma in computer science from Datapro Information and Technology, a bachelor's degree in commerce from the Mahatma Gandhi University and holds a master's degree in business administration from the National Institute of Business Management. During FY 2021, he was paid a gross compensation of ₹1.52 million.

Ranjan K Nair, is the vice president project planning and development of our Company. He has been associated with our Company since June 9, 1993. He holds a bachelor's degree in mechanical engineering from the University of Calicut and a master's degree in business administration from the Indira Gandhi National Open University, Prior to joining our Company, he was working as a Technical Officer at TATA Oil Mills Company Limited. During FY 2021, he was paid a gross compensation of ₹2.67 million.

Benny K. J., is the vice president human resource of our Company. He has been associated with our Company since October 14, 2019. He holds a master's degree of arts in social work with specialization in human resource management from the University of Madras. Prior to joining our Company, he worked as the senior general manager human resource development at VKL Seasoning Private Limited, as the assistant general manager human resource at Videocon Telecommunications Limited and as the head of corporate human resource at Trans Asian Shipping Services (P) Limited. During FY 2021, he was paid a gross compensation of ₹2.07 million.

Rajesh Bhaskaran, is the head of information technology of our Company. He has been associated with our Company since November 2, 2015. He holds a bachelor's degree in commerce from the Municipal College, Rourkela and holds a honours diploma in systems management from the National Institute of Information Technology. He has also successfully completed the project management training from the Project Management Training Institute. He has also completed a course in Linux from CMC Limited. He also successfully completed a course in oracle from the Software Technology Group International Limited. Prior to joining our Company, he worked with as the general manager for information technology with Granules India Limited, DGM-IT for Carnation Auto India Private Limited, Manager-Information system for Suzuki Motorcycle India Pvt Limited and as Assistant Manager-IT for Panasonic India Private Limited. During FY 2021, he was paid a gross compensation of ₹2.45 million.

Except for John K. Paul and Francis K. Paul, who are brothers, none of the Key Managerial Personnel are related to each other.

All the Key Managerial Personnel are permanent employees of our Company or our Subsidiaries.

Shareholding of Key Managerial Personnel

Set out below are details of the Equity Shares held by the Key Managerial Personnel in our Company:

S. No.	Name	No. of Equity Shares	Pre-Offer (%)*
1.	John K. Paul	2,751,125	21.93
2.	Francis K. Paul	2,751,125	21.93
3.	Dinesh A.	26	Negligible
4.	Ranjan K Nair	26	Negligible
5.	Thomas A. Karedan	26	Negligible
6.	Asoka Kumar K	20	Negligible
7.	P. Jayaprakash	26	Negligible
8.	Jyothish M.	26	Negligible
9.	Subhash K. Ouseph	26	Negligible

* *The pre-Offer Equity Share capital (%) has been rounded off upto two decimal places*

Bonus or Profit Sharing Plans

None of the Key Management Personnel are party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to our Key Management Personnel, John K. Paul and Francis K. Paul.

Interests of Key Managerial Personnel

Except as stated in "*Our Management – Interest of Directors*" on page 186 and other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business, the Key Managerial Personnel do not have any interest in our Company. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in the Company, if any. Further, while some of our Key Managerial Personnel may hold positions as directors on boards of our Subsidiaries, these Key Managerial Personnel do not receive any remuneration or fee for being director of the subsidiaries/joint ventures in which they are directors.

There is no contingent or deferred compensation payable to the Key Managerial Personnel.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as Key Managerial Personnel.

None of our Key Managerial Personnel have availed any loan from our Company.

Service Contracts with Key Managerial Personnel

No Key Managerial Personnel have entered into a service contract with our Company pursuant to which such Directors are entitled to any benefits upon termination of employment.

Changes in the Key Managerial Personnel

The changes in the Key Managerial Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Varun T.V.	Company Secretary and Compliance Officer	June 10, 2021	Change in designation
Dinesh A.	Vice president -sales and strategy	November 2, 2020	Change in designation
Somy K. C	Vice president marketing	November 2, 2020	Change in designation
Sojan Chacko	Vice president- internal audit	November 1, 2020	Appointment as head – internal audit
Abraham Varkey	Head-internal audit	July 10, 2020	Resignation as head – internal audit
Benny K.J.	Vice president-human resource	October 14, 2019	Appointment as vice president - human resource
Johnson Mathew	Vice president-human resource	August 4, 2019	Resignation as vice president - human resource
A.Suresh Kumar	Vice president- operations	July15, 2019	Appointment as vice president - operations
Paminder Singh	Vice president- operations	March 5, 2019	Resignation as vice president - operations
Philip Chacko M	Chief Executive Officer	August 31, 2018	Appointment as Chief Executive Officer
John Verghese	Chief Financial Officer	August 31, 2018	Appointment as Chief Financial Officer
Varun T. V.	Company Secretary	August 31, 2018	Appointment as Company Secretary

Payment or Benefit to Key Managerial Personnel of our Company

Except as disclosed in *History and Certain Corporate Matters – Shareholders' agreements and other agreements – Upside letter"* on page 178, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Management Personnel and our Directors within the two preceding years. For details in relation to payments made to John K. Paul and Francis K. Paul, see "*Our Management – Payment of benefit to Directors of our Company"* on page 185.

Employees Stock Options

As on the date of this Draft Red Herring Prospectus, our Company has not instituted any employee stock option plan or scheme.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

John K. Paul, Francis K. Paul and Naveen Philip are the Promoters of our Company. Our Promoters currently hold an aggregate of 8,253,375 Equity Shares, aggregating to 65.79% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For details, see "*Capital Structure - Details of Equity Shares held by our Promoters and members of our Promoter Group*" on page 78.

John K. Paul

Our Promoter, John K. Paul is the Managing Director of our Company. For further details in respect of his age, date of birth, personal address, educational qualifications, professional experience, positions/ posts held in the past, other directorships and special achievements, see "*Our Management*" on page 180. For details in relation to other ventures of our Promoter, see "*Our Group Companies*" on page 201.

His permanent account number is AFFPP1585F and his driver's license number is 7/100655/1971. His aadhaar card number is [redacted]

Mr. John K. Paul holds 2,751,125 Equity Shares in our Company.

Francis K. Paul

Our Promoter, Francis K. Paul, is the Whole-time Director of our Company. For further details in respect of his age, date of birth, personal address, educational qualifications, professional experience, positions/ posts held in the past, other directorships and special achievements, see "*Our Management*" on page 180. For details in relation to other ventures of our Promoter, see "*Our Group Companies*" on page 201.

His permanent account number is AFFPP1584E and his driver's license number is 8/175/1967. His aadhaar card number is [redacted]

Mr. Francis K. Paul holds 2,751,125 Equity Shares in our Company.

Naveen Philip

Our Promoter, Naveen Philip, is the Non-Executive Director of our Company. For further details in respect of his age, date of birth, personal address, educational qualifications, professional experience, positions/ posts held in the past, other directorships and special achievements, see "*Our Management*" on page 180. For details in relation to other ventures of our Promoter, see "*Our Group Companies*" on page 201.

His permanent account number is AFHPP3516N and his driver's license number is KL07 19880002224. His aadhaar card number is [redacted]

Mr. Naveen Philip holds 2,751,125 Equity Shares in our Company.

Our Company confirms that the permanent account numbers, bank account numbers and passport numbers of John K. Paul, Francis K. Paul and Naveen Philip shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Changes in control

There has been no change in control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Interests of Promoters

Our Promoters are interested in our Company to the extent that they are promoters of our Company and to the extent of their shareholding in the Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by them. For details, see "*Capital Structure"* on page 62. Our Promoters, John K. Paul, Naveen K. Paul and Francis K. Paul may also be interested in our Company to the extent of payments proposed to be received under the Upside Letter. For details, see "*History and Corporate Matters – Upside Letter*" on page 178. Further, our Promoters, John K. Paul and Francis K. Paul receive payments towards repayment of unsecured interest-free borrowings provided by them to certain Subsidiaries and towards rent for property leased by them to the Company and Subsidiaries. For details, see "*Related Party Transactions"* on page 266. Our

Promoters may also hold positions as directors on the board of directors of our Subsidiaries and Group Companies and as heads of certain business verticals. Further, our Promoters are also interested in our Company to the extent of remuneration, reimbursements and/or sitting fee received by them from our Company in their capacity as Directors. For details, see "*Our Management – Payment of benefit to Directors our Company*"

Our Promoters have no interest in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

No sum has been paid or agreed to be paid to our Promoters or to the firms or companies in which our Promoters are interested as a member in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by such Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Payment of benefits to our Promoters or our Promoter Group

Except as stated in "*Financial Information - Related Party Transactions*" and "*Our Promoters and Promoter Group –Interests of Promoters*" on pages 257 and 198 respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of the Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

Our Promoters have not given any material guarantees to third parties with respect to the Equity Shares of our Company.

Companies or firms with which our Promoters have disassociated in the last three years

Except as stated below, our Promoters have not disassociated with any company or firm during the three years preceding the filing of the Draft Red Herring Prospectus.

S.No.	Name of the Promoter	Name of Company/firm	Reasons for disassociation	Date of disassociation
1.	Naveen Philip	Regiis Cars Private Limited;	Sale of investment	January 21, 2021
		Finclub Technologies Private Limited;	Sale of investment	June 25, 2019
		Popular Infotech Private Limited;	Liquidated the investment	November 18, 2019

Our Promoter Group

In addition to the Promoters named above, the following individuals and entities form a part of the promoter group.

A. Natural persons who are part of the Promoter Group

Name of Promoter	Name of relative	Relationship
John K. Paul	Shalet John	Spouse
	Mary John	Sister
	Leela Philip	Sister
	Susan Varghese	Sister
	Susheela George	Sister
	Francis K. Paul	Brother
	Serah John	Child
	Elizabeth Zachariah	Child
	Paul Kuttukaran John	Child
	Rita Mathew	Spouse's sister
	Shirey Thomas	Spouse's sister
	Merina S. Mohan	Spouse's sister
	Paul Mathew	Spouse's brother
Francis K. Paul	Susan Francis	Spouse
	Mary John	Sister
	Leela Philip	Sister
	Susan Varghese	Sister
	Susheela George	Sister
	John K. Paul	Brother
	Mariam K. Francis	Child
	Paul K. Francis	Child
	Ronnie Joseph	Spouse's brother
	Donnie Abraham	Spouse's brother
	Sonnie Joseph	Spouse's brother

Name of Promoter	Name of relative	Relationship
Naveen Philip	Mailini Eapen	Spouse
	Leela Philip	Mother
	Nileena Koshy	Sister
	Rushil John	Child
	Mridul Eapen	Spouse's mother
	Jacob Eapen	Spouse's father
	Ansuiya Eapen	Spouse's sister

B. Entities forming part of the Promoter Group

- Bluetimbre Music Private Limited
- Kartel ventures LLP
- Keracon Equipments Private Limited;
- K P Paul Foundation;
- Kuttukaran Homes LLP;
- Kuttukaran Mobility Services LLP;
- Kuttukaran Trading Ventures;
- Memorytrain Creatives Private Limited
- Popular Auto Spares Private Limited; and
- Prabal Motors Private Limited.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations 'group companies' of our Company shall include (i) the companies (other than indirect and direct Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Information during any of the last three FYs in respect of which the Restated Financial Information is included in this Draft Red Herring Prospectus; and (ii) such other companies as considered material by the Board. For the purposes of (ii) above, pursuant to the resolution passed by our Board at its meeting held on July 1, 2021, the Board has approved that members of the Promoter Group (being companies) with which the Company has had one or more transactions in the most recent completed FY for which Restated Financial Information is being included in the Offer Documents, which exceed, individually or in aggregate, 10% of the total consolidated income of the Company in the last completed FY shall be considered material.

Accordingly, Keracon Equipments Private Limited and Prabal Motors Private Limited have been identified as the group companies.

The details of our Group Companies are provided below:

A. Details of our Group Companies

1. ***Keracon Equipments Private Limited ("Keracon")***

Corporate Information

Keracon Equipments Private Limited was incorporated as a private limited company under the Companies Act, 1956 on August 17, 2011, having CIN U51503KL2011PTC029161.

Its registered office is situated at 32/2571, Kuttukaran Centre, Mamangalam Palarivattom P.O. Cochin 682 025, Kerala, India.

The main object of Keracon is to act as dealers of construction equipment manufacturers, for the sale of equipments, spare parts and service of equipments. Keracon is presently engaged in the business of spare parts distribution.

Interest of our Promoters

Our Promoters John K. Paul, Francis K. Paul and Naveen Philip are shareholders and directors of Keracon.

Financial Information

The following information has been derived from the audited financial statements of Keracon for the three preceding Financial Years:

(in ₹ million, except share data)

Particulars	For the Financial Year*		
	2020	2019	2018
Equity capital	9.48	9.48	9.48
Reserves and surplus (excluding revaluation reserve)	(18.48)	(18.70)	(18.37)
Net asset value per share#	(9.49)	(9.73)	(9.38)
Total Income	31.34	8.94	0.01
Profits/(Loss) after Tax	0.22	(0.33)	(0.22)
Earnings per Share (Basic)	0.23	(0.34)	(0.24)
Earnings per Share (Diluted)	0.23	(0.34)	(0.24)

**The financial statement for FY 2021 is not available*

 # Net asset value per share is calculated by dividing the net asset value (Share Capital +Other Equity) by the number of shares outstanding for the year end

Significant notes of auditors of Keracon for the last three Financial Years

There are no significant notes of auditors for the last three Financial Years.

2. ***Prabal Motors Private Limited ("Prabal")***

Corporate Information

Prabal was incorporated as a private limited company under the Companies Act, 1956 on February 1, 2006 under the name of Popular Kuttukaran Cars Private Limited, having CIN U50101KL2006PTC019140. Pursuant to a scheme of arrangement approved by the National Company Law Tribunal, Chennai by its order dated April 5, 2018, the name of Prabal was changed from Popular Kuttukaran Cars Private Limited to Prabal Motors Private Limited. A fresh certificate of Incorporation consequent upon change of name was issued on August 31, 2018. For details in relation to the scheme of arrangement, see "*History and Certain Corporate Matters – Scheme of Arrangement between Prabal Motors Private Limited and Popular Kuttukaran Cars Private Limited as approved by the National Company Law Tribunal, Chennai*" on page 174.

Its registered office is situated at 32/2571 H, II Floor, Kuttukaran Towers, Mamangalam, Palarivattom P.O., Ernakulam 682 025, Kerala, India.

The main object of Prabal is to carry on the business in India or elsewhere of dealing in, importing, exporting, assembling, fabricating, converting, altering, modifying, stocking, distributing, selling, servicing, repairing and to act as franchises or agents in all descriptions, specifications, models of motor cars, passenger cars and other vehicles for transporting passengers, goods and animals, whether propelled or used by any form of power including petrol, diesel, oil, gas, electricity, battery, solar energy and to render after sales service including spare parts and accessories. Prabal is engaged in the business of operating commercial vehicle dealership as on date.

Interest of our Promoters

Our Promoters, John K. Paul, who is also a shareholder of Prabal, and Francis K. Paul are directors of Prabal.

Financial Information

The following information has been derived from the audited financial statements of Prabal for the three preceding Financial Years:

(in ₹ million, except share data)

Particulars	For the Financial Year*		
	2020	2019	2018
Equity capital	0.30	0.30	0.10
Reserves and surplus (excluding revaluation reserve)	18.66	15.37	3.16
Net asset value per share	1896.34	1567.04	326.41
Total Income	1,942.28	2,496.87	1,523.31
Profits/(Loss) after Tax	3.29	12.20	3.58
Earnings per Share (Basic)	329.30	1,220.62	358.23
Earnings per Share (Diluted)	329.30	1,220.62	358.23

**The financial statement for FY 2021 is not available*

Significant notes of auditors of Prabal for the last three Financial Years

There are no significant notes of auditors for the last three Financial Years.

Loss-making Group Companies

None of our Group Companies were loss-making in FY 2020.

Nature and extent of interest of our Group Companies

a. ***In the promotion of our Company***

Our Group Companies do not have any interest in the promotion of our Company.

b. ***In the properties acquired by our Company in the preceding three years before filing the Draft Red Herring Prospectus or proposed to be acquired by our Company***

Our Group Companies are not interested, directly or indirectly, in the properties acquired or proposed to be acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus.

c. ***In transactions for acquisition of land, construction of building and supply of machinery***

Our Group Companies are not interested, directly or indirectly, in any transaction for the acquisition of land, construction of building, supply of machinery, or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements, by any of our Group Companies.

Defunct Group Companies

Our Group Companies are not defunct and no applications have been made to the relevant registrar of companies for striking off their names during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

Group Companies which are a sick industrial company or are under winding up/ insolvency proceedings

Our Group Companies do not fall under the definition of sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985 and are not under any winding up or insolvency proceedings.

Common Pursuits between our Group Companies and our Company

Prabal operates the commercial vehicle dealership of Bharat Benz in Tamil Nadu and Keracon is involved the business of spare parts distribution in Kerala. For details, see "*Risk Factors - Conflicts of interest may arise out of common business objects between our Company and certain Group Companies*".

Related Business Transactions with the Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in "*Other Financial Information- Related Party Transactions*" on page 266, there are no other related business transactions with our Group Companies.

Business interest of our Group Companies in our Company

Except as disclosed in this section and "*Other Financial Information- Related Party Transactions*" on page 266, our Group Companies have no business interest in our Company.

Keracon (i) routinely purchases inventory from PADPL in connection with its spare parts distribution business; (ii) Keracon has executed a lease deed dated November 1, 2018 with our Subsidiary PADPL, pursuant to which it has leased certain properties from in consideration for which PADPL is entitled to a monthly rent; (iii) a wholly owned subsidiary of Keracon, namely Popular Auto Spares Private Limited holds 5% interest in the partnership firm Kuttukaran Trading Ventures from which our Company and Subsidiaries has leased various premises. For further details, see '*Related Party Transactions*" on page 266.

Litigation

Our Group Companies are not party to any pending litigation which will have a material impact on our Company.

Other confirmations

None of our Group Companies are listed on any stock exchange.

None of our Group Companies have failed to meet the listing requirements or have failed to list on any recognised stock exchange in India or abroad.

DIVIDEND POLICY

The dividend policy was adopted and approved by our Board in their meeting held on July 1, 2021 ("**Dividend Policy**"). Pursuant to the policy, the declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013.

In terms of the dividend policy, the dividend, if any, will depend on a number of internal and external factors, which, *inter alia*, include

(a) the future expansion plans and capital requirements;

(b) profit earned during the Financial Year;

(c) liquidity and applicable taxes including dividend distribution tax payable by our Company;

(d) regulatory changes;

(e) state of economy and capital markets; and

(f) applicable taxes.

Our Company has not paid any dividend in the FY 2021, 2020 and 2019. For details, see "*Financial Information*" and "*Risk Factors - Our ability to pay dividends in the future will depend on our financial condition, results of operations, cash flows, capital requirements, capital expenditures and restrictive covenants of our financing arrangements, as well as compliance with applicable RBI regulations*" on pages 205 and 46.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Popular Vehicles and Services Limited
Kuttukaran Centre,
Mamangalam,
Cochin – 682 025

Dear Sirs,

1 We have examined the attached Restated Consolidated Financial Information of Popular Vehicles and Services Limited (the "Company" or the "Holding Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") comprising the Restated Consolidated Balance Sheet as at 31 March 2021, 31 March 2020 and 31 March 2019, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, and the summary statement of significant accounting policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 4 August 2021 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offering of equity shares ("IPO") prepared in terms of the requirements of:

   (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

   (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2 The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("**SEBI**"), in connection with the IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2A of Annexure V to the Restated Consolidated Financial Information.

   The respective Board of Directors of the companies included in the Group responsibility includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors of the companies are also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note.

3 We have examined such Restated Consolidated Financial Information taking into consideration:

(a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 2 July 2021, in connection with the IPO;

(b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

(c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

(d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4 These Restated Consolidated Financial Information have been compiled by the management from the audited consolidated financial statements of the Group as at and for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 prepared in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, (the "consolidated financial statements"), which have been approved by the Board of Directors at their Board meetings held on 1 July 2021, 22 September 2020 and 26 July 2019 respectively.

5 For the purpose of our examination, we have relied on Auditors' reports issued by us dated 1 July 2021, 22 September 2020 and 26 July 2019 on the consolidated financial statements of the Group as at 31 March 2021, 31 March 2020 and 31 March 2019 respectively, referred in paragraph 4 above.

6 The Auditors' report on the consolidated financial statements as at and for the year ended 31 March 2021 issued by us contained the following Emphasis of Matter paragraph:

"As more fully described in Note 39 to the financial statements, the extent to which the COVID-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter."

The Auditors' report on the consolidated financial statements as at and for the year ended 31 March 2020 issued by us contained the following Emphasis of Matter paragraph:

"COVID-19 pandemic has been rapidly spreading throughout the world, including India. Government in India has taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. We draw attention to Note 39 in the consolidated financial statements, which describes the disruptions the Group is facing as a result of COVID-19 which is impacting Group's operations. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of Group's liquidity and going concern and recoverable values of its certain financial and non-financial assets. However, given the effect of these lockdowns on the overall economic activity, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Group will continue to monitor any material changes to future economic conditions and consequential impact on these financial statements.

Our opinion is not modified in respect of this matter."

7 As indicated in our audit reports referred in paragraph 5 above:

a) we did not audit the financial statements of the seven subsidiaries (as mentioned in Appendix I) included in the consolidated financial statements for the years ended 31 March 2021 and 31 March 2020 and of the six subsidiaries included in the consolidated financial statements for the year ended 31 March 2019 whose financial statements reflect share of total assets (before consolidation adjustments), total revenues (before consolidation adjustments) and net cash flows (before consolidation adjustments) for the respective years have been given in the table below.

Amount in Rs. millions

Particulars	**As at and for the year ended**		
	31 March 2021	**31 March 2020**	**31 March 2019**
Total assets	5,087.29	4,528.55	4,831.32
Total revenues	12,163.43	13,620.22	16,860.52
Net cash inflows / (outflows)	(36.45)	103.56	(32.90)

These financial statements have been audited by other auditors as mentioned in Appendix I and whose reports have been furnished to us by the Company's management and our audit opinions for the relevant years on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components for the relevant years, are based solely on the reports of the other auditors.

b) we did not audit the financial statements of one subsidiary (as mentioned in Appendix I) included in the consolidated financial statements for the year ended 31 March 2019 whose financial statements share reflects Nil total assets as at 31 March 2019, Nil total revenues and net cash flows for the year ended on that date, as considered in the consolidated financial statements. This financial statements and other financial information are unaudited and 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 the subsidiary, is based solely on such unaudited financial statements and other financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information is not material to the Group.

8 In respect of the subsidiaries mentioned in paragraph 7, the respective statutory auditors (as listed in Appendix I) have examined the restated standalone financial information of respective entities included in the Restated Consolidated Financial Information for the respective years and confirmed that these restated standalone financial information of respective entities:

a. have been prepared after incorporating adjustments for the change in accounting policies and regrouping/ reclassifications retrospectively in the financial years ended 31 March 2020 and 31 March 2019 to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed as at and for the year ended 31 March 2021;

b. does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VII to the Restated Consolidated Financial Information; and

c. have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

9 Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination reports submitted by the other auditors for the respective period/ years, we report that the Restated Consolidated Financial Information:

a. have been prepared after incorporating adjustments for the change in accounting policies and regrouping/ reclassifications retrospectively in the financial years ended 31 March 2020 and 31 March 2019 to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed as at and for the year ended 31 March 2021;

b. does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VII to the Restated Consolidated Financial Information; and

c. have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

10 The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 4 above.

11 This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12 We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13 Our report is intended solely for use of the Board of Directors and for inclusion in the DRHP to be filed with SEBI, Stock exchanges and RoC in connection with the proposed offer. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Baby Paul
Partner
Membership No.: 218255
ICAI Unique Document Identification Number: 21218255AAAACI2773

Place: Kochi
Date: 4 August 2021

Appendix I

i) List of subsidiaries of Popular Vehicles and Services Limited

Si. No	Name of the entity	Relationship	Country of Incorporation
1	Popular Mega Motors (India) Private Limited	Subsidiary	India
2	Popular Auto Dealers Private Limited	Subsidiary	India
3	Popular Auto Works Private Limited	Subsidiary	India
4	Kuttukaran Cars Private Limited	Subsidiary	India
5	Vision Motors Private Limited	Step-down subsidiary	India
6	Avita Insurance Broking LLP	Step-down subsidiary	India
7	Kuttukaran Green Private Limited	Step-down subsidiary	India

ii) Details of entities for the years not audited by us and name of the auditor for the respective year

Name of the entity	Name of Auditors	Year of their Audit
Popular Mega Motors (India) Private Limited	P S D Y and Associates	31 March 2021 31 March 2020 31 March 2019
Popular Auto Dealers Private Limited	A.S Narayanamoorthy *	31 March 2021 31 March 2020
	R.G.N Price & Co	31 March 2019
Popular Auto Works Private Limited	A.S Narayanamoorthy *	31 March 2021 31 March 2020
	R.G.N Price & Co	31 March 2019
Kuttukaran Cars Private Limited	R.G.N Price & Co	31 March 2021 31 March 2020 31 March 2019
Vision Motors Private Limited	P S D Y and Associates	31 March 2021 31 March 2020 31 March 2019
Avita Insurance Broking LLP	R.G.N Price & Co	31 March 2021 31 March 2020
Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned Cars Private Limited)	R.G.N Price & Co	31 March 2021 31 March 2020 31 March 2019

* As informed to us by the management, the auditor does not hold a valid peer review certificate as issued by the 'Peer Review Board' of the Institute of Chartered Accountants of India'.

iii) Details of entities for the years not audited for the respective year

Name of the entity	Name of Auditors	Year of their Audit
Avita Insurance Broking LLP	Unaudited	31 March 2019

Popular Vehicles and Services Limited

Annexure I - Restated Consolidated Balance Sheet

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

	Notes	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Assets				
Non-current assets				
Property, plant and equipment	**1**	2,244.20	2,258.72	2,061.40
Capital work-in-progress	**1**	173.09	293.67	276.23
Right-of-use assets	**31**	2,329.47	2,401.24	1,940.66
Goodwill	**2**	11.80	-	-
Intangible assets	**2**	49.87	55.92	61.56
Financial assets				
Investments	**3**	49.21	21.81	17.00
Loans	**4**	277.57	329.20	346.89
Income tax assets (net)	**25**	67.73	156.45	105.85
Deferred tax assets (net)	**25**	177.84	227.29	162.48
Other non-current assets	**5**	143.19	178.61	147.09
Total non-current assets		**5,523.97**	**5,922.91**	**5,119.16**
Current assets				
Inventories	**6**	3,116.83	2,873.28	3,577.30
Financial assets				
Investments	**3**	-	90.01	-
Trade receivables	**7**	1,607.27	1,088.91	2,629.33
Cash and cash equivalents	**8**	555.08	375.28	247.70
Bank balances other than cash and cash equivalents	**9**	38.92	47.48	43.15
Loans	**4**	46.36	15.83	-
Other current assets	**5**	285.51	873.87	443.27
Total current assets		**5,649.97**	**5,364.66**	**6,940.75**
Assets classified as held for sale	**35**	15.42	24.00	56.46
Total assets		**11,189.36**	**11,311.57**	**12,116.37**
Equity and liabilities				
Equity				
Equity share capital	**10**	125.44	125.44	125.44
Other equity		2,334.58	2,002.28	1,853.04
Total equity		**2,460.02**	**2,127.72**	**1,978.48**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	**11**	893.29	472.99	462.62
Lease liabilities	**31**	2,665.08	2,656.52	2,206.59
Other non-current liabilities	**14**	204.48	156.97	102.05
Provisions	**13**	48.19	56.66	117.01
Income tax liabilities (net)	**25**	2.09	-	-
Total non-current liabilities		**3,813.13**	**3,343.14**	**2,888.27**
Current liabilities				
Financial liabilities				
Borrowings	**11**	2,361.64	2,766.56	4,827.72
Lease liabilities	**31**	304.35	304.94	179.17
Trade payables	**15**			
- Total outstanding dues of micro and small enterprises		1.94	0.65	4.13
- Total outstanding dues of creditors other than micro and small enterprises		406.77	1,340.62	741.29
Other financial liabilities	**12**	687.11	684.31	820.06
Provisions	**13**	36.49	30.28	29.32
Income tax liabilities (net)	**25**	3.15	-	-
Other current liabilities	**14**	1,114.76	713.35	647.93
Total current liabilities		**4,916.21**	**5,840.71**	**7,249.62**
Total equity and liabilities		**11,189.36**	**11,311.57**	**12,116.37**

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the restated consolidated financial information appearing in Annexure VI and Statement of adjustments to the restated consolidated financial information appearing in Annexure VII.

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
4 August 2021

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

John K Paul
Managing Director
DIN: 00016513

Francis K Paul
Whole Time Director
DIN: 00018825

John Verghese
Chief Financial Officer

Varun T V
Company Secretary
Membership no. 22044

Philip Chacko M
Chief Executive Officer

Kochi
4 August 2021

Popular Vehicles and Services Limited
Annexure II - Restated Consolidated Statement of Profit and Loss
(All amounts are in Indian Rupees in millions, unless otherwise stated)

	Notes	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Income				
Revenue from operations	**16**	28,935.25	31,716.22	39,019.62
Other income	**17**	257.27	88.34	143.77
Total income		**29,192.52**	**31,804.56**	**39,163.39**
Expenses				
Purchases of stock-in-trade	**18**	24,573.83	26,110.20	35,175.46
Changes in inventories of stock-in-trade	**19**	(243.55)	704.02	(1,405.65)
Employee benefits expense	**20**	2,035.07	2,385.71	2,341.70
Finance costs	**21**	551.10	698.94	626.06
Depreciation and amortisation expense	**22**	724.91	610.93	482.13
Impairment loss on trade receivables	**30**	24.76	37.62	30.84
Other expenses	**23**	1,053.88	1,438.45	1,596.31
Total expenses		**28,720.00**	**31,985.87**	**38,846.85**
Profit / (loss) before tax and exceptional item		**472.52**	**(181.31)**	**316.54**
Exceptional item	**24**	-	261.28	-
Profit before tax		**472.52**	**79.97**	**316.54**
Income tax expense	**25**			
Current tax		99.86	33.11	155.28
Deferred tax charge / (credit)		48.11	(78.05)	(52.48)
Total tax expense/ (income)		**147.97**	**(44.94)**	**102.80**
Profit after tax for the year		**324.55**	**124.91**	**213.74**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of net defined benefit plan income / (loss)		9.09	37.57	(4.68)
Income tax charge / (credit) relating to the above		1.34	13.24	(1.23)
Other comprehensive income / (loss) for the year, net of income tax		**7.75**	**24.33**	**(3.45)**
Total comprehensive income for the year		**332.30**	**149.24**	**210.29**
Earnings per share (equity share of face value of INR 10 each)	**27**			
Basic (in INR)		25.88	9.96	17.42
Diluted (in INR)		25.88	9.96	17.42

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated consolidated financial information appearing in Annexure VI and Statement of adjustments to the restated consolidated financial information appearing in Annexure VII.

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

Kochi
4 August 2021

John K Paul
Managing Director
DIN: 00016513

Francis K Paul
Whole Time Director
DIN: 00018825

John Verghese
Chief Financial Officer

Varun T V
Company Secretary
Membership no. 22044

Philip Chacko M
Chief Executive Officer

Kochi
4 August 2021

Popular Vehicles and Services Limited
Annexure III - Restated Consolidated Statement of Changes in Equity
(All amounts are in Indian Rupees in millions, unless otherwise stated)

A. Equity share capital

Particulars	Note	Equity shares (in millions)	Amount
Balance as at 1 April 2018		**3.33**	**33.33**
Share issued during the year	10	9.21	92.11
Balance as at 1 April 2019		**12.54**	**125.44**
Share issued during the year	10	-	-
Balance as at 31 March 2020		**12.54**	**125.44**
Share issued during the year	10	-	-
Balance as at 31 March 2021		**12.54**	**125.44**

B Other equity

Particulars	Reserves and surplus					Items of other comprehensive income	Total other equity attributable to equity holders of the Company
	Securities premium	General reserve	Other reserves	Capital reserve	Retained earnings	Remeasurement of net defined benefit liability/ (asset), net of tax	
Balance as at 1 April 2018	**636.68**	**43.41**	**(16.82)**	**21.75**	**1,288.34**	**-**	**1,973.36**
Total comprehensive income for the year							
Transition impact of Ind AS 116, net of tax (refer note 31)	**-**	**-**	**-**	**-**	**(244.37)**	**-**	**(244.37)**
Profit for the year	-	-	-	-	213.74	-	213.74
Other comprehensive loss, net of tax	-	-	-	-	-	(3.45)	(3.45)
Total comprehensive income / (loss)	-	-	-	-	**213.74**	**(3.45)**	**210.29**
Transferred to retained earnings	-	-	-	-	(3.45)	3.45	-
Transactions with owners, recorded directly in equity							
Issue of bonus shares	-	-	-	-	(86.24)	-	(86.24)
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**(86.24)**	**-**	**(86.24)**
Balance as at 31 March 2019	**636.68**	**43.41**	**(16.82)**	**21.75**	**1,168.02**	**-**	**1,853.04**
Balance as at 1 April 2019	**636.68**	**43.41**	**(16.82)**	**21.75**	**1,168.02**	**-**	**1,853.04**
Total comprehensive income for the year							
Profit for the year	-	-	-	-	124.91	-	124.91
Other comprehensive income, net of tax	-	-	-	-	-	24.33	24.33
Total comprehensive income	-	-	-	-	**124.91**	**24.33**	**149.24**
Transferred to retained earnings	-	-	-	-	24.33	(24.33)	-
Balance as at 31 March 2020	**636.68**	**43.41**	**(16.82)**	**21.75**	**1,317.26**	**-**	**2,002.28**
Balance as at 1 April 2020	**636.68**	**43.41**	**(16.82)**	**21.75**	**1,317.26**	**-**	**2,002.28**
Total comprehensive income for the year							
Profit for the year	-	-	-	-	324.55	-	324.55
Other comprehensive income, net of tax	-	-	-	-	-	7.75	7.75
Total comprehensive income	-	-	-	-	**324.55**	**7.75**	**332.30**
Transferred to retained earnings	-	-	-	-	7.75	(7.75)	-
Balance as at 31 March 2021	**636.68**	**43.41**	**(16.82)**	**21.75**	**1,649.56**	**-**	**2,334.58**

Popular Vehicles and Services Limited
Annexure III - Restated Consolidated Statement of Changes in Equity
(All amounts are in Indian Rupees in millions, unless otherwise stated)

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

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

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

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

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

e) Retained earnings
This represents the profits / losses of the Group earned till date, net of appropriations.

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

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the restated consolidated financial Information appearing in Annexure VI and Statement of adjustments to the restated consolidated financial information appearing in Annexure VII.

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
4 August 2021

for and on behalf of the Board of Directors of
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Chief Financial Officer

Varun T V
Company Secretary
Membership no. 22044

Philip Chacko M
Chief Executive Officer

Kochi
4 August 2021

Popular Vehicles and Services Limited

Annexure IV - Restated Consolidated Statement of Cash Flows

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

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities			
Profit / (loss) before tax and exceptional item	**472.52**	**(181.31)**	**316.54**
Adjustments:			
Finance costs	551.10	698.94	626.06
Depreciation and amortisation	724.91	610.93	482.13
Impairment loss on trade receivables	24.76	37.62	30.84
Liabilities/ provisions no longer required written back	(56.67)	(54.51)	(43.63)
Interest income	(26.13)	(15.27)	(15.79)
Rent concession received	(70.35)	-	-
Gain on derecognition of right-of-use assets	(28.10)	-	-
Impairment on non-current investments	-	-	2.40
Net gain on financial assets measured at fair value through profit and loss	(19.24)	-	(0.21)
Gain on sale of non-current investment (net)	-	-	(5.26)
(Gain)/ loss on sale of property, plant and equipment (net)	(20.74)	(1.68)	2.79
Operating cash flow before working capital changes	**1,552.06**	**1,094.72**	**1,395.87**
Working capital movements:			
(Increase) / decrease in inventories	(243.55)	704.02	(1,405.65)
(Increase) / decrease in trade receivables	(543.12)	1,488.61	(521.27)
Decrease / (increase) in loans and other financial assets and other assets	604.90	(449.09)	(226.49)
(Decrease)/ increase in liabilities and provisions	(423.00)	638.40	490.19
Cash generated from operations	**947.29**	**3,476.66**	**(267.35)**
Income taxes refund/ (paid), net	4.55	(83.71)	(203.49)
Net cash generated from/ (used in) operating activities (A)	**951.84**	**3,392.95**	**(470.84)**
Cash flows from investing activities			
Sale / (acquisition) of investments	81.85	(92.42)	(1.38)
Interest received	15.68	15.27	15.79
Acquisition of property, plant and equipment including capital advances	(273.41)	(576.63)	(576.59)
Acquisition of intangible assets	(20.87)	(12.29)	(3.44)
Proceeds from sale of property, plant and equipment	130.25	390.38	62.60
Net cash used in investing activities (B)	**(66.50)**	**(275.69)**	**(503.02)**
Cash flows from financing activities			
Proceeds from issue of equity share capital	-	-	5.87
Interest paid	(277.86)	(429.39)	(424.40)
Long-term borrowings availed	638.99	481.61	486.96
Long-term borrowings repaid	(194.67)	(513.38)	(360.39)
Short-term borrowings availed/ (repaid), net	(404.92)	(2,061.26)	1,481.86
Lease payments during the year	(468.40)	(467.56)	(346.01)
Net cash (used in)/ generated from financing activities (C)	**(706.86)**	**(2,989.98)**	**843.89**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**178.48**	**127.28**	**(129.97)**
Cash and cash equivalents at the beginning of the year	374.93	247.65	377.62
Cash and cash equivalents at the end of the year	**553.41**	**374.93**	**247.65**

(Refer to note 8 - Cash and cash equivalents)

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

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

Particulars	**As at 1 April 2020**	**Cash flows**	**Non cash changes**		**As at 31 March 2021**
			Fair value changes	**Others**	
Non current borrowings *	724.46	444.32	-	-	1,168.78
Current borrowings	2,766.56	(404.92)	-	-	2,361.64
Lease liabilities (refer note 31)	2,961.46	(468.40)	-	476.37	2,969.43

Particulars	**As at 1 April 2019**	**Cash flows**	**Non cash changes**		**As at 31 March 2020**
			Fair value changes	**Others**	
Non current borrowings *	756.23	(31.77)	-	-	724.46
Current borrowings	4,827.72	(2,061.16)	-	-	2,766.56
Lease liabilities (refer note 31)	2,385.76	(467.56)	-	1,043.26	2,961.46

Particulars	**As at 1 April 2018**	**Cash flows**	**Non cash changes**		**As at 31 March 2019**
			Fair value changes	**Others**	
Non current borrowings *	629.66	126.57	-	-	756.23
Current borrowings	3,345.86	1,481.86	-	-	4,827.72
Lease liabilities (refer note 31)	1,834.72	(346.01)	-	897.05	2,385.76

**includes current maturities of long -term borrowings*

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the restated consolidated financial information appearing in Annexure VI and Statement of adjustments to the restated consolidated financial information appearing in Annexure VII.

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
4 August 2021

for and on behalf of the Board of Directors of
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Company Secretary
Membership no. 22044

Philip Chacko M
Chief Executive Officer

Kochi
4 August 2021

Popular Vehicles and Services Limited
Annexure V – Significant accounting policies

Basis of preparation and significant accounting policies

1. Company overview

Popular Vehicles and Services Limited ('the Company'/'Popular') was incorporated in 1983.. The Company is engaged in the business of sale and service of automobiles, sale of spare parts and accessories, finance and insurance commission. The Company is headquartered in Kochi, India and has operations in Kerala and Tamil Nadu. The Company primarily operates as the Maruti Suzuki vehicle dealer in Kerala and was amongst the first batch of dealers appointed by Maruti Suzuki in the country. The Company got converted to a public limited company on 10 July 2018 consequent to which the name of the Company is changed to Popular Vehicles and Services Limited.

These restated consolidated financial information of the Group comprise the Company and its subsidiaries (collectively referred to as the 'Group'). The Company has seven subsidiaries; Popular Mega Motors (India) Private Limited, Vision Motors Private Limited, Popular Auto Dealers Private Limited, Kuttukaran Cars Private Limited, Kuttukaran Green Private Limited (formerly known as Kuttukaran Pre Owned Cars Private Limited), Popular Auto Works Private Limited and Avita Insurance Broking LLP which are engaged in the business of sale and services of automobiles, sale of spare parts and accessories, finance and insurance commission. These subsidiaries have operations in Kerala, Tamil Nadu and Karnataka.

2. Basis of preparation

A. Statement of compliance

The restated consolidated balance sheet of the Group as at 31 March 2021, 31 March 2020 and 31 March 2019 and the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and the restated consolidated statement of cash flows for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, and the summary statement of significant accounting policies, and other explanatory information (together referred to as 'Restated consolidated financial information') has been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of Companies Act, 2013, (the 'Act') as amended and other relevant provisions of the Act.

The Restated consolidated financial information have been approved by the Board of Directors on 4 August 2021.

The Restated Consolidated Financial Information has been prepared for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with proposed Initial Public Offering of its equity shares, in accordance with the requirements of:

i. Section 26 of Chapter III of the Act;

ii. Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') on 11 September 2018 in pursuance of the Securities and Exchange Board of India Act, 1992; and

iii. Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI").

These Restated consolidated financial information has been extracted by the management from the audited consolidated financial statements for respective years and

(a) there were no changes in accounting policies during the years of these financial statements except for the new and amended Ind AS 116 'Leases' - Refer Annexure VII and Note 31;

(b) there were no material amounts which have been adjusted for in arriving at profit of the respective years.

2. **Basis of preparation (continued)**

A. **Statement of compliance (continued)**

The Group has given adjustments for lease accounting in accordance with Ind AS 116 which came into effect on 1 April 2019 using modified retrospective approach and all the related figures have been reclassified/ regrouped to give effect to the requirements of Ind AS 116, refer Schedule VII - "Statement of adjustments to the restated consolidated financial information".

B. **Functional and presentation currency**

These restated consolidated financial information 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 restated consolidated financial information have been prepared on the historical cost basis except for the following items:

Items	**Measurement basis**
Investment in equity instruments of entities other than subsidiaries	Measured at fair value through profit and loss
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Certain financial assets (including investment) and liabilities	Fair value

D. **Use of estimates and judgements**

In preparing these restated consolidated financial information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the years. Actual results may differ from these estimates.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the periods/years in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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 31 - Lease classification.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment for the year ended 31 March 2021 is included in the following notes:

Note 29 of Annexure VI – measurement of defined benefit obligations: key actuarial assumptions;

Note 26 of Annexure VI – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 25 of Annexure VI – recognition of deferred tax asset: availability of future taxable profit against which tax losses carried forward can be used;

Note 30 of Annexure VI – financial instruments;

2. Basis of Preparation (continued)

Assumptions and estimation uncertainties (continued)

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.

3. Significant accounting policies

3.1 Basis of consolidation

The restated consolidated financial information 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 (%)	Proportion of ownership interest (%)	Proportion of voting power held directly or indirectly (%)
		As at 31 March 2021		**As at 31 March 2020**		**As at 31 March 2019**	
Subsidiaries							
Popular Mega Motors (India) Private Limited	India	100%	100%	100%	100%	100%	100%
Popular Auto Dealers Private Limited	India	100%	100%	100%	100%	100%	100%
Popular Auto Works Private Limited	India	100%	100%	100%	100%	100%	100%
Kuttukaran Cars Private Limited	India	100%	100%	100%	100%	100%	100%
Step-down subsidiaries							
Vision Motors Private Limited	India	100%	100%	100%	100%	100%	100%
Avita Insurance Broking LLP	India	100%	100%	100%	100%	100%	100%
Kuttukaran Green Private Limited (Formerly known as Kuttukaran Pre Owned Cars Private Limited)	India	100%	100%	100%	100%	100%	100%

3. Significant accounting policies

3.1 Basis of consolidation (continued)

The restated consolidated financial information have been prepared in the following basis:

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

i. Business Combination

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

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

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

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

Business combinations (common control business combinations)

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

ii. Subsidiaries

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

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

3. **Significant accounting policies**

3.1 **Basis of consolidation (continued)**

iii. Non-controlling interests (NCI)

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

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

The Group does not have any non-controlling interests as at balance sheet dates.

iv. Transactions eliminated on consolidation

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

3.2 **Property, plant and equipment**

A. **Recognition and measurement**

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

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

3. Significant accounting policies (continued)

3.2 Property, plant and equipment (continued)

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
Tools and Equipment	5 – 15
Electrical fittings	10
Furniture and fittings	10
Computer equipment	3

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

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

3.3 Intangible assets and goodwill

Intangible assets other than goodwill:

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

The estimated useful lives are as follows:

Class of assets	Years
Software	3
Brand	15

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

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

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

Goodwill:

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

3. Significant accounting policies (continued)

3.4 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

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

Defined benefit plans

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

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

Defined benefit plans (continued)

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

Other long term employee benefits

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

3. Significant accounting policies (continued)

3.5 Provisions

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

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

3.6 Revenue

i) Sale of products

Revenue on sale of vehicles, spare parts and accessories is recognised when the risk and rewards are transferred to the customer and is accounted net of goods and service tax and trade 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.

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 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.

3.7 Inventories

Inventories are carried at lower of cost and net realisable value. Cost comprises purchase price, cost of conversion and other costs incurred in bringing the inventory to its present location and condition. The cost is calculated on specific identification basis except for spares, lubricants, accessories and other supplies which is based on First-in First-Out (FIFO).

The comparison of cost and net realisable value of inventory is made on an item by item basis. Spares, lubricants, accessories and other supplies are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the goods will exceed their net realisable value.

The provision for inventory obsolescence is assessed annually and is provided as considered necessary.

3. Significant accounting policies (continued)

3.8 Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.
A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

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

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

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets: Business model assessment

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

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

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

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

3. Significant accounting policies (continued)

3.8 Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

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.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

3. **Significant accounting policies (continued)**

3.8 **Financial instruments (continued)**

iii) De recognition

Financial assets

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

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

Financial liabilities

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

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

iv) Off setting

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

3.9 **Impairment**

i) Impairment of financial instruments

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

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

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

3. Significant accounting policies (continued)

3.9 Impairment (continued)

Write-off

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

ii) Impairment of non- financial assets

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

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

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

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

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

3.10 Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

ii. Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

3. Significant accounting policies (continued)

3.10 Leases (continued)

ii. Group as a lessee (continued)

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. Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

3.11 Recognition of interest income or interest expense

Interest income or expense is recognized using the effective interest method.

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

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

Dividend income on mutual fund is recognised in profit or loss on the date on which the right to receive payment is established.

3. Significant accounting policies (continued)

3.12 Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

3.13 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

3. Significant accounting policies (continued)

3.14 Earnings per share

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

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

3.15 Cash-flow statement

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

3.16 Cash and cash equivalents

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

3.17 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.

Popular Vehicles and Services Limited
Annexure VI - Notes to Restated Consolidated Financial Information
(All amounts are in Indian Rupees in millions, unless otherwise stated)

1 Property, plant and equipment and capital work-in-progress

Particulars	Freehold land	Buildings #	Leasehold improvements	Furniture and fixtures	Electrical equipment	Plant and machinery	Tools and equipment	Motor car	Computer equipment	Office equipment	Motor cycles and trucks	Total (A)	Capital work-in-progress (B)	Total (A+B)
Gross carrying value														
Balance at 1 April 2018	124.46	535.02	451.47	174.53	93.93	462.50	51.16	401.07	50.70	35.87	16.00	2,396.71	129.15	2,525.86
Additions	-	20.33	99.63	23.58	6.66	63.15	7.93	133.56	41.87	9.95	1.60	408.26	249.90	658.16
Disposals	17.07	49.20	12.17	8.34	2.40	33.88	1.39	76.64	1.37	1.29	0.15	203.90	102.82	306.72
Balance at 31 March 2019	**107.39**	**506.15**	**538.93**	**189.77**	**98.19**	**491.77**	**57.70**	**457.99**	**91.20**	**44.53**	**17.45**	**2,601.07**	**276.23**	**2,877.30**
Balance at 1 April 2019	107.39	506.15	538.93	189.77	98.19	491.77	57.70	457.99	91.20	44.53	17.45	2,601.07	276.23	2,877.30
Additions	-	75.14	138.75	75.49	32.95	79.87	8.62	92.58	23.35	25.15	7.32	559.22	278.84	838.06
Disposals	-	0.94	21.61	1.05	5.96	1.65	0.87	127.05	0.36	0.26	0.83	160.58	261.40	421.98
Balance at 31 March 2020	**107.39**	**580.35**	**656.07**	**264.21**	**125.18**	**569.99**	**65.45**	**423.52**	**114.19**	**69.42**	**23.94**	**2,999.71**	**293.67**	**3,293.38**
Balance at 1 April 2020	107.39	580.35	656.07	264.21	125.18	569.99	65.45	423.52	114.19	69.42	23.94	2,999.71	293.67	3,293.38
Additions	-	63.57	107.11	55.23	24.45	70.21	5.91	68.44	19.25	15.41	0.94	430.52	121.96	552.48
Disposals	15.42	4.01	7.75	3.46	0.15	3.11	-	129.14	1.15	0.41	2.38	166.98	242.54	409.52
Balance at 31 March 2021	**91.97**	**639.91**	**755.43**	**315.98**	**149.48**	**637.09**	**71.36**	**362.82**	**132.29**	**84.42**	**22.50**	**3,263.25**	**173.09**	**3,436.34**
Accumulated depreciation														
Balance at 1 April 2018	-	19.50	93.71	43.08	27.74	80.13	14.15	72.31	22.06	13.80	2.42	388.90	-	388.90
Depreciation for the year	-	9.06	44.11	23.17	12.42	43.66	6.34	64.84	19.22	7.65	2.35	232.82	-	232.82
Disposals	-	5.53	12.17	6.91	2.30	23.11	1.26	28.55	1.15	1.02	0.05	82.05	-	82.05
Balance at 31 March 2019	**-**	**23.03**	**125.65**	**59.34**	**37.86**	**100.68**	**19.23**	**108.60**	**40.13**	**20.43**	**4.72**	**539.67**	**-**	**539.67**
Balance at 1 April 2019	-	23.03	125.65	59.34	37.86	100.68	19.23	108.60	40.13	20.43	4.72	539.67	-	539.67
Depreciation for the year	-	15.83	50.09	28.04	14.23	43.63	7.25	69.72	28.77	13.32	2.82	273.70	-	273.70
Disposals	-	0.32	15.05	0.73	4.39	0.79	0.61	49.37	0.33	0.24	0.55	72.38	-	72.38
Balance at 31 March 2020	**-**	**38.54**	**160.69**	**86.65**	**47.70**	**143.52**	**25.87**	**128.95**	**68.57**	**33.51**	**6.99**	**740.99**	**-**	**740.99**
Balance at 1 April 2020	-	38.54	160.69	86.65	47.70	143.52	25.87	128.95	68.57	33.51	6.99	740.99	-	740.99
Depreciation for the year	-	78.45	39.23	33.83	16.33	66.23	7.28	59.54	27.63	12.89	2.71	344.12	-	344.12
Disposals	-	0.13	1.11	2.89	0.12	2.20	-	57.08	0.97	0.40	1.16	66.06	-	66.06
Balance at 31 March 2021	**-**	**116.86**	**198.81**	**117.59**	**63.91**	**207.55**	**33.15**	**131.41**	**95.23**	**46.00**	**8.54**	**1,019.05**	**-**	**1,019.05**
Net carrying amount														
At 31 March 2021	**91.97**	**523.05**	**556.62**	**198.39**	**85.57**	**429.54**	**38.21**	**231.41**	**37.06**	**38.42**	**13.96**	**2,244.20**	**173.09**	**2,417.29**
At 31 March 2020	**107.39**	**541.81**	**495.38**	**177.56**	**77.48**	**426.47**	**39.58**	**294.57**	**45.62**	**35.91**	**16.95**	**2,258.72**	**293.67**	**2,552.39**
At 31 March 2019	**107.39**	**483.12**	**413.28**	**130.43**	**60.33**	**391.09**	**38.47**	**349.39**	**51.07**	**24.10**	**12.73**	**2,061.40**	**276.23**	**2,337.63**

Include buildings constructed on leasehold land

Particulars	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Gross block	Net block	Gross block	Net block	Gross block	Net block
Building	619.35	497.78	576.88	515.90	538.12	474.58

a) Capital work-in-progress represents expenditure towards construction of new workshops/ service centres.
b) For details of property, plant and equipment pledged, refer note 11.

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

2 Intangible assets

Particulars	Computer software	Other intangible assets	Total (A)	Goodwill (Refer Note below) (B)	Total (A+B)
Reconciliation of carrying amount					
Gross carrying value					
Balance at 1 April 2018	15.35	97.37	112.72	-	112.72
Additions/transfers	3.44	-	3.44	-	3.44
Balance at 31 March 2019	**18.79**	**97.37**	**116.16**	**-**	**116.16**
Balance at 1 April 2019	18.79	97.37	116.16	-	116.16
Additions/transfers	12.29	-	12.29	-	12.29
Balance at 31 March 2020	**31.08**	**97.37**	**128.45**	**-**	**128.45**
Balance at 1 April 2020	31.08	97.37	128.45	-	128.45
Additions/transfers	9.07	-	9.07	11.80	20.87
Balance at 31 March 2021	**40.15**	**97.37**	**137.52**	**11.80**	**149.32**
Accumulated amortisation					
Balance at 1 April 2018	6.13	30.47	36.60	-	36.60
Amortisation/ impairment for the year	3.62	14.38	18.00	-	18.00
Balance at 31 March 2019	**9.75**	**44.85**	**54.60**	**-**	**54.60**
Balance at 1 April 2019	9.75	44.85	54.60	-	54.60
Amortisation/ impairment for the year	3.50	14.43	17.93	-	17.93
Balance at 31 March 2020	**13.25**	**59.28**	**72.53**	**-**	**72.53**
Balance at 1 April 2020	13.25	59.28	72.53	-	72.53
Amortisation/ impairment for the year	10.22	4.90	15.12	-	15.12
Balance at 31 March 2021	**23.47**	**64.18**	**87.65**	**-**	**87.65**
Net carrying amount					
At 31 March 2021	**16.68**	**33.19**	**49.87**	**11.80**	**61.67**
At 31 March 2020	**17.83**	**38.09**	**55.92**	**-**	**55.92**
At 31 March 2019	**9.04**	**52.52**	**61.56**	**-**	**61.56**

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

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

Particulars	**Amount**
Total consideration	30.87

B. Identifiable assets acquired and liabilties assumed

Particulars	**Amount**
Property, plant and equipment	0.42
Inventories	18.65
Total assets	**19.07**
Other liabilities	-
Total liabilities	**-**
Net identifiable assets acquired	**19.07**

C. Goodwill
Goodwill arising from acquisition has been determined as follows:

Particulars	**Amount in Rs.**
Consideration transferred / transferable	30.87
Fair value of net identifiable assets acquired	19.07
Goodwill	**11.80**

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

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
3	**Investments**			
	Non-current investments, unquoted			
	Investments in equity shares at FVTPL			
	Loginomic Tech Solutions Private Limited 9,600 equity shares of INR 10 each	2.40	2.40	2.40
	Less: Provision for impairment	(2.40)	(2.40)	(2.40)
	Prabal Motors Private Limited (formerly known as Popular Kuttukaran Cars Private Limited) 20,000 redeemable preference shares of face value of INR 10 each	0.20	0.20	0.20
	Non-current investment in others, FVTPL			
	Quoted			
	Investments in Equity Instruments (valued at FMV), fully paid up	18.17	10.35	10.97
	Unquoted			
	Investment in mutual funds	30.84	11.26	5.83
		49.21	**21.81**	**17.00**
	Aggregate book value of non-current investments-unquoted	33.44	13.86	8.43
	Aggregate book/ market value of non-current investments-quoted	18.17	10.35	10.97
	Aggregate provision for impairment in value of investment	(2.40)	(2.40)	(2.40)
	Current investments, unquoted			
	Unquoted			
	Investment in liquid mutual funds	-	90.01	-
		-	**90.01**	**-**
	Aggregate book value of current investments-unquoted	-	90.01	-
4	**Loans**			
	Non-current			
	Considered good - Unsecured			
	Rent and other deposits	277.57	329.20	346.89
		277.57	**329.20**	**346.89**
	Current			
	Considered good - Unsecured			
	Rent and other deposits	46.36	15.83	-
	Dues from others	5.00	5.00	-
	Less: Allowances for expected credit loss	(5.00)	(5.00)	-
		46.36	**15.83**	**-**
5	**Other assets**			
	Non-current			
	Capital advances			
	Considered good - Unsecured			
	Capital advances	15.15	63.67	46.66
	Prepayments	90.20	66.02	49.20
	Balance with statutory / government authorities	37.84	48.92	51.23
		143.19	**178.61**	**147.09**
	Current			
	Considered good - Unsecured			
	Prepayments	33.79	29.65	36.94
	Balance with statutory/ government authorities	157.04	474.87	246.47
	Advance to staff	0.46	1.89	0.97
	Balance with Life Insurance Corporation Gratuity Fund, net (refer note 29)	11.76	22.79	-
	Payment to vendors for supply of goods and services	82.46	344.67	158.89
		285.51	**873.87**	**443.27**
		428.70	**1,052.48**	**590.36**

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

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
6	**Inventories**			
	(Valued at lower of cost and net realisable value)			
	New vehicles	2,194.63	1,998.40	2,628.86
	Pre-owned vehicles	364.71	265.00	353.33
	Spares and lubricants	554.74	566.58	530.20
	Accessories	70.99	73.58	87.65
		3,185.07	2,903.56	3,600.04
	Less: Provision for obsolete inventory	(68.24)	(30.28)	(22.74)
		3,116.83	**2,873.28**	**3,577.30**

Closing stock includes value of goods in transit of new vehicles for Rs. 1330.54 million (31 March 2020: Rs. 818.51 million, 31 March 2019: Rs. 815.30 million), accessories for Rs. 18.86 million (31 March 2020: Rs. 15.63 million, 31 March 2019: Rs. 34.28 million) and spares and lubricants for Rs. 45.81 million (31 March 2020: Rs. 30.69 million, 31 March 2019: Rs. 100.97 million)

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
7	**Trade receivables**			
	Unsecured, considered good			
	From related parties (refer note 34)	3.06	5.16	2.36
	Other than related parties	1,604.21	1,083.75	2,626.97
		1,607.27	**1,088.91**	**2,629.33**
	Unsecured, credit impaired			
	From related parties (refer note 34)	-	-	-
	Other than related parties	50.50	51.81	48.14
		50.50	**51.81**	**48.14**
	Less: allowances for expected credit loss (refer note 30 B(ii))	(50.50)	(51.81)	(48.14)
	Net trade receivables	**1,607.27**	**1,088.91**	**2,629.33**

For details of trade receivables pledged, refer note 11.

The Group's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 30.

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
8	**Cash and cash equivalents**			
	Balance with banks	533.68	362.78	165.33
	Cash on hand	13.69	7.73	30.98
	Cheques on hand	7.71	4.77	51.39
	Cash and cash equivalents in balance sheet	**555.08**	**375.28**	**247.70**
	Less: Book overdrafts used for cash management purposes	1.67	0.35	0.05
	Cash and cash equivalents in the statement of cash flows	**553.41**	**374.93**	**247.65**
9	**Bank balances other than cash and cash equivalents**			
	Balance with banks held as margin money	38.92	47.48	43.15
		38.92	**47.48**	**43.15**

(All amounts and number of shares in Indian rupees million)

	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
10 Share capital	**Number of shares**	**Amount**	**Number of shares**	**Amount**	**Number of shares**	**Amount**
Authorised						
Equity shares of INR 10 each	15.00	150.00	15.00	150.00	15.00	150.00
	15.00	**150.00**	**15.00**	**150.00**	**15.00**	**150.00**
Issued, subscribed and paid-up						
Equity shares of INR 10 each, fully paid-up	12.54	125.44	12.54	125.44	12.54	125.44
	12.54	**125.44**	**12.54**	**125.44**	**12.54**	**125.44**
Reconciliation of shares outstanding at the beginning and at the end of the year						
Equity shares of INR 10 each fully paid-up						
At the beginning of the year	12.54	125.44	12.54	125.44	3.33	33.33
Add: Right issue of shares	-	-	-	-	0.59	5.87
Add: Bonus issue of shares	-	-	-	-	8.62	86.24
At the end of the year	**12.54**	**125.44**	**12.54**	**125.44**	**12.54**	**125.44**

(a) Terms and rights attached to equity shares

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

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

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

	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
Equity shares of INR 10 each fully paid up held by	**Number of shares**	**% holding in the class**	**Number of shares**	**% holding in the class**	**Number of shares**	**% holding in the class**
a) BanyanTree Growth Capital II, LLC	4.27	34.01%	4.27	34.01%	4.27	34.01%
b) Francis K Paul	2.75	21.93%	2.75	21.93%	2.75	21.93%
c) John K Paul	2.75	21.93%	2.75	21.93%	2.75	21.93%
d) Naveen Philip	2.75	21.93%	2.75	21.93%	2.75	21.93%

(c) Details of bonus shares issued during the five years immediately preceding the balance sheet date.

During the year ending 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.

(d) 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.

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

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
11 Borrowings			
Non-current			
Secured			
Term loans from banks	842.39	378.72	265.63
Term loans from financial institutions	29.72	55.76	163.42
Vehicle loans from financial institutions	21.18	38.51	33.57
	893.29	**472.99**	**462.62**
Current			
Secured			
Cash credit and overdraft facilities from banks	206.09	266.98	475.03
Short term loans from banks	1,878.86	1,991.13	3,034.66
Short term loans from financial institutions	191.64	365.06	754.11
Unsecured			
Short term loans from banks	-	43.08	256.49
Short term loans from financial institutions	48.87	35.41	163.02
Loans from directors (refer note (ii) below)	36.18	64.90	144.41
	2,361.64	**2,766.56**	**4,827.72**
Add: Amount included under 'other financials liabilities'	275.49	251.47	293.61
	2,637.13	**3,018.03**	**5,121.33**
Total borrowings	**3,530.42**	**3,491.02**	**5,583.95**

(i) Information about the Group's exposure to interest rate and liquidity risks are included in note 30.
(ii) The loans from directors represents the loan taken by subsidiaries from their directors.
(iii) For details with respect to terms and conditions of borrowings, refer note 11A.

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

11 Borrowings (continued)

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 2021	As at 31 March 2020	As at 31 March 2019	Security terms
Non-current, secured					
Term loans from banks	Parent	740.56	319.80	206.64	Secured by: a) collateral security by way of equitable mortgage over immovable properties of the company and b) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the Company.
Term loans from banks	Subsidiaries	222.04	178.56	112.42	Secured by: a) collateral security by way of equitable mortgage over immovable properties of the group and b) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group.
Term loans from financial institutions	Parent	-	9.34	43.54	Secured by: a) equitable mortgage of common collateral securities of immovable properties belonging to the directors of the company and b) personal guarantees by John K Paul and Francis K Paul, directors of the Company.
Term loans from financial institutions	Subsidiaries	142.00	82.80	278.48	Secured by: a) equitable mortgage of common collateral securities of immovable properties of the group b) personal guarantees by Naveen Philip, director of the company.
Vehicle loans from financial institutions	Parent	32.67	45.86	67.33	Secured by: a) hypothecation of the respective motor vehicles and b) personal guarantees by John K Paul and Francis K Paul, directors of the Company.
Vehicle loans from financial institutions	Subsidiaries	31.51	88.10	47.82	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.
Current, secured					
Cash credit and overdraft facilities from banks	Parent	-	-	89.85	Secured by current assets other than assets secured by inventory funding and commercial property of John K Paul and Francis K Paul, directors of the Company
Cash credit and overdraft facilities from banks	Subsidiaries	206.09	266.98	385.18	Secured by: a) first charge on the current assets of the Group excluding specific charges given for inventory funding; b) collateral security by way of equitable mortgage of the immovable properties of the Group and c) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group.
Short term loan from banks	Parent	1,175.56	1,620.05	2,035.81	Secured by: a) exclusive charge on the stock and receivables funded by bank and marked with lien; b) equitable mortgage on residential property of the director & property belonging to the Group as collateral secutities and c) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the Company.
Short term loan from banks	Subsidiaries	703.30	371.08	998.85	Secured by: a) exclusive charge on the stock and receivables funded by bank and marked with lien; b) equitable mortgage on residential property of the director & property belonging to the Group as collateral secutities and c) personal guarantees by John K Paul, Francis K Paul and Naveen Philip, directors of the company and promotor directors of the group.
Short term loan from financial institutions	Parent	-	42.27	77.48	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.
Short term loan from financial institutions	Subsidiaries	191.64	322.79	676.63	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	-	43.08	207.11	Personal guarantees by John K Paul and Francis K Paul, directors of the Company.
Short term loans from banks	Subsidiaries	-	-	49.38	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	30.11	18.63	27.92	Personal guarantees by John K Paul and Francis K Paul, directors of the Company.
Short term loans from financial institutions	Subsidiaries	18.76	16.78	135.10	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	36.18	64.90	144.41	As per the agreed terms the loans were repayable within a period of one year from the balance sheet date.
		3,530.42	**3,491.02**	**5,583.95**	

Note:

The balance includes current maturities of long -term borrowings

The borrowings from banks / financial institutions carry interest rates from 7.5% to 16% per annum

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

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
12	**Other financial liabilities**			
	Current maturities of long-term borrowings (refer note 11)	275.49	251.47	293.61
	Interest accrued but not due on borrowings	2.08	9.76	9.04
	Accrued salaries and benefits	143.40	133.85	219.08
	Book overdrafts	1.67	0.35	0.05
	Dues to creditors for expenses and others*	254.72	267.15	293.59
	Dues to creditors for capital goods	9.75	21.73	4.69
		687.11	**684.31**	**820.06**

* Includes dues to related parties (refer note 34).
* Includes outstanding dues of micro and small enterprises. Refer note 15 for disclosure details.
The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 30.

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
13	**Provisions**			
	Non-current			
	*Provision for employee benefits **			
	Net defined benefit liability - Gratuity	4.51	17.29	73.97
	Compensated absences	43.68	39.37	43.04
		48.19	**56.66**	**117.01**
	Current			
	*Provision for employee benefits **			
	Net defined benefit liability - Gratuity	0.98	0.30	-
	Compensated absences	35.51	29.98	29.32
		36.49	**30.28**	**29.32**
		84.68	**86.94**	**146.33**

* Also refer note 29

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
14	**Other liabilities**			
	Non-current			
	Advance from vendors for rebates	204.48	156.97	102.05
		204.48	**156.97**	**102.05**
	Other liabilities			
	Current			
	Contract liabilities	824.53	481.85	354.49
	Advance from vendors for rebates	97.10	58.53	32.70
	Statutory dues payables	193.13	172.97	260.74
		1,114.76	**713.35**	**647.93**
		1,319.24	**870.32**	**749.98**

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 16 for more details.

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
15	**Trade payables**			
	Total outstanding dues of micro and small enterprises	1.94	0.65	4.13
	Total outstanding dues of creditors other than micro and small enterprises	406.77	1,340.62	741.29
		408.71	**1,341.27**	**745.42**

All trade payables are 'current'.
The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 30.

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are giver below:

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
The principal amount remaining unpaid to any supplier as at the end of the year.	2.31	0.63	4.09
The interest due on the principal remaining outstanding as at the end of the year.	-	0.02	0.15
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.	-	0.02	0.15
The amount of interest accrued and remaining unpaid at the end of the year.	-	0.02	0.15
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.	-	-	-

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
16 Revenue from operations			
Sale of products			
Sales of new vehicles	19,395.41	21,002.12	28,561.80
Sale of spare parts and accessories	3,783.64	4,147.33	4,004.76
Sale of pre-owned vehicles	2,473.08	2,489.22	2,324.55
	25,652.13	**27,638.67**	**34,891.11**
Sale of services	**1,822.97**	**1,998.48**	**1,747.48**
	27,475.10	**29,637.15**	**36,638.59**
Other operating revenues			
Income from schemes and incentives	991.02	1,482.39	1,794.42
Finance and insurance commission	455.99	573.44	560.04
Income from driving school	13.14	23.24	26.57
	28,935.25	**31,716.22**	**39,019.62**
Reconciliation of revenue from sale of products and services			
Gross revenue	28,278.91	30,673.02	38,344.62
Less: Discount allowed	803.81	1,035.87	1,706.03
	27,475.10	**29,637.15**	**36,638.59**

(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 uncertainity of our revenues and cashflows are effected by industry, market and other economic factors.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Revenue by category			
Passenger cars	19,262.73	21,187.12	26,955.74
Luxury vehicles	1,442.00	1,783.26	2,290.18
Commercial vehicles	6,906.65	7,491.24	8,859.67
Others	1,323.87	1,254.60	914.03
	28,935.25	**31,716.22**	**39,019.62**
Revenue by contract type			
Fixed price	28,935.25	31,716.22	39,019.62
	28,935.25	**31,716.22**	**39,019.62**

(B) Contract balances

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Trade receivables	1,607.27	1,088.91	2,629.33
Contract liabilities	824.53	481.85	354.49

(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 2021	Year ended 31 March 2020	Year ended 31 March 2019
Within 1 year	824.53	481.85	354.49
1-3 years	-	-	-
More than 3 years	-	-	-
Closing balance	**824.53**	**481.85**	**354.49**

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

		Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
17	**Other income**			
	Interest income based on effective interest rate			
	Rent deposits	10.39	8.65	6.89
	Fixed deposits with banks	5.29	6.62	8.90
	Interest on income-tax refund	10.45	-	-
	Gain on sale of property, plant and equipment (net)	20.74	1.68	-
	Gain on sale of non-current investment (net)	-	-	5.26
	Liabilities / provisions no longer required written back	56.67	54.51	43.63
	Net gain on financial assets measured at fair value through profit and loss	19.24	-	0.21
	Gain on derecognition of right-of-use assets	28.10	-	-
	Rent concession received	70.35	-	-
	Other non-operating income	36.04	16.88	78.88
		257.27	**88.34**	**143.77**
18	**Purchases of stock-in-trade**			
	New vehicles	19,035.03	20,207.49	29,347.30
	Pre-owned vehicles	2,366.22	2,233.97	2,259.26
	Spares, lubricants and accessories	3,172.58	3,668.74	3,568.90
		24,573.83	**26,110.20**	**35,175.46**
19	**Changes in inventories of stock in trade**			
	Opening inventory	2,873.28	3,577.30	2,171.65
	Closing inventory	3,116.83	2,873.28	3,577.30
		(243.55)	**704.02**	**(1,405.65)**
20	**Employee benefits expenses**			
	Salaries and allowances	1,794.21	2,096.49	2,015.40
	Contribution to provident and other funds (refer note 29)	155.39	144.23	162.76
	Staff welfare expense	85.47	144.99	163.54
		2,035.07	**2,385.71**	**2,341.70**
21	**Finance costs**			
	Interest on bank borrowings	237.62	390.64	416.04
	Interest on lease liabilities (refer note 31)	280.92	268.83	200.33
	Other borrowing costs	32.56	39.47	9.69
		551.10	**698.94**	**626.06**
22	**Depreciation and amortisation expense**			
	Depreciation on property, plant and equipment	344.12	273.70	232.82
	Depreciation on right- of-use asset (refer note 31)	365.67	319.30	231.31
	Amortisation on intangible assets	15.12	17.93	18.00
		724.91	**610.93**	**482.13**
23	**Other expenses**			
	Rent (refer note 31)	47.94	103.12	152.84
	Advertising and sales promotion	120.06	182.76	250.31
	Consumables	155.83	223.37	177.24
	Repairs and maintenance:			
	Buildings	25.20	47.85	48.73
	Plant and machinery	59.50	31.90	34.88
	Others	26.70	58.86	56.21
	Power, water and fuel	91.97	119.24	105.44
	Travelling and conveyance	65.72	118.05	113.71
	Housekeeping and security	85.15	100.01	93.00
	Office expenses	38.68	58.11	60.61
	Communication	52.70	55.07	60.94
	Refurbishment charges on pre-owned vehicles	35.09	31.08	28.46
	Loss on sale of property, plant and equipment (net)	-	-	2.79
	Pre delivery inspection charges	47.04	71.23	77.05
	Rates and taxes	25.70	30.34	40.58
	Transportation charges	39.99	48.58	56.67
	Bank charges	26.24	36.66	33.05
	Insurance	47.34	41.67	30.73
	Management fee on pre-owned vehicles	9.93	12.10	12.95
	Legal and professional	18.34	27.89	52.43
	Impairment on non-current investments	-	-	2.40
	Commission paid	3.60	1.54	1.51
	Donation and charity	0.15	0.36	10.39
	Expenditure on corporate social responsibility (CSR) (refer note (i) below)	4.28	7.89	8.22
	Miscellaneous expenses	26.73	30.77	85.17
		1,053.88	**1,438.45**	**1,596.31**
(i)	**CSR expenditure**			
	- Gross amount required to be spent by the Group during the year	4.28	7.89	6.55
	- Amount spent during the year on (in cash)			
	Construction/ acquisition of asset	-	-	-
	On purposes other than above	4.28	7.89	8.22
		4.28	**7.89**	**8.22**
24	**Exceptional item**			
	Gain on sale of property, plant and equipment * (refer note 35)	-	261.28	-
		-	**261.28**	**-**

* This represents a transaction with related party.

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

25 Taxes

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
A Income taxes			
Income tax assets, net	67.73	156.45	105.85
Income tax liabilities (current)	(3.15)	-	-
Income tax liabilities (non-current)	(2.09)	-	-
Net income tax assets/(liabilities) at the end of the year	**62.49**	**156.45**	**105.85**

(i) Tax expense recognised in the statement of profit and loss	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Current tax (including MAT)			
Current year	124.27	33.11	156.44
Earlier years	(24.41)	-	(1.16)
Deferred tax benefit (including MAT credit entitlement)	48.11	(78.05)	(52.48)
Total tax expenses	**147.97**	**(44.94)**	**102.80**

(ii) Amount recognised in other comprehensive income	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Remeasurement of the net defined benefit plans			
Gain / (loss) before tax	9.09	37.57	(4.68)
Tax expense / (benefit)	1.34	13.24	(1.23)
Net of tax	**7.75**	**24.33**	**(3.45)**

(iii) Reconciliation of effective tax rate	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Profit before income tax	**472.52**	**79.97**	**316.54**
Enacted tax rates in India	34.94%	34.94%	34.94%
Tax expenses	165.10	27.94	110.60
Other permanent differences	8.23	10.73	(7.80)
Income at differential rate - subsidiaries	(25.36)	-	-
Income at differential rate - long term capital gain	-	(83.61)	
Tax expense	**147.97**	**(44.94)**	**102.80**
Effective tax rate	31.32%	-24.83%	32.86%

B Deferred tax asset/ (liabilities)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	177.84	227.29	162.48
Deferred tax liabilities	-	-	-
Net deferred tax asset/ (liability) at the end of the year	**177.84**	**227.29**	**162.48**

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Deferred tax asset			
Allowance for expected credit loss	15.37	17.99	14.34
Provision for employee benefits	21.42	19.28	47.25
Lease liabilities, impact on account of Ind AS 116	201.76	183.77	143.36
MAT credit entitlement	-	17.67	-
Other timing differences	31.68	89.88	52.34
Total deferred tax assets (A)	**270.23**	**328.59**	**257.29**
Deferred tax liabilities			
Excess of depreciation on property,plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(92.39)	(101.30)	(94.81)
Total deferred tax liability (B)	**(92.39)**	**(101.30)**	**(94.81)**
Net deferred tax asset/ (liability) at the end of the year (A+B)	**177.84**	**227.29**	**162.48**

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.

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

25 Taxes (continued)

B Deferred tax asset/ (liabilities) (continued)

(iii) Movement in temporary differences

Movement during the year ended 31 March 2021	As at 1 April 2020	Recognised through retained earning	Charge/ (credit) in the statement of profit and loss	Charge/ (credit) in other comprehensive income	As at 31 March 2021
MAT credit entitlement	17.67	-	17.67	-	-
Allowance for expected credit loss	17.99	-	2.62	-	15.37
Provision for employee benefits	19.28	-	(3.48)	1.34	21.42
Other timing differences	89.88	-	58.20	-	31.68
Lease liabilities,impact on account of Ind AS 116	183.77	-	(17.99)	-	201.76
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(101.30)	-	(8.91)	-	(92.39)
Net deferred tax asset/ (liability) at the end of the year	**227.29**	**-**	**48.11**	**1.34**	**177.84**

Movement during the year ended 31 March 2020	As at 1 April 2019	Recognised through retained earning	Charge/ (credit) in the statement of profit and loss	Charge/ (credit) in other comprehensive income	As at 31 March 2020
MAT credit entitlement	-	-	(17.67)		17.67
Allowance for expected credit loss	14.34	-	(3.65)	-	17.99
Provision for employee benefits	47.25	-	14.73	13.24	19.28
Other timing differences	52.34	-	(37.54)	-	89.88
Lease liabilities,impact on account of Ind AS 116	143.36	-	(40.41)	-	183.77
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(94.81)	-	6.49	-	(101.30)
Net deferred tax asset/ (liability) at the end of the year	**162.48**	**-**	**(78.05)**	**13.24**	**227.29**

Movement during the year ended 31 March 2019	As at 1 April 2018	Recognised through retained earning	Charge/ (credit) in the statement of profit and loss	Charge/ (credit) in other comprehensive income	As at 31 March 2019
Allowance for expected credit loss	11.32	-	(3.02)	-	14.34
Provision for employee benefits	30.76	-	(15.26)	(1.23)	47.25
Lease liabilities,impact on account of Ind AS 116	-	(115.97)	(27.39)		143.36
Other timing differences	59.28	-	6.94	-	52.34
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(108.56)	-	(13.75)	-	(94.81)
Net deferred tax asset/ (liability) at the end of the year	**(7.20)**	**-**	**(52.48)**	**(1.23)**	**162.48**

(iv) Tax losses carried forward

Particulars	As at 31 March 2021	Expiry date	As at 31 March 2020	Expiry date	As at 31 March 2019	Expiry date
Brought forward losses - allowed to carry forward for specific period	-	-	48.91	AY 2021-22	50.86	AY 2021-22
Brought forward losses - allowed to carry forward for specific period	-	-	6.20	AY 2022-23	-	-
Brought forward losses - allowed to carry forward for specific period	-	-	81.96	AY 2027-28	-	-
Long term capital loss - allowed to carry forward for specific period	0.14	AY 2025-26	0.14	AY 2025-26	0.14	AY 2025-26
Long term capital loss - allowed to carry forward for specific period	0.35	AY 2029-30	0.35	AY 2029-30	-	-
Long term capital loss - allowed to carry forward for specific period	2.46	AY 2030-31	-	-	-	-
Unabsorbed depreciation- allowed to carry forward for infinite period	119.82	-	152.00	-	114.76	-

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

26 Contingent liabilities and commitments

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Contingent liabilities			
Claims against the Group not acknowledged as debts:			
Service tax related matters	16.80	7.60	6.21
KVAT related matters	127.67	149.33	302.79
Income tax matters	96.09	36.51	32.65
Employees' state insurance/provident fund demand	7.95	7.95	7.95
Customer claims	83.15	75.49	45.99
Commitments			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	180.41	73.60	216.20
Corporate guarantees	-	-	112.84

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.

27 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 2021	Year ended 31 March 2020	Year ended 31 March 2019
Net profit for the year, attributable to the owners of the Company	324.55	124.91	213.74

ii) Weighted average number of equity shares(basic and diluted)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Number of equity shares at the beginning of the year (refer note 10)	12.54	12.54	3.33
Weighted average number of shares issued during the year (right issue)	-	-	0.32
Weighted average number of shares issued during the year (bonus issue)	-	-	8.62
Weighted average number of equity shares of INR 10 each outstanding during the year	12.54	12.54	12.27
Earnings per share, basic and diluted	**25.88**	**9.96**	**17.42**

The number of equity shares are adjusted retrospectively for all periods presented for issue of bonus shares during the year ended 31 March 2019.

B. Diluted earnings per share

There are no potential dilutive equity shares as at balance sheet dates.

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

28 Segment reporting

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). Members of Board of the Group have been identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108 "Operating Segments". All operating segments' operating results are reviewed regularly by the Group's CODM to make decisions about resources to be allocated to the segments and assess their performance.

Geographical segments

Geographical information analyses the company's revenue and non current assets by the Company's country of domicile (i.e.India) and other countries. The Company's sole geographical segment is India. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

Operational segments

The Group has structured its business broadly into four verticals – Passenger cars, Luxury vehicles, Commercial vehicles and others. Others primarily comprises of direct sale of spares, other than through the business segments. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Income, direct expenses, assets and liabilities in relation to segments are categorised based on items that are individually identifiable to that segment.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Segment revenue			
Passenger cars	19,262.73	21,187.12	26,955.74
Luxury vehicles	1,442.00	1,783.27	2290.18
Commercial vehicles	6,906.66	7,491.23	8,859.67
Others	1,323.86	1,254.60	914.03
Total	**28,935.25**	**31,716.22**	**39,019.62**
Segment profits before income tax			
Passenger cars	664.72	290.26	552.01
Luxury vehicles	38.98	29.66	68.62
Commercial vehicles	234.56	149.90	277.18
Others	85.36	47.81	44.79
Total	**1,023.62**	**517.63**	**942.60**
Less:			
Finance charges	551.10	698.94	626.06
Exceptional item	-	261.28	-
Unallocated expenses (net of unallocated income)	-	-	-
Profit before tax	**472.52**	**79.97**	**316.54**
Tax expense/ (income)	147.97	(44.94)	102.80
Profit for the year	**324.55**	**124.91**	**213.74**
Less : Non controlling interest	-	-	-
Profit attributable to the owners of the Company	**324.55**	**124.91**	**213.74**

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Segment assets			
Passenger cars	7,068.15	7,880.12	7,891.03
Luxury vehicles	1,092.40	1,406.93	1,218.82
Commercial vehicles	2,729.79	1,723.60	2,549.15
Others	299.02	300.92	457.37
Total	**11,189.36**	**11,311.57**	**12,116.37**
Segment liabilities			
Passenger cars	5,606.00	6,610.14	6,698.88
Luxury vehicles	861.17	1,232.72	1,005.97
Commercial vehicles	1,916.60	945.17	2,111.66
Others	345.57	395.82	321.38
Total	**8,729.34**	**9,183.85**	**10,137.89**

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

29 Employee benefits

A Defined contribution plan

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

B Defined benefit plan

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

The Gratuity Plan entitles an employee, who has rendered atleast five years of continuous service, to receive one-half month's salary for each year of completed service (service of six months or above is rounded off to one year) at the time of retirement/ exit, restricted to a sum of INR 2.00 million.

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 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Defined benefit liability	245.12	221.00	228.70
Plan assets	251.39	226.20	154.73
Net defined benefit liability/ (asset)	**(6.27)**	**(5.20)**	**73.97**
Non-current defined benefit liability	4.51	17.29	73.97
Current defined benefit liability	0.98	0.30	-
Current defined benefit (asset)	(11.76)	(22.79)	-
Liability for compensated absences	**79.19**	**69.35**	**72.36**
Non-current defined benefit liability	43.68	39.37	43.04
Current defined benefit liability	35.51	29.98	29.32

C Reconciliation of net defined benefit (asset)/ liability

i) Reconciliation of present values of defined benefit obligation

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

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Defined benefit obligation as at the beginning of the year	221.00	228.70	174.52
Current service cost	32.13	30.91	33.12
Past service cost	-	-	17.85
Interest cost	13.13	16.41	8.64
Benefits paid	(14.57)	(15.55)	(9.57)
Liabilities assumed /(settled)	1.86	-	-
Re-measurements			
Actuarial gain/(loss) recognised in other comprehensive income			
- changes in financial assumptions	2.08	(37.76)	5.15
- changes in demographic assumptions	-	(0.92)	-
- changes in experience over the past period	(10.51)	(0.79)	(1.01)
Defined benefit obligation as at the end of the year	**245.12**	**221.00**	**228.70**

ii) Reconciliation of present value of plan assets

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Plan assets at the beginning of the year	226.20	154.73	121.79
Contributions paid into the plan	22.39	76.59	32.65
Benefits paid	(14.57)	(15.55)	(9.58)
Interest income	14.86	12.33	10.30
Assets acquired/(settled)	1.86	-	-
Re-measurements			
- changes in demographic assumptions	-	-	-
- return on plan assets excluding amount included in net interest on the net defined liability/(asset)	0.65	(1.90)	(0.43)
Balance at the end of the year	**251.39**	**226.20**	**154.73**
Net defined benefit liability	**(6.27)**	**(5.20)**	**73.97**

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

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Current service cost	32.13	30.91	33.12
Past service cost	-	-	17.80
Net interest on net defined liability	(1.73)	4.08	3.63
Net gratuity cost	**30.40**	**34.99**	**54.55**

(ii) Remeasurements recognised in other comprehensive income

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Actuarial (gain)/ loss on defined benefit obligation	(8.43)	(39.47)	4.14
(Return) / loss on plan asset excluding interest income	(0.65)	1.90	0.43
Net gratuity cost (before tax)	**(9.08)**	**(37.57)**	**4.57**

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

29 Employee benefits (continued)

E Plan asset

Plan asset comprises of the following:

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**As at 31 March 2019**
Funds managed by Life Insurance Corporation of India	251.39	226.20	154.73

The Group makes annual contribution to the Life Insurance Corporation of India ('LIC') of an amount advised by LIC. The Group was not infrmed 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 acturial assumptions at the reporting date (expressed as weighted average):

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**As at 31 March 2019**
Discount rate	4.80%- 6.5% p.a	5.45%- 6.5% p.a	7%- 7.4% p.a
Salary growth rate	6% p.a	5%-10% p.a	8%-10% p.a
Attrition rate	14%-29% p.a	14%-29% p.a	10%-25% p.a
Weighted average duration of defined benefit obligaiton	3.77 Yrs- 9 Yrs	3.77 Yrs- 9 Yrs	4.3 Yrs-9.57 Yrs

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

Assumptions regarding future mortality experience are set in accordance with the standard table - IALM 20012-14 (Ultimate). The Group assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

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

(ii) Sensitivity analysis

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

Particulars	**As at 31 March 2021**		**As at 31 March 2020**		**As at 31 March 2019**	
	Increase	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(13.84)	16.19	(11.04)	12.86	(15.42)	18.08
Future salary growth (1% movement)	15.87	(13.83)	12.69	(11.08)	17.62	(15.34)
Attrition rate (1% movement)	0.18	(0.24)	1.07	(1.25)	(2.31)	2.57

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 2021**	**Year ended 31 March 2020**	**As at 31 March 2019**
Discount rate	4.80%- 6.5% p.a	5.45%- 6.5% p.a	7%- 7.4% p.a
Salary growth rate	6% p.a	5%-10% p.a	8%-10% p.a
Attrition rate	14%-29% p.a	14%-29% p.a	10%-25% p.a
Mortality rate	IALM 2012-14 Ult.	IALM 2012-14 Ult.	IALM 2012-14 Ult.

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

30 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 2021

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	8	555.08	-	-	555.08	-	-	-	-
Bank balances other than cash and cash equivalents	9	38.92	-	-	38.92	-	-	-	-
Trade receivables	7	1,607.27	-	-	1,607.27	-	-	-	-
Loans	4	323.93	-	-	323.93	-	-	-	-
Financial assets measured at fair value									
Investments	3		49.21	-	49.21	18.17	30.84	0.20	49.21
Total		**2,525.20**	**49.21**	-	**2,574.41**	**18.17**	**30.84**	**0.20**	**49.21**
Liabilities									
Financial liabilities measured at amortised cost									
Trade payables	15	-	-	408.71	408.71	-	-	-	-
Borrowings #	11	-	-	3,530.42	3,530.42	-	-	-	-
Lease liabilities	31	-	-	2,969.43	2,969.43	-	-	-	-
Other financial liabilities	12	-	-	411.62	411.62	-	-	-	-
Total		-	-	**7,320.18**	**7,320.18**	-	-	-	-

As at 31 March 2020

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	8	375.28	-	-	375.28	-	-	-	-
Bank balances other than cash and cash equivalents	9	47.48	-	-	47.48	-	-	-	-
Trade receivables	7	1,088.91	-	-	1,088.91	-	-	-	-
Loans	4	345.03	-	-	345.03	-	-	-	-
Financial assets measured at fair value									
Investments	3	-	111.82	-	111.82	10.35	101.27	0.20	111.82
Total		**1,856.70**	**111.82**	-	**1,968.52**	**10.35**	**101.27**	**0.20**	**111.82**
Liabilities									
Financial liabilities measured at amortised cost									
Trade payables	15	-	-	1,341.27	1,341.27	-	-	-	-
Borrowings #	11	-	-	3,491.02	3,491.02	-	-	-	-
Lease liabilities	31	-		2,961.46	2,961.46	-	-	-	-
Other financial liabilities	12	-	-	432.84	432.84	-	-	-	-
Total		-	-	**8,226.59**	**8,226.59**	-	-	-	-

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

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

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

30 Financial Instruments- Fair values and risk management

As at 31 March 2019

Particulars	Note	Carrying amount				Fair value			
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value									
Cash and cash equivalents	8	247.70	-	-	247.70	-	-	-	-
Bank balances other than cash and cash equivalents	9	43.15	-	-	43.15	-	-	-	-
Trade receivables	7	2,629.33	-	-	2,629.33	-	-	-	-
Loans	4	346.89	-	-	346.89	-	-	-	-
Financial assets measured at fair value									
Investments	3	-	17.00	-	17.00	10.97	5.83	0.20	17.00
Total		**3,267.07**	**17.00**	-	**3,284.07**	**10.97**	**5.83**	**0.20**	**17.00**
Liabilities									
Financial liabilities measured at amortised cost									
Trade payables	15	-	-	745.42	745.42	-	-	-	-
Borrowings #	11	-	-	5,583.95	5,583.95	-	-	-	-
Lease liabilities	31			2,385.76	2,385.76				
Other financial liabilities	12	-	-	526.45	526.45	-	-	-	-
Total		-	-	**9,241.58**	**9,241.58**	-	-	-	-

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

Measurement of fair values
The fair value of the financial instruments is determined using discounted cash flow analysis. The discount rates used is based on management estimates.
Level 1 fair values
Investment in equity shares that has a quoted price and which are actively traded on the stock exchanges. It is been valued using the closing price as at the reporting period on the stock exchanges.
Level 2 fair values
Investment in mutual funds - is unquoted price and are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3 fair values
If one or more of the significant inputs is not based on observable data, the instrument is included in level 3.
The quantitative sensitivity analysis of level 3 fair value of financial instrument as at 31 March 2021, 31 March 2020 and 31 March 2019 has not been disclosed as it is not material to the Group.

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

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

B Financial risk management

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

i) **Risk management framework**

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

ii) **Credit risk**

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

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

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

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Trade receivables	1,657.77	1,140.72	2,677.47
	1,657.77	**1,140.72**	**2,677.47**

Impairment analysis

The ageing of trade receivables is as follows:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Less than 1 year	1,630.11	1,111.39	2,622.92
1-2 years	22.19	28.96	50.94
2-3 years	5.47	0.37	3.61
More than 3 years	-	-	-
	1,657.77	**1,140.72**	**2,677.47**

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

Allowance for credit loss	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Balance at the beginning	51.81	48.14	37.38
Provision created during the year	24.76	37.62	30.84
Impairment loss recognised during the year	(26.07)	(33.95)	(20.08)
Balance at the end	**50.50**	**51.81**	**48.14**

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.

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 2021:

Particulars	**Payable within 1 year**	**More than 1**	**Total**
Trade payables	408.71	-	408.71
Borrowings #	2,637.13	893.29	3,530.42
Lease liabilities	304.35	2,665.08	2,969.43
Other financial liabilities	411.62	-	411.62

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2020:

Particulars	**Payable within 1 year**	**More than 1**	**Total**
Trade payables	1,341.27		1,341.27
Borrowings #	3,018.03	472.99	3,491.02
Lease liabilities	304.94	2,656.52	2,961.46
Other financial liabilities	432.84		432.84

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2019:

Particulars	**Payable within 1 year**	**More than 1**	**Total**
Trade payables	745.42	-	745.42
Borrowings #	5,121.33	462.62	5,583.95
Lease liabilities	179.17	2,206.59	2,385.76
Other financial liabilities	526.45	-	526.45

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

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

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

iv) **Market risk**

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

Foreign currency risk

The 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 2021, 31 March 2020 and 31 March 2019

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 2021	As at 31 March 2020	As at 31 March 2019
Variable rate long term borrowings including current maturities	923.82	287.64	442.07

Sensitivity

Particulars	Impact on profit or (loss)			Impact on other components of equity		
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
1% increase in variable rate	(9.24)	(2.88)	(4.42)	(6.01)	(1.87)	(2.88)
1% decrease in variable rate	9.24	2.88	4.42	6.01	1.87	2.88

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

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

31 Leases

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.

Lease standard i.e., Ind AS 116 has been notified to be effective w.e.f. 1 April 2019 for accounting of the lease contracts entered in the capacity of a lessee. For the purpose of preparation of restated consolidated financial information, the management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for each of the year ended 31 March 2020 and 31 March 2019. Hence, in these Restated Consolidated Financial Information, Ind AS 116 has been adopted with effect from 1 April 2018 following modified retrospective method (i.e. on 1 April 2018 the Group has measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and a right-of-use asset at its carrying amount as if the standard had been applied since the commencmeent of the lease, but discounted using the lessee's incremental borrowing rate at the date of 1 April 2019.)

Group as a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under Ind AS 116, the Group recognises right-of-use assets and lease liabilities for most leases i.e. these leases are on balance sheet.

On transition, the Group has applied following practical expedients:
(1) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
(2) Applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition and low value assets.
(3) Excluded the initial direct costs from the measurement of the right-of -use-asset at the date of transition.

The Group has also applied recognition exemptions of short-term leases to all categories of underlying assets.
On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use assets and finance cost for interest accrued on lease liabilities.
On transition to Ind AS 116 with effect from 1 April 2018, the Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. Accordingly, a right-of-use asset of Rs.1,474.38 million and a corresponding lease liability of Rs. 1,834.72 million was recognised. The cumulative effect on transition in retained earnings, net of taxes amounted to Rs. 244.37 million (net of deferred tax impact of Rs. 117.97 million). Refer table (a) below.

The principal portion of the lease payments have been disclosed under cash flows from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flows from operating activities. Applicable incremental borrowing rates have been applied to lease liabilities recognised in the balance sheet at the date of initial application.

(a) Impact of adoption of Ind AS 116 on retained earnings:

Particulars	As at 1 April 2018
Increase in the lease liabilities	(1,834.72)
Increase in the right-of-use assets	1,474.38
Increase in the deferred tax assets	115.97
Impact on retained earnings	**(244.37)**

(i) Lease liabilities

Following are the changes in the lease liabilities for the year ended;

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Balance as at 1 April	2,961.46	2,385.76	1,834.72
Additions	263.90	774.43	696.72
Finance cost accrued during the period	280.92	268.83	200.33
Payment of lease liabilities	(468.40)	(467.56)	(346.01)
Rent concession received *	(70.35)	-	-
Remeasurement on account of modification	83.61	-	-
Derecognition of lease liability during the year	(81.71)	-	-
Balance as at 31 March	**2,969.43**	**2,961.46**	**2,385.76**
Non-current lease liabilities	2,665.08	2,656.52	2,206.59
Current lease liabilities	304.35	304.94	179.17

* The Group has renegotiated with certain landlords on the rent concession due to COVID 19 pandemic. These rent concessions are short term in nature and meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24th July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1st April 2020. Thus, in accordance with the said notification, the Company has elected to apply exemption as the concession does not necessitate a lease modification as envisaged in the Standard by recording in the "Other income".

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

31 Leases (continued)

(ii) Maturity analysis – contractual undiscounted cash flows

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Less than one year	444.90	480.25	425.06
One to five years	1,678.89	1,802.90	1,884.39
More than five years	2,789.09	2,638.00	2,687.08
Total undiscounted lease liabilities	**4,912.88**	**4,921.15**	**4,996.53**

(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	Year ended 31 March 2021	As at 31 March 2020	As at 31 March 2019
Balance at beginning	2,401.24	1,940.66	1,474.38
Addition to right-of-use assets	263.90	779.88	697.59
Depreciation for the year	(365.67)	(319.30)	(231.31)
Remeasurement on account of modification	83.61	-	-
Derecognition of right-of-use assets	(53.61)	-	-
Balance at 31 March 2021	**2,329.47**	**2,401.24**	**1,940.66**

(iv) Amounts recognised in statement of profit or loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Interest on lease liabilities	280.92	268.83	200.33
Depreciation on right-of-use assets	365.67	319.30	231.31

(v) Amounts recognised in statement of cash flows

Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Total cash outflow for leases	(468.40)	(467.56)	(346.01)

(vi) Operating leases

The Group is obligated under cancellable operating leases for its certain office premises which are renewable at the option of both the lessor and lessee. Total rental expenses under such leases amounted to Rs.47.94 million (2020: Rs 103.12 million and 2019 : Rs. 152.84 million). These arrangements do not qualify as a lease as per the requirements of Ind AS 116.

32 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 2021	As at 31 March 2020	As at 31 March 2019
Total equity attributable to the equity shareholders of the Company (A)	**2,460.02**	**2,127.72**	**1978.48**
Long-term borrowings including current maturities	1,168.78	724.46	756.23
Short-term borrowings	2,361.64	2,766.56	4827.72
Total borrowings	**3,530.42**	**3,491.02**	**5,583.95**
Less: cash and cash equivalents	(555.08)	(375.28)	(247.70)
Adjusted net debt (B)	**2,975.34**	**3,115.74**	**5,336.25**
Adjusted net debt to total equity ratio (B/A)	**1.21**	**1.46**	**2.70**

Popular Vehicles and Services Limited

Annexure VI - Notes to Restated Consolidated Financial Information (continued)

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

33 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'.

As at / For the year ended 31 March 2021								
Name of the entity	**Net assets**		**Share in profit or loss**		**Share in other comprehensive (inome)/ loss**		**Share in total comprehensive income**	
	As a % of consolidated net assets	**Amount**	**As a % of consolidated profit or loss**	**Amount**	**As a % of other comprehensive (income)/ expense**	**Amount**	**As a % of total comprehensive income**	**Amount**
Parent								
Popular Vehicles and Services Limited	79.98%	1,967.23	48.83%	158.50	(82.06%)	6.36	45.79%	152.14
Subsidiaries								
Popular Auto Dealers Private Limited	8.33%	205.02	15.79%	51.25	10.19%	(0.79)	15.66%	52.04
Kuttukaran Green Private Limited Popular	(0.01%)	(0.18)	(0.01%)	(0.04)	0.00%	-	(0.01%)	(0.04)
Autoworks Private Limited Vision Motors	6.24%	153.51	(8.75%)	(28.41)	4.00%	(0.31)	(8.46%)	(28.10)
Private Limited	7.10%	174.70	12.93%	41.95	1.29%	(0.10)	12.65%	42.05
Kuttukaran Cars Private Limited	(0.01%)	(0.30)	(0.02%)	(0.06)	0.00%	-	(0.02%)	(0.06)
Popular Mega Motors (India) Private Limited	32.99%	811.61	31.23%	101.36	166.58%	(12.91)	34.39%	114.27
Avita Insurance Broking LLP *	0.00%	-	0.00%	-	0.00%	-	0.00%	-
		3,311.59		**324.55**		**(7.75)**		**332.30**
Adjustment arising out of consolidation	(34.62%)	(851.57)	0.00%	-	-	-	0.00%	-
Non controlling interest in subsidiaries	-	-	-	-	-	-	-	-
Consolidated net assets/ Profit after tax	**100.00%**	**2,460.02**	**100.00%**	**324.55**	**100.00%**	**(7.75)**	**100.00%**	**332.30**

As at / For the year ended 31 March 2020								
Name of the entity	**Net assets**		**Share in profit or loss**		**Share in other comprehensive (inome)/ loss**		**Share in total comprehensive income**	
	As a % of consolidated net assets	**Amount**	**As a % of consolidated profit or loss**	**Amount**	**As a % of other comprehensive (income)/ expense**	**Amount**	**As a % of total comprehensive income**	**Amount**
Parent								
Popular Vehicles and Services Limited	85.31%	1,815.08	107.68%	134.51	109.41%	(26.62)	107.96%	161.13
Subsidiaries								
Popular Auto Dealers Private Limited	7.19%	152.98	12.18%	15.21	(2.51%)	0.61	9.78%	14.60
Kuttukaran Green Private Limited Popular	(0.01%)	(0.14)	(0.09%)	(0.11)	0.00%	-	(0.07%)	(0.11)
Autoworks Private Limited Vision Motors	8.53%	181.60	(25.77%)	(32.19)	2.18%	(0.53)	(21.21%)	(31.66)
Private Limited	6.23%	132.64	(9.36%)	(11.69)	4.36%	(1.06)	(7.12%)	(10.63)
Kuttukaran Cars Private Limited	(0.01%)	(0.25)	(0.07%)	(0.09)	0.00%	-	(0.06%)	(0.09)
Popular Mega Motors (India) Private Limited	32.77%	697.35	15.43%	19.27	(13.44%)	3.27	10.72%	16.00
Avita Insurance Broking LLP *	0.00%	-	0.00%	-	0.00%	-	0.00%	-
		2,979.26		**124.91**		**(24.33)**		**149.24**
Adjustment arising out of consolidation	(40.01%)	(851.54)	0.00%	-	-	-	0.00%	-
Non controlling interest in subsidiaries	-	-	-	-	-	-	-	-
Consolidated net assets/ Profit after tax	**100.00%**	**2,127.72**	**100.00%**	**124.91**	**100.00%**	**(24.33)**	**100.00%**	**149.24**

* Avita Insurance Broking LLP is in the process of winding up and has filed an application for winding up on 16 October 2020 with the Registrar of Companies.

Popular Vehicles and Services Limited
Annexure VI - Notes to Restated Consolidated Financial Information (continued)
(All amounts are in Indian Rupees in millions, unless otherwise stated)

33 Non-controlling interest

	As at / For the year ended 31 March 2019							
Name of the entity	**Net assets**		**Share in profit or loss**		**Share in other comprehensive (inome)/ loss**		**Share in total comprehensive income**	
	As a % of consolidated net assets	**Amount**	**As a % of consolidated profit or loss**	**Amount**	**As a % of other comprehensive (income)/ expense**	**Amount**	**As a % of total comprehensive income**	**Amount**
Parent								
Popular Vehicles and Services Limited	83.60%	1,653.94	40.91%	87.42	99.43%	3.43	39.94%	83.99
Subsidiaries								
Popular Auto Dealers Private Limited	7.00%	138.50	8.62%	18.43	1.16%	0.04	8.75%	18.39
Kuttukaran Green Private Limited Popular	0.00%	(0.03)	(0.02%)	(0.04)	0.00%	-	(0.02%)	(0.04)
Autoworks Private Limited Vision Motors	10.78%	213.27	0.71%	1.52	(6.09%)	(0.21)	0.82%	1.73
Private Limited	0.58%	11.56	0.02%	0.04	33.33%	1.15	(0.53%)	(1.11)
Kuttukaran Cars Private Limited	(0.01%)	(0.16)	(0.07%)	(0.14)	0.00%	-	(0.07%)	(0.14)
Popular Mega Motors (India) Private Limited	28.85%	570.83	47.94%	102.46	(27.83%)	(0.96)	49.18%	103.42
Avita Insurance Broking LLP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
		2,587.91		**209.69**		**3.45**		**206.24**
Adjustment arising out of consolidation	(30.80%)	(609.43)	1.89%	4.05	0.00%	-	1.93%	4.05
Non controlling interest in subsidiaries	-	-	-	-	-	-	-	-
Consolidated net assets/ Profit after tax	**100.00%**	**1,978.48**	**100.00%**	**213.74**	**100.00%**	**3.45**	**100.00%**	**210.29**

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

34 Related parties

A Disclosure post elimination of intra-group transactions;

I. Names of related parties and description of relationship:

(a) Entity having significant influence over the Company BanyanTree Growth Capital II, LLC, Mauritius

(b) Other related parties with whom the Company had transactions during the year

- Key management personnel and their relatives (KMP)	Mr. Francis K Paul, Whole Time Director
	Mr. John K Paul, Managing Director
	Mr. Naveen Philip, Director
	Mr. Jacob Kurian, Independent Director
	Mrs. Preeti Reddy, Independent Director
	Mr. George Joseph, Independent Director (w.e.f - 1 July 2021)
	Mr. Rahul Kurup, Nominee Director
	Mrs. Mariam Francis (daughter of Mr. Francis K Paul)
	Mr . John Verghese , Chief Financial Officer
	Mr . Philip Chacko Mundanilkunnathil , Chief Executive Officer
	Mr .Varun Thazhathu Veedu , Company Secretary
- Entities in which KMP has significant influence	Prabal Motors Private Limited, India
	Kuttukaran Trading Ventures, India
	Kuttukaran Institute for Human Resource Development, India
	Keracon Equipment Private Limited, India

II. Related party transactions:

(a) The Group has entered into the following transactions with related parties;

Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations			
Kuttukaran Institute for Human Resource Development	0.04	0.01	-
Keracon Equipments Private Limted	36.83	37.17	-
Kuttukaran Trading Ventures	0.14	0.02	-
Prabal Motors Private Limited	1.37	-	-
Expense reimbursed by the Company			
Keracon Equipments Private Limted	0.06	0.67	-
Kuttukaran Institute for Human Resource Development	0.04	-	0.01
Expense reimbursed on behalf of the Company			
Kuttukaran Institute for Human Resource Development	0.10	-	-
Kuttukaran Homes LLP	0.16	0.08	-
Prabal Motors Private Limited	0.68	2.03	0.19
Repairs and maintenances			
Kuttukaran Trading Ventures	-	0.21	-
Guarantee commission received			
Prabal Motors Private Limited	-	-	0.85
Rent paid			
Francis K Paul	5.03	6.32	6.14
John K Paul	0.69	0.77	0.71
Naveen Philip	2.66	3.06	2.68
Leela Philip	0.05	0.60	0.60
Kuttukaran Homes LLP	15.26	9.71	-
Rushil John	0.45	-	-
Purchase of assets			
Prabal Motors Private Limited	0.12	-	-
Sale of asset			
Prabal Motors Private Limited	-	-	0.64
Kuttukaran Homes LLP	41.32	300.50	-
Loan (availed)/ repaid from directors			
Francis K Paul		(0.10)	35.14
John K Paul	(0.10)	-	35.79
Naveen Philip	28.82	79.61	-
Commission and incentive to KMP			
Francis K Paul	1.50	-	9.00
John K Paul	1.50	-	9.00
Remuneration to KMP*			
Francis K Paul	5.67	7.26	6.60
John K Paul	5.67	7.26	6.60
Naveen Philip	7.17	8.31	9.15
Mariam K Francis	-	-	0.60
Philip Chacko Mundanilkunnathil	10.61	14.33	10.54
Others	7.51	8.34	7.11
Sitting fees to independent directors	0.95	0.75	0.45

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

34 Related parties (continued)

A Disclosure post elimination of intra-group transactions *(continued)*

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

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Trade receivables			
Prabal Motors Private Limited	-	0.36	2.09
Kuttukaran Institute for Human Resource Development	0.01	0.27	0.27
Kuttukaran Trading Ventures	0.09	0.09	-
Keracon Equipments Private Limited	2.96	4.44	-
Dues to creditors for expenses and others			
Kuttukaran Homes LLP	(1.59)	(0.80)	
Payable to KMP			
Naveen Philip	(1.77)	-	-
Rushil John	(0.05)	-	-
John K Paul	(1.56)	-	(1.50)
Francis K Paul	(2.05)	-	(1.50)
Loan from director			
John K Paul	(17.05)	(17.05)	(16.95)
Francis K Paul	(17.65)	(17.55)	(17.55)
Naveen Philip	(1.48)	(30.30)	(109.91)
Corporate guarantees given			
Prabal Motors Private Limited	-	-	112.84

*The amounts does not include provision for gratuity and compensated absences as the same is determined for the Company as a whole based on an actuarial valuation.

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

34 Related parties

B Disclosure prior to elimination of intra-group transactions; *(As per Schedule VI (Para 11(I)(A)(i)(g)) of ICDR Regulations)*

I. Names of related parties and description of relationship:

(a) Entity having significant influence over the Company	BanyanTree Growth Capital II, LLC, Mauritius
(b) Subsidiaries and step down subsidiaries	Popular Mega Motors (lndia) Private Limited, India
	Popular Autoworks Private Limited, India
	Vision Motors Private Limited, India
	Kuttukaran Cars Private Limited
	Popular Auto Dealers Private Limited, India
	Kuttukarn Green Private Limited(Formerly Kuttukaran Pre Owned Cars Private Limited, India)
	Avita Insurance Broking LLP, India
(c) Other related parties with whom the Company had transactions during the year	
- Key management personnel and their relatives (KMP)	Mr. Francis K Paul, Whole Time Director
	Mr. John K Paul, Managing Director
	Mr. Naveen Philip, Director
	Mr. Jacob Kurian, Independent Director
	Mrs. Preeti Reddy, Independent Director
	Mr. George Joseph, Independent Director (w.e.f - 1 July 2021)
	Mr. Rahul Kurup, Nominee Director
	Mrs. Mariam Francis (daughter of Mr. Francis K Paul)
	Mr . John Verghese , Chief Financial Officer
	Mr . Philip Chacko Mundanilkunnathil , Chief Executive Officer
	Mr .Varun Thazhathu Veedu , Company Secretary
- Entities in which KMP has significant influence	Prabal Motors Private Limited, India
	Kuttukaran Trading Ventures, India
	Kuttukaran Institute for Human Resource Development, India
	Keracon Equipment Private Limited, India

II. Related party transactions:

(a) The Group has entered into the following transactions with related parties;

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Transaction by the Company with other group entities			
Revenue from operations			
Popular Auto Dealers Private Limited	1.56	2.31	1.24
Popular Mega Motors (India) Private Limited	1.15	6.64	0.20
Prabal Motors Private Limited	0.03	0.28	-
Vision Motors Private Limited	0.16	-	0.05
Popular Autoworks Private Limited	0.01	0.60	-
Kuttukaran Institute for Human Resource Development	0.04	0.01	-
Income from rent			
Popular Auto Dealers Private Limited	2.17	2.27	0.43
Popular Mega Motors (India) Private Limited	0.36	0.47	0.54
Intercorporate loan repaid by subsidiaries			
Popular Autoworks Private Limited	4.10	-	195.00
Popular Auto Dealers Private Limited	-	-	30.00
Popular Mega Motors (India) Private Limited	-	-	85.00
Intercorporate loan given			
Popular Autoworks Private Limited	-	80.00	216.00
Popular Auto Dealers Private Limited	-	-	38.50
Popular Mega Motors (India) Private Limited	-	-	112.49
Interest on loan to related parties			
Popular Autoworks Private Limited	7.64	3.86	36.69
Popular Auto Dealers Private Limited	-	-	8.38
Popular Mega Motors (India) Private Limited	-	-	24.39
Purchase of assets			
Popular Mega Motors (India) Private Limited	0.80	0.09	-
Prabal Motors Private Limited	0.12	-	-
Popular Auto Dealers Private Limited	0.15	-	-
Vision Motors Private Limited	0.01	0.38	-
Investment			
Popular Autoworks Private Limited	-	-	218.16
Popular Auto Dealers Private Limited	1.25	-	38.92
Popular Mega Motors (India) Private Limited	-	110.00	113.59
Purchase of vehicles/accessories and spares			
Popular Auto Dealers Private Limited	73.08	167.80	126.51
Popular Mega Motors (India) Private Limited	0.24	-	0.01
Vision Motors Private Limited	33.78	19.80	32.07

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

34 Related parties (continued)

B Disclosure prior to elimination of intra-group transactions; *(continued)*

II. Related party transactions (continued) ;

Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Expense met by the Company			
Kuttukaran Institute for Human Resource Development	0.04	-	0.01
Popular Auto Dealers Private Limited	0.05	0.13	8.22
Popular Mega Motors (India) Private Limited	-	0.04	0.06
Vision Motors Private Limited	0.05	0.02	0.05
Expense met on behalf of the Company			
Kuttukaran Institute for Human Resource Development	0.10	-	-
Popular Auto Dealers Private Limited	0.31	0.31	-
Popular Autoworks Private Limited	0.52	0.70	6.69
Popular Mega Motors (India) Private Limited	2.14	2.63	1.30
Kuttukaran Cars Private Limited	-	0.12	0.11
Kuttukarn Green Private Limited	-	-	0.02
Prabal Motors Private Limited	0.61	2.03	0.19
Vision Motors Private Limited	1.10	1.21	1.40
Kuttukaran Homes LLP	0.16	0.08	-
Repairs and maintenances			
Popular Auto Dealers Private Limited	-	-	0.20
Vision Motors Private Limited	0.01	0.03	-
Popular Mega Motors (India) Private Limited	0.41	0.42	0.29
Sale of assets			
Popular Mega Motors (India) Private Limited	0.75	-	-
Popular Auto Dealers Private Limited	-	0.43	-
Popular Autoworks Private Limited	-	-	1.83
Prabal Motors Private Ltd	0.02	-	0.64
Kuttukaran Homes LLP	-	300.50	-
Guarantee commission received			
Popular Autodealers Private Limited	0.64	0.32	0.29
Popular Autoworks Private Limited	-	0.45	0.75
Popular Mega Motors (India) Private Limited	2.90	0.86	2.22
Vision Motors Private Limited	0.18	0.94	1.54
Prabal Motors Private Limited	-	-	0.85
Rent paid			
Francis K Paul	1.92	2.06	2.14
John K Paul	0.69	0.77	0.71
Popular Mega Motors (India) Private Limited	0.11	0.11	-
Kuttukaran Homes LLP	13.25	9.71	4.66
Vision Motors Private Limited	0.24	0.24	0.17
Repayment of loan from directors			
Francis K Paul	-	-	35.14
John K Paul	-	-	35.79
Commission and incentive to KMP			
Francis K Paul	1.50	-	9.00
John K Paul	1.50	-	9.00
Remuneration to KMP*			
Francis K Paul	5.67	7.26	6.60
John K Paul	5.67	7.26	6.60
Philip Chacko Mundanilkunnathil	10.61	14.33	10.54
Mariam K Francis	-	-	0.60
Others	7.51	8.34	7.11
Sitting fees to independent directors	0.95	0.75	0.45

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

34 Related parties (continued)

B Disclosure prior to elimination of intra-group transactions; *(continued)*

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

Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Loans to related parties			
Popular Autoworks Private Limited	75.90	80.00	
Trade receivables			
Kuttukaran Cars Private Limited	-	0.22	-
Kuttukaran Institute for Human Resource Development	0.01	0.27	0.27
Popular Auto Dealers Private Limited	5.12	2.12	1.46
Popular Autoworks Private Limited	1.30	2.30	0.18
Popular Mega Motors (India) Private Limited	4.00	4.25	3.59
Prabal Motors Private Limited	-	0.36	2.09
Vision Motors Private Limited	0.21	1.17	0.65
Commission and incentive payable			
Francis K Paul	(1.50)	-	(1.50)
John K Paul	(1.50)	-	(1.50)
Dues to creditors for expenses and others			
Popular Auto Dealers Private Limited	(9.18)	(11.55)	(4.61)
Kuttukaran Homes LLP	(1.59)	(0.80)	-
Popular Autoworks Private Limited	-	-	(0.60)
Popular Mega Motors (India) Private Limited	(0.02)	(0.19)	(0.13)
Vision Motors Private Limited	(1.14)	-	(1.21)
Francis K Paul	(0.22)	(0.12)	-
John K Paul	(0.06)	(0.04)	-
Corporate guarantees given			
Popular Auto Dealers Private Limited	105.60	54.48	38.10
Popular Autoworks Private Limited	-	60.40	100.50
Popular Mega Motors (India) Private Limited	386.52	115.14	296.40
Vision Motors Private Limited	27.94	125.04	210.00
Prabal Motors Private Limited	-	-	112.84

*The amounts does not include provision for gratuity and compensated absences as the same is determined for the Company as a whole based on an actuarial valuation.

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

35 Asset held for sale

i) The Group has classified following land and buildings as Asset held for sale as at balance sheet dates and the same has stated at carrying value (being lower of fair value less cost to sell or net book value).

Entity		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Popular Vehicles and Services Limited	Holding Company	15.42	-	32.46
Popular Mega Motors (India) Private Limited	Subsidiary Company	-	24.00	24.00
		15.42	**24.00**	**56.46**

(i) The Group received notice from the NH authorities to acquire a portion of the land on 10 August 2020 for the acquisition of 25.79 ares of land with an acquisition award of Rs. 31.47 million.

(ii) During the year ended 31 March 2020, the Company has approved to sell certain land and buildings - two service centers and a showroom. This was transferred to M/s Kuttukaran Homes LLP, a related party of the Company.

(iii) Pursuant to the Extraordinary General meeting, the Board of directors of the respective subsidiaries have obtained the approval to sell certain land and buildings - a service center and a showroom. This was transferred to M/s Kuttukaran Homes LLP, a related party of the Group.

(iv) The assets classified as held for sale as at 31 March 2019 by the Holding Company was sold during the previous year ended 31 March 2020. The net gain on account of this transaction amounting to Rs. 261.28 million has been disclosed as an exceptional item.

36 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. This pandemic has resulted in disruption to regular business operations due to lockdown, disruptions in transportation, travel bans, quarantines, social distancing and other emergency measures imposed by the government. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company believes that the COVID 19 pandemic will only have a short term impact on its operations and after easing of the lockdown restrictions, the business is expected to return to normal. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of Company's liquidity and going concern and recoverable values of its certain financial and non-financial assets. Further, the Company has taken various measures to reduce its fixed cost - for example, salary reductions, hiring freeze, requesting of reduction of rental expenses for showrooms and service centres taken on lease and optimization of administrative, sales, marketing and travel costs.

Accordingly, the Management believes that the Company will not have any challenge in meeting its financial obligations for the next 12 months based on the current financial position of the Company, business strategies, operating plans of the management. However, given the effect of these lockdowns on the overall economic activity, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions. Further, the pandemic did not have any material impact on the financial statement for the year ended 31 March 2021 and 31 March 2020.

Popular Vehicles and Services Limited

Annexure VII - Statement of Adjustments to the Restated Consolidated Financial Information

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

Summarised below are the restatement adjustments made to the equity of the audited consolidated financial statements of the Group for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 and their consequential impact on the equity of the Group:

Particulars	Notes	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
A. Total equity as per audited consolidated financial statements		2,460.02	2,127.72	2,280.20
B. Adjustments:				
Material restatement adjustments:				
(i) Audit qualifications		-	-	-
Total		-	-	-
(ii) Adjustments due to prior period items / other adjustments				
Adjustments on account of adoption of Ind AS 116			-	(445.09)
Total		-	-	(445.09)
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable				
Deferred tax impact on restatement adjustments				143.37
Total		-	-	143.37
C. Total impact of adjustments (i+ii+iii)		-	-	(301.72)
D. Total equity as per restated consolidated financial information (A+C)		**2,460.02**	**2,127.72**	**1,978.48**

Summarised below are the restatement adjustments made to the net profit of the audited consolidated financial statements of the group for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 and their impact on the profit of the Group:

Particulars	Notes	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
A. Net Profit after tax as per audited consolidated financial statements		324.55	124.91	271.10
B. Adjustments:				
Material restatement adjustments:				
(i) Audit qualifications		-	-	-
Total		-	-	-
ii) Adjustments due to prior period items / other adjustments				
Adjustments on account of adoption of Ind AS 116			-	(84.75)
Total		-	-	(84.75)
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable				
Current and deferred tax impact on restatement adjustments		-	-	27.39
Total		-	-	27.39
C. Total impact of adjustments (i+ii+iii)		-	-	(57.36)
D. Net Profit after tax as per restated consolidated financial information (A+C)		**324.55**	**124.91**	**213.74**

Notes on adjustments to audited consolidated financial statements

1. Adjustments for audit qualification: None

2. Material regrouping: None

Appropriate re-groupings have been made in the restated consolidated balance sheet, statement of profit and loss and cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Ind AS financial information of the Group for the year ended 31 March 2021 respectively prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

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

3. Material restatement Adjustments:

(a) Recognition of lease liability

A new lease standard i.e., Ind AS 116 has been notified to be effective w.e.f 1 April 2019 which provide guidelines for the accounting of the lease contracts entered in the capacity of a lessee and a lessor.

The Group has entered into various operating lease contacts in the capacity of a lessee and in lines with the accounting principals laid down in Ind AS 116, is required to make the following adjustments:-

- The Group is required to recognise a right to use asset and a corresponding lease liability in respect of all the operating leases on the transition date.
- The Group shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, incremental borrowing rate shall be substituted
- The lease payments included in the measurement of the lease liability comprise the payments for the right to use the underlying asset during the lease term that are not paid at the commencement date and includes the following:
  (a) fixed payments (including in-substance fixed payments as described in paragraph B42 of Ind AS 116), less any lease incentives receivable;
  (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (as described in paragraph 28 of Ind AS 116).
- The asset recognised in lines with the provisions of Ind AS 116 is required to be depreciated as per Ind AS 16, Property, plant and equipment.
- The Group has applied 'modified retrospective approach' as mentioned in Ind AS 116 for transitional adjustments. Therefore, the cumulative effect of adopting Ind AS 116 has been recognised as an adjustment to the opening balance of retained earnings at 1 April 2018. The Group has applied the practical expedient to grandfather the definition of a lease on transition. This means that it has applied Ind AS 116 to all contracts entered into before 1 April 2018 and identified as leases in accordance with Ind AS 17.

4. Non adjusting items

a) Emphasis of matters in the Auditors' Report, which do not require any corrective adjustments in the Restated Consolidated Financial Information

Financial year 2019-20

Covid-19 pandemic has been rapidly spreading throughout the world, including India. Government in India has taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. We draw attention to Note 39 in the consolidated financial statements, which describes the disruptions the Group is facing as a result of COVID-19 which is impacting Group's operations. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of Group's liquidity and going concern and recoverable values of its certain financial and non-financial assets. However, given the effect of these lockdowns on the overall economic activity, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Group will continue to monitor any material changes to future economic conditions and consequential impact on these financial statements.

Our opinion is not modified in respect of this matter.

Financial year 2020-21

As more fully described in Note 39 to the audited consolidated financial statements, the extent to which the COVID-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

b) Report on Other Legal and Regulatory Requirement in the Auditors' Report, which do not require any corrective adjustments in the Restated Consolidated Financial Information

Financial year 2018-19

The following are the instances of delay in transferring amounts, to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2019.

Due Date	Date of payment	Delay in days	Amount involved (In Rs.)
30 January 2018	2 June 2018	124	22,100

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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
4 August 2021

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

John K Paul
Managing Director
DIN: 00016513

Francis K Paul
Whole Time Director
DIN: 00018825

John Verghese
Chief Financial Officer

Varun T V
Company Secretary
Membership no. 22044

Philip Chacko M
Chief Executive Officer

Kochi
4 August 2021

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Basic earnings per share (in ₹)	25.88	9.96	17.42
Diluted earnings per share (in ₹)	25.88	9.96	17.42
Return on net worth (%)	13.19	5.87	10.80
Net asset value per share (in ₹)	196.17	169.67	157.77
EBITDA (in ₹ million)	1,748.53	1,389.84	1,424.73

Notes: *The ratios have been computed as under:*

1. *Basic and diluted earnings/ (loss) per share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
2. *Return on net worth %: Return on net worth is the ratio of restated profit after tax for the year to net worth for the year.*
3. *Net worth = The total equity or total share capital of the Company and other equity as per the Restated Financial Information*
4. *Net assets value per share (in ₹): Net asset value per share is calculated by dividing net worth by number of equity shares outstanding at the end of the year.*
5. *EBITDA = EBITDA stands for Aggregate of profit after tax from continuing operations from consolidated restated audited financial statement before tax expense (including exceptional items in FY 2019-20), finance cost and depreciation and amortisation for the year.*
6. *Accounting and other ratios are derived from the Restated Financial Information.*

Non-GAAP financial measures

This section includes certain Non-GAAP financial measures relating to our financial performance (together, "Non-GAAP financial measures" and each a "Non-GAAP financial measure"), as presented below. These Non-GAAP financial measures are not required by or presented in accordance with Indian GAAP.

Reconciliation of non-GAAP measures

Analysts, and other interested parties frequently use various non-GAAP financial measures as performance measures, and our management believes that providing such non-GAAP financial measure allows users to make additional comparisons and to understand our ongoing business. Reconciliation for the following non-GAAP financial measures included in this Draft Red Herring Prospectus, EBITDA, and other financial parameters such as net debt/ (net cash), return on net worth, return on capital employed, net asset value per share and debt equity ratio are given below:

Reconciliation of EBITDA

(₹ in million)

	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Restated profit for the year (I)	324.55	124.91	213.74
Total tax expense (II)	147.97	(44.94)	102.80
Depreciation expense (III)	724.91	610.93	482.13
Finance expense (IV)	551.10	698.94	626.06
EBITDA (I+II+III+IV)	1,748.53	1,389.84	1,424.73

Reconciliation of other financial parameters

Reconciliation of Net debt/ (net cash)

(₹ in million)

	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Non-current borrowings (I)	893.29	472.99	462.62
Current maturities of non-current borrowings (II)	275.49	251.47	293.61
Total non-current borrowings III = (I+II)	1,168.78	724.46	756.23
Cash and cash equivalents (IV)	555.08	375.28	247.70
Bank balances other than cash and cash equivalents (V)	38.92	47.48	43.15
Net Debt / (Net Cash) (VI=III-IV-V)	574.78	301.70	465.38

Reconciliation of return on net worth

(₹ in million)

	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Equity share capital (I)	125.44	125.44	125.44
Other equity (II)	2,334.58	2,002.28	1,853.04

	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Net worth (III)=(I+II)	2,460.02	2,127.72	1,978.48
Restated profit for the year (IV)	324.55	124.91	213.74
Return on net worth (IV/(I+II)) (%)	13.19	5.87	10.80

Reconciliation of return on capital employed

(₹ in million)

	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Total assets (I)	11,189.36	11,311.57	12,116.37
Current liabilities (II)	4,916.21	5,840.71	7,249.62
Capital employed (III=I-II)	6,273.15	5,470.86	4,866.75
Restated profit for the year (IV)	324.55	124.91	213.74
Return on capital employed (V=IV/III) (%)	5.17	2.28	4.39

Reconciliation of net asset value per share

(₹ in million)

	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Equity share capital (I)	125.44	125.44	125.44
Other equity (II)	2,334.58	2,002.28	1,853.04
Net worth (III)=(I+II)	2,460.02	2,127.72	1,978.48
Number of equity shares (IV)	12.54	12.54	12.54
Net asset value per share (in ₹) (V= (I+II)/IV)	196.17	169.67	157.77

Reconciliation of debt equity ratio

(₹ in million)

	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Non-current borrowings (I)	893.29	472.99	462.62
Current maturities of non-current borrowings (II)	275.49	251.47	293.61
Short Term Borrowings(III)	2,361.64	2,766.56	4,827.72
Total borrowings IV = (I+II+III)	3,530.42	3,491.02	5,583.95
Equity share capital (V)	125.44	125.44	125.44
Other equity (VI)	2,334.58	2,002.28	1,853.04
Equity (VII)=(V+VI)	2,460.02	2,127.72	1,978.48
Debt equity ratio (VIII=IV/VII)	1.44	1.64	2.82

In accordance with the SEBI ICDR Regulations the audited financial statements of the Company and our Material Subsidiaries for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019 (collectively, the "**Audited Financial Statements**") are available on our website at "https://www.popularmaruti.com/financial-statements/financial-statements-of-the-company/" and "https://www.popularmaruti.com/financial-statements/material-subsidiary/" respectively. .

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider for subscription to or purchase of any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company, our Subsidiaries or any of its advisors, nor BRLMs or the Selling Shareholder, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' for FY 2021, 2020 and 2019 and as reported in the Restated Financial Information, see "*Financial Statements – Annexure VII – Notes to Restated Ind AS Summary Statements*" beginning on page 263.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Information, which are included in this Draft Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations for the FY 2019, 2020 and 2021 based on our Restated Financial Information, including the related notes and reports, which have been prepared and presented in accordance with Ind AS, in each case restated in accordance with the requirements of Section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules 2014, as amended, the SEDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI (the "Guidance Note"). IndAS differs in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Accordingly, the degree to which our Restated Financial Information will provide meaningful information to a prospective investor in countries other than India is dependent on the reader's level of familiarity with Ind AS.

This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance, which are subject to numerous risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read "Risk Factors" and "Forward Looking Statements" beginning on pages 23 and 21, respectively, which discuss a number of factors and contingencies that could affect our business, financial condition and results of operations.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information included in this Draft Red Herring Prospectus on page 205.

IndAS differs in certain respects from Indian GAAP, IFRS and US GAAP and other accounting principles with which prospective investors may be familiar. Please also see "Risk Factors — Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition." on page 43.

Our fiscal year ends on 31 March of each year. Accordingly, all references to a particular fiscal year, or "fiscal", are to the 12 months ended 31 March of that year.

Overview of our Business

We are a leading diversified automotive dealership in India in terms of revenue (*Source: CRISIL Report*), with a presence across the automotive retail value chain, including sale of new passenger and commercial vehicles, services and repairs, spare parts distribution, sale of pre-owned passenger vehicles and facilitation of sale of third-party financial and insurance products. We operate passenger vehicle dealerships of Maruti Suzuki India Limited ("**Maruti Suzuki**"), Honda Cars India Limited ("**Honda**") and Jaguar Land Rover India Limited ("**JLR**") and the commercial vehicle dealership of Tata Motors Limited ("**Tata Motors (Commercial)**"). We are the sixth largest passenger vehicle dealership for Maruti Suzuki, the fifth largest passenger dealership for JLR, the sixth largest passenger vehicle dealership for Honda and the third largest commercial vehicle dealership group for Tata Motors (Commercial), in terms of sales by volume, across India as of March 31, 2021.

As a diversified and fully integrated automotive dealership company, we cater to the complete life-cycle of vehicle ownership, right from operating driving schools, retailing new vehicles, servicing and repairing vehicles, distributing spare parts, to facilitating sale or exchange of pre-owned vehicles and facilitation of sale of third-party financial and insurance products. In addition to benefiting from the inherent synergies arising out of such complementary business verticals, our diversified income streams also contribute to higher profitability margins at our dealerships and help mitigate the cyclicality that has historically impacted some elements of the automotive sector. Our profit after tax registered a growth from ₹ 213.74 million in FY 2019 to ₹324.55 million in FY 2021. With the services and repair segment being a key driver for automobile dealership profitability, our strong capabilities in the services and repair segment has helped us achieve a growth in total EBITDA from ₹1,424.73 million in FY 2019 to ₹1,748.53 million in FY 2021and profit margins. During FY 2021, we were ranked second, third, third and second, in terms of volume of services handled for Maruti Suzuki (Arena and Nexa), Honda, JLR and Tata Motors (Commercial), respectively. Further, our authorised service centres contributed to 14.50%, 14.60% and 10.10% of our total revenue and 51.00%, 53.00% and 36.00% of our EBITDA during FY 2021, 2020 and 2019, respectively; and our spare parts distribution vertical contributed to 6.20%, 5.50% and 5.80% of our EBITDA during FY 2021, 2020 and 2019, respectively..

As of March 31, 2021, we operate through our expansive network of 59 showrooms, 99 sales outlets and booking offices, 83 authorised service centres, 29 retail outlets, and 25 warehouses located across all 14 districts of Kerala, in Bengaluru, Mysuru, Mangaluru, Hubballi, Hosapete, Vijayapur and Shivamoga in Karnataka and in Chennai, Chengalpet, Dharmapuri, Krishnagiri and Thiruvallur in Tamil Nadu. Kerala and Tamil Nadu are amongst the top contributors to the national passenger vehicle sales. For the first nine months (9M) of FY 2021, Kerala and Tamil Nadu contributed 11.50% to the overall passenger vehicles sales and 13.00% of the domestic commercial vehicles sales in India (*Source: CRISIL Report*). Our dealerships contributed to 16.00% and 4.00%, respectively, of the total passenger vehicles sales and commercial vehicles sales in Kerala and Tamil Nadu during (9M) of FY 2021.

Our Company categorises its business into four key segments, namely passenger cars, luxury vehicles, commercial vehicles and others, as per "Management approach" defined in Ind AS 108, which contributed to consolidated revenues of ₹ 19,262.73 million, ₹ 1,442.00 million, ₹ 6,906.66 million and ₹ 1,323.86 million, respectively, during FY 2021.

Our key business verticals comprise new passenger vehicle sales, new commercial vehicles sales, services and repair, sale of pre-owned passenger vehicles, spare parts distribution, facilitation of sale of third party financial and insurance products.

New Passenger Vehicle Sales: Maruti Suzuki and Honda, together accounted for approximately 52.00% of the new passenger vehicles market share in India in FY 2021 (*Source: CRISIL Report*). Including JLR, our offerings cover the complete spectrum of passenger vehicles ranging from economy to luxury passenger vehicles and help in catering to the varied preferences of customers and retaining customers as their requirements evolve. We believe our product and brand mix is well-suited to what customers demand in the markets we serve. During FY 2021, we sold a cumulative of 28,393 new passenger vehicles across our dealerships.

The first ever dealership for Maruti Suzuki vehicles in Kerala was awarded to our Company in 1984 and formed part of the first batch of dealerships awarded by Maruti Suzuki across India. We operate the sixth largest selling Maruti Suzuki dealership in India under the Arena network (by volume) and the eleventh largest selling Maruti Suzuki dealership in India under the Nexa network (by volume), as of March 31, 2021. The agreement with Maruti Suzuki for the operation of our Nexa dealerships is in the process of being renewed. Our Maruti Suzuki dealerships are operated under the 'Popular' brand and offer economy to premium passenger vehicles under the Maruti Suzuki brands - 'Arena' and 'Nexa', respectively. Maruti Suzuki was the highest contributor to sales of passenger vehicles in Kerala and Tamil Nadu, accounting for 48.00% and 44.00%, respectively, of the total sales volume mix in these states for (9M) of FY 2021 (*Source: CRISIL Report*). During (9M) of FY 2021, we contributed to the sale of 25.00% and 8.00% of the total Maruti Suzuki vehicles sold in Kerala and Tamil Nadu, respectively. We have 14 showrooms, 70 sales outlets and booking offices, 48 authorised service centres and 22 dedicated showrooms and outlets for pre-owned passenger vehicles under our Maruti Suzuki dealerships spread across all 14 districts of Kerala and in Chennai, Tamil Nadu, as of March 31, 2021.

Our Honda dealerships are operated under the 'Vision' brand, through seven showrooms, one sales outlet and seven authorised service centres located in Kerala, as of March 31, 2021 and cater to the premium segment of our offerings. Honda accounted for 4.00% of the total sales volume mix in Kerala for (9M) of FY 2021 (*Source: CRISIL Report*). During (9M) of FY 2021, we contributed to the sale of 32.00% of the total Honda vehicles sold in Kerala.

Our JLR dealership, which caters to the luxury segment, is operated under the 'Marqland' brand through three showrooms and three service centres in Karnataka as of March 31, 2021.

We have recently entered the electric vehicle segment in FY 2021. We are in the process of entering into arrangements with an OEM to operate dealerships for their three-wheeler electric vehicles in Ernakulam. We are also in discussions with other electric vehicle manufacturers to set up dealerships for two-wheeler electric vehicles. Our electric vehicle dealerships are proposed to be operated under the 'Ecomarq' brand.

New Commercial Vehicles Sales: We are the largest commercial vehicle dealership of Tata Motors (Commercial) in Kerala in terms of sales volumes for FY 2021 (*Source: CRISIL Report*). We were awarded our first Tata Motors (Commercial) dealership in 1997, when we decided to strategically expand into the commercial vehicle dealership sector. Tata Motors (Commercial) contributed to 19.00% and 37.00%, respectively of the total commercial vehicles sales volumes in Kerala and Tamil Nadu, respectively, for (9M) of FY 2021 (*Source: CRISIL Report*). During (9M) of FY 2021, we contributed to the sale 85.00% and 25.00% of the total Tata Motors (Commercial) vehicles sold in Kerala and Tamil Nadu, respectively. We also commenced sale of Maruti Suzuki commercial vehicles in February 2019. During FY 2021, we sold 6,504 new commercial vehicles through our network of 13 showrooms, 28 sales outlets and 25 service centres for commercial vehicles in Kerala and Tamil Nadu.

Services and Repair: During FY 2021, we were ranked second, third, third and second in terms of volume of services handled for Maruti Suzuki, Honda, JLR and Tata Motors (Commercial), respectively. Our maintenance and repair services under each of our dealerships include warranty work, customer paid work, running repair and collision repair services. During FY 2021, we serviced 549,023 passenger vehicles and 97,257 commercial vehicles through our network of 83 authorised service centres for all the vehicle brands that we represent in India.

Sale of Pre-Owned Passenger Vehicles: We have been named the No.1 Pre Owned Car Dealer in India in True Value certified vehicles in terms of sales by volume for FY 2021 by Maruti Suzuki. During FY 2021, we sold a cumulative of 9,413 pre-owned vehicles through 22 dedicated pre-owned vehicle showrooms and 23 of our new passenger vehicles showrooms in Kerala, Tamil Nadu and Karnataka, operated under our passenger vehicle dealerships. Our pre-owned passenger vehicles vertical, together with our new passenger vehicles vertical, helps us cater to all customer price points ranging from sub ₹100,000 at our Maruti True Value showrooms to more expensive luxury offerings of up to ₹30.00 million through our JLR dealership.

Spare Parts Distribution: We commenced our spare parts distribution business in 2005. As on March 31, 2021, our spare parts and distribution business was operated through 54 touch points comprising of 29 retail outlets, 25 warehouses and offices in

Kerala and Karnataka and catered to around 10,000 customers including active retailers, independent workshops, authorised service centres and vehicle dealers.

Facilitating sale of third-party financial and Insurance products: As part of our bouquet of offerings, we also facilitate the sale and placement of various third-party finance and insurance products, extended warranty and maintenance contracts, as well as replacement and aftermarket automotive products. During FY 2021, we have facilitated the sale of 32,297 and renewal of 201,956 third-party insurance policies aggregating to a gross premium of ₹1,882.80 million and facilitated financial assistance aggregating ₹13,380.66 million to our customers from our empanelled lenders.

The profit after tax for the company in FY 2021, 2020 and 2019 is ₹324.55 million, ₹124.91 million and ₹213.74 million respectively. The contribution to total volume, revenue and EBITDA from our key income streams for FY 2021, 2020 and 2019 is as set out below:

₹ (in million)

Segment	FY 2021					FY 2020					FY 2019				
	Volume	Revenue	% of total revenue	EBITDA	% of total EBITDA	Volume	Revenue	% of total revenue	EBITDA	% of total EBITDA	Volume	Revenue	% of total revenue	EBITDA	% of total EBITDA
New Passenger Vehicles Sales	28,393	14,724.58	50.43%	391.33	22.38%	31,434	16,476.48	51.80%	73.40	5.28%	44,953	23,467.12	59.92%	573.30	40.24%
New Commercial Vehicles Sales	6,504	6,135.26	21.01%	243.61	13.93%	8,031	6,556.53	20.61%	212.33	15.27%	10,132	7,945.23	20.29%	300.84	21.12%
Pre-Owned Passenger Vehicles Sales	10,115	2,459.48	8.42%	58.06	3.32%	12,181	2,389.84	7.51%	(0.35)	-0.02%	11,448	2,292.89	5.85%	6.97	0.49%
Services and Repair	646,280	4,231.48	14.49%	889.16	50.85%	817,961	4,650.49	14.62%	739.62	53.20%	732,549	3,961.89	10.12%	510.85	35.86%
Spare Parts Distribution	NA	1,545.67	5.29%	108.36	6.20%	NA	1,688.67	5.31%	76.74	5.52%	NA	1,360.85	3.47%	82.16	5.77%
Other Income	NA	98.85	0.34%	58.00	3.32%	NA	44.41	0.14%	288.50	20.75%	NA	135.70	0.35%	(49.51)	(3.48)%

The Kuttukaran Group (i.e. the group of entities and business operated by our Promoters and their family members) has over 69 years of experience in the automotive industry. John K. Paul, our Managing Director and one of our Promoters has over 44 years of experience in the automobile sector. He is currently the President of the Kerala Automobiles Dealers Association. Francis K Paul, our Executive Director and one of our Promoters has over 44 years of experience in the automobile sector. Naveen Philip, our Non-executive Director and one of our Promoters has over 24 years of experience in the automobile industry. Our senior management team is also experienced in the automobile dealership industry. The majority of our heads of departments have spent more than 15 years each in our Company. We believe that the experience, depth and diversity of our management team and our Promoters and the long standing presence of the Kuttukaran Group in the automotive industry have enabled us to become valued partners of each of our OEMs giving us a distinct competitive advantage in the industry in which we operate.

Significant factors affecting our financial condition and results of operations

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled "*Risk Factors*" beginning on page 23. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations.

Market and economic conditions

The automotive retail industry is sensitive to changing economic conditions and various other factors. General economic factors that can affect demands in the automotive retail industry, include, among others:

- global oil prices, which impact the automotive sectors;
- global and local economic or fiscal instability;
- global and local political and regulatory measures and developments, such as tax incentives or other subsidies, environmental policies, the phasing out of older vehicles or other developing trends, such as the move towards electrification and emissions reduction;
- global and local fiscal and monetary dynamics, such as rises or falls in interest rates (resulting in greater or lesser ability by customers to borrow money, including for automotive purchases), foreign exchange rates and inflation rates;

- general levels of GDP growth in India or the regions in which we operate, and growth in personal disposable income in India or the regions in which we operate; demographic conditions and population dynamics, such as the absolute size of a market, the growth rates of the population and rate of employment in that market; and

- economic development, shifting of wealth in India, in particular growth in the middle class, and change in customer preferences in favour of more fuel efficient and environmentally friendly vehicles.

The cyclical nature of general economic conditions and, therefore, of the automotive retail industry means that our results of operations can fluctuate substantially from period to period. We expect that these economic factors and conditions in our industry, particularly changes in consumer confidence, employment levels, fuel prices, consumer spending on passenger and commercial vehicles, urbanisation, changes in customer preferences, government policies and interest rates and introduction of new technologies will continue to be the most important factors affecting our revenues and results of operations. Other factors, such as competitiveness, quality and pricing and the regular launch of new models of our OEMs, quality of after sales support have an effect on our ability to win customers in competitive situations.

Domestic passenger vehicles sales are expected to increase by a CAGR of 10%-12% over FY 2021-2026. Over the short-to-mid-term, it is expected that the COVID-19 pandemic will lead to increased demand for personal mobility and boost passenger vehicles sales. Over the mid-to-long-term, it is expected that moderate macroeconomic growth, increasing disposable income, relatively stable cost of vehicle ownership, and lower fuel prices are likely to drive demand for passenger vehicles. However, increasing congestion in metro cities and rising popularity of shared mobility services are could restrict passenger vehicles sales in the long term (*Source: CRISIL Report*). Domestic commercial vehicles sales are expected to register a CAGR of 13%-15% between FY 2021 and 2026. Rising domestic consumption, improving rural incomes, increasing exports, government's focus on infrastructure investments and initiation of commercial mining in India are likely to aid domestic demand for commercial vehicles. (*Source: CRISIL Report*). India's pre-owned passenger vehicle segment is expected to grow at a CAGR of 12%-14% between FY 2021 and FY 2026 and reach 6.8-7.3 million vehicles by FY 2026Increased need for personal mobility, change in customer perceptions, rising aspirations of customers, growing disposable income, lowering replacement cycles and increasing financial penetration is expected to drive this growth. *(Source: CRISIL Report)*. The onset of the COVID-19 pandemic has caused people to switch from public transport to personal vehicles. This phenomenon is expected to support the already growing demand for passenger vehicles and younger customers are expected to opt for a pre-owned passenger vehicles (*Source: CRISIL Report*).

In the event that there is an overall downward trend in the purchase of vehicles, or a trend towards types of vehicles that we do not offer, this could adversely impact our business and results of operations.

Ability to renew and maintain our dealership agreements, and the ability of our OEM partners to maintain their business operations

We have entered into dealership agreements with four OEMs pursuant to which we have been authorized as a dealer of such OEMs' products on a non-exclusive and non-transferable basis, in the identified geographies/markets. We are among the top six dealerships in India, in terms of sales by volume, as of March 31, 2021, with respect to each of our passenger and commercial vehicles dealerships. Further, we have also entered into dealership agreements for spare parts distribution with various OEMs.

Since our ability to sell new vehicles is dependent on the ability of our OEMs to produce and allocate an attractive and desirable product mix to our showrooms, the success of our dealerships is dependent on the success and continued financial stability our OEMs, namely Maruti Suzuki, Honda, JLR and Tata Motors (commercial vehicles). We would expect successful new model launches by our OEMs to increase our revenues and results of operations. For instance, Maruti Suzuki dominated the domestic sales market with 48% share of domestic sales for FY 2021 (*Source: CRISIL Report*). New launches have helped OEMs expand their market presence. The launch of Vitara Brezza helped Maruti Suzuki further its dominance in FY 2019 and 2020 (*Source: CRISIL Report*).

Further, in the event that the brand or reputation of our OEMs is adversely affected, the demand for the products of our OEMs may decline. In addition, if there is a decline in demand for the spare parts of any or all of these OEMs, it may adversely impact our spare parts distribution business. Any or all of these events may result in a decline in our revenues and performance of our business.

Further, while our dealership agreements have been executed for fixed periods of time,, the respective OEMs are entitled to unilaterally terminate such dealership agreements without cause. Any breach by us of the terms of the dealership agreements could also result in a termination of the agreements. In the event that our association with any OEM ceases, we may not be able to substitute such arrangement with another OEM, immediately or at all. The loss of any OEM including as a result of a dispute with or termination or non-renewal of dealership agreements by them may materially affect our business and results of operations.

Working capital management

Our working capital management efficiency plays a key role in determining our capital efficiency and profitability across all segments of our business. Our purchases of stock in trade for FY 2021, 2020 and 2019 amounted to ₹24,573.83 million, ₹26,110.20 million and ₹35,175.46 million. Further, we had trade receivables (current) of ₹1,607.27 million, ₹1,088.91 million and ₹2,629.33 million, respectively, as of March 31, 2021, 2020 and 2019 from counter-parties we believe are well established, including our OEMs, and trade payables of ₹408.71 million, ₹1,341.27 million and ₹745.42 million, respectively, as of March 31, 2021, 2020 and 2019.

Our ability to successfully manage our working capital will depend on accurately predicting stock in trade requirements for new vehicles, spare parts and accessories and used vehicles, requirements across our segment of operations, as well as managing our debtors days and creditor days. Successfully anticipating inventory requirements will enable us to cater to our customer requirements in a timely manner, while reducing our debtor days will improve our cash flow cycle and enable us to redeploy working capital in an efficient manner.

Pricing policy

We are the sixth largest passenger vehicle dealership for Maruti Suzuki, the third largest commercial vehicle dealership group for Tata Motors (Commercial), the sixth largest passenger vehicle dealership for Honda and the fifth largest passenger vehicle dealership for JLR, in terms of sales by volume, across India as of March 31, 2021. Further, during FY 2021, we were ranked second, third, third and second in terms of volume of services handled for Maruti Suzuki (Arena and Nexa), Honda, JLR and Tata Motors (Commercial), respectively.

Sales of new passenger vehicles, sales of commercial vehicles, sales of pre-owned passenger vehicles and services and repairs contributed to 22.38%, 13.93%, 3.32% and 50.85%, respectively of our total EBITDA for FY 2021. Our pricing policy for new vehicles is based on the pricing policy of our OEMs. Further, any discounts or incentives provided by us are also linked to the schemes and incentives offered by our OEMs. The pricing policy for pre-owned vehicles is determined by us, based on the sales required for a particular product. We have limited price variations in relation to each vehicle dealership and the prices of spare parts and accessories. Some of our OEMs also prescribe guidelines on pricing of services offerings and fix the per hour labour charges for services and repair work undertaken by us which varies from city to city. We are therefore subject to any fluctuations in the pricing policies of our OEMs.

Given that the pricing policy for our business of sale of new vehicles and servicing and repairs of vehicles is driven by our OEMs, our ability to manage our operating costs would determine our profitability and growth. Further, in the case of pre-owned vehicles, our ability to pass on increased operating costs to our customers in the form of increased prices, while balancing customer expectations would enable us to achieve better operating results.

Operating costs and service revenues

Given the nature of our business, managing operating costs and efficiencies are critical to maintaining our competitiveness and profitability. We believe that we are uniquely positioned to leverage our scale of operations to achieve competitive operating margins by centralizing and streamlining various business processes. For example, our profit after tax increased by 159.83% to ₹324.55 million for FY 2021 from ₹124.91 million for FY 2020, reflecting the efficiencies in management of operating costs that we have implemented.

We continually undertake efforts to streamline our costs, such as undertaking centralised purchase of, *inter alia,* lubricants and paint from our vendors, centralisation of our human resources department, finance department and the information technology department. We are also able to capitalise on our economies of scale in purchasing lubricants, paint, etc. through pan-India vendor relationships. Additionally, we are able to improve financial controls and lower servicing costs by maintaining administrative activities in our dealership's main office. Our ability to optimize our operating costs in line with customer demand is subject to risks and uncertainties, as our costs depend, in part, on external factors beyond our control, including the pricing of passenger and commercial vehicles determined by our OEMs.

Our sizeable and growing service revenues help insulate us from downturns in vehicle sales in the short-term. We offer fully integrated services and repair offerings through our authorised service centres that contribute to higher-margin revenues at our dealerships and our presence across the customer vehicle ownership lifecycle helps mitigate the cyclicality that has historically impacted some elements of the automotive sector. Our authorised service centres contributed to 14%, 15% and 10% of our total revenue and 51%, 53% and 36% of our EBITDA during FY 2021, 2020 and 2019, respectively. Despite a decline in revenues from operations between FY 2019 and FY 2021, in line with industry trends, our operations have demonstrated a growth in EBITDA from ₹1,424.73 million in FY 2019 to ₹1,748.53 million in FY 2020, primarily attributable to higher margin revenues generated through our authorised service centres. As service revenues will continue even during a decline in sales of new vehicles, our overall performance and results of operations will in part be determined by how successful we are in maintaining our service offerings and quality levels, as well as our ability to leverage other revenue streams such as distribution of spare parts and sales of third party financial products.

Lease rental agreements for our dealership network

We have a deep penetration in the markets in which we operate. Our vehicle dealership network is spread across all the 14 districts of Kerala, in Bengaluru and Mangaluru in Karnataka and in Chennai, Chengalpet, Dharmapuri, Krishnagiri and Thiruvallur in Tamil Nadu. Further, our spares and parts distribution dealerships are located across Karnataka and Kerala. Kerala and Tamil Nadu. As of March 31, 2021, our network comprised of 23 showrooms and 71 sales outlets and booking offices for sale of new passenger vehicles, 14 showrooms and 28 sales outlets for sale of commercial vehicles; 58 authorised service centres for servicing and repair of passenger vehicles and 25 authorised service centres for servicing and repair of commercial vehicles; and 22 dedicated showrooms for sale of pre-owned passenger vehicles. Further, as on March 31, 2021, our spare parts and distribution business operated through 54 touch points which comprises of 29 retail outlets, 25 warehouses and offices.

Most of our showrooms, sales outlets and service centres are situated on leased premises, and in addition certain of our warehousing facilities are also situated on leased premises. Typically, we enter into lease arrangements of an average period of 10 years and have suitable provision in such arrangements for renewal of the term of the lease period. Further, typically our lease arrangements include rent escalation of approximately, 5% per annum. Our rent expense is generally affected by the availability of suitable locations and has been increasing in-line with macro-economic trends in India. The continued availability of suitable locations and premises for our retail stores, at commercially viable terms, will directly impact our ability to expand our dealership network in the manner that we plan.

Competition

We operate in a competitive automobile dealership landscape and face competition in each of our business verticals from several companies that operate numerous automotive retail stores, including online platforms for sale of new and pre-owned vehicles. We also compete with other dealerships that sell the same vehicle brands that we sell, as well as dealers and certain manufacturers that sell other vehicle brands that we do not represent in a particular market. We also compete with independent automobile service shops and service centre chains. We believe that the principal competitive factors in the parts and service business are price, location, expertise with the particular vehicle lines, and customer service. We also compete with a broad range of financial institutions in our business of facilitating sale of finance and insurance products. We believe that the long standing presence of the Kuttukaran Group in the automotive industry, and the trust enjoyed by us with our customers has enabled us to become valued partners of each of our OEMs which is a distinct competitive advantage in the industry in which we operate.

Acquisitions and their successful integration

Our business strategies are focused on enhancing our market position by penetrating deeper into markets in which operate and expanding into new markets through a combination of organic growth and inorganic acquisitions. We generally seek to acquire dealerships with high-growth automotive brands which may or may not be part of our existing portfolio in highly concentrated or growing demographic areas that will benefit from our management expertise, manufacturer relations and scale of operations, as well as smaller, single location dealerships that can be effectively integrated into our existing operations. For instance, we acquired passenger vehicles sales showrooms of an existing dealership in Ernakulam and Muvattupuzha in Kerala in FY 2016. We also acquired Tata Motors (Commercial) dealership in North Kerala in 2015. Further, as part of our strategic plans to expand our business into other territories and states, we acquired the entire operations of a sizeable a spare parts distributorship in Karnataka, in FY 2019, which helped us gain established business channels and a steady foothold in Karnataka with a presence in Bengaluru, Hubballi, Vijayapur, Hosapete, Shivamoga, Mysuru and Mangaluru. We continue to evaluate inorganic growth opportunities to grow our business. Each new acquisition that we complete, and our ability to successfully integrate it into our existing business, may materially affect our overall results of operations and financial profile.

Impact of COVID-19 on our operations and financial results

An outbreak of COVID-19 was recognized as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. In India, some of these measures have been lifted and partial travel has been permitted. A rapid increase in severe cases and deaths where measures taken by governments have failed or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse impact of the COVID-19 pandemic remain uncertain and could be severe. The COVID-19 pandemic and the related preventive and protective actions impacted our business through complete suspension of activities at our showrooms, sales outlets and booking offices and service centres, which were shut.

As a result of the complete suspension of commercial activities (excluding essential services), due to lockdown restrictions in India and globally, followed by partial and gradual easing of the lockdown, we experienced overall low consumer demand in the automotive markets, and consequently reduced footfalls at our showrooms and service centres during the first quarter of FY 2021. We experienced improved business conditions and improved financial results in the third and fourth quarter of FY 2021. We faced a de-growth of 70% and 17%, respectively in the first and second quarters of FY 2021. Improved business conditions in the third and fourth quarter of FY 2021, enabled us to register a 7% and 64% growth, respectively. We ended FY 2021 with an overall de-growth of 8%.

In response to the lock-down restrictions, we shifted our focus to digital and on-line channels. We facilitated enquiries through our websites, social media platforms and also contacted customers through video conferencing means. We modified certain business practices to conform to government restrictions and best practices by implementing enhanced sanitsation procedures, deep cleaning of facilities, enforcing social distancing guidelines, and taking precautions to safeguard the health and safety of our employees and customers, including providing for PPEs, masks, hand sanitizers, and gloves to employees in our facilities and staggered working shifts at our facilities. We have also taken various measures to reduce such as requesting for reduction of rental expenses for showrooms and service centres taken on lease and optimization of administrative, sales, marketing and travel costs.

The pandemic impacted production levels of our OEMs, resulting in lower inventory levels for certain models of vehicles. While production levels have improved, inventory levels continue to remain low for certain models of commercial vehicles. We began to receive additional incentives and support from our OEMs in the first quarter of FY 2021 in the form of cash support on unsold stock as of April 2020, modifications in qualifying conditions for trade discount and dealer cash back schemes etc. The OEMs also extended support to customers by introducing various measures including extension of warranties, providing free services for services falling due between March 15, 2020 and June 30, 2020, exempting penal interest on overdue invoices, etc.

The business disruption relating to the COVID-19 pandemic has negatively impacted the global economy and has resulted in a loss of revenues and certain cost increases to us. As the situation evolves, we continue to adjust our operations to conform to regulatory changes and consumer preferences in the evolving environment. While we believe that there is pent up demand for vehicle sales, and that the impact of COVID-19 will be restricted to the short term, our ability to successfully anticipate the situation, change our operational parameters in line with applicable restrictions and enhance our digital and online channels will play a key role in determining our future performance and results of operations.

Basis of preparation of financial statements

The Restated Financial Information has been prepared and presented in accordance with Ind AS, in each case restated in accordance with the requirements of Section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules 2014, as amended, the SEBI ICDR Regulations and the Guidance Note.

Significant accounting policies

Property, plant and equipment

Recognition and measurement

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

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

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

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.

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
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.

Intangible assets and goodwill

Intangible assets other than goodwill:

Intangibles assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortised 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 amortisation in profit or loss.

The estimated useful lives are as follows:

Class of assets	Years
Software	3
Brand	15

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

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

Subsequent expenditure is capitalised 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.

Goodwill:

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

Employee benefits

Short-term employee benefits

Employee benefits payable wholly within 12 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 recognised 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. Our 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').

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

Other long term employee benefits

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within 12 months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within 12 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.

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.

Revenue

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 services tax and trade 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. It replaced IAS 18 Revenue, IAS 11 Construction Contracts. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services.

Rendering of services

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

Commission, discount and incentive income

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

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

Inventories

Vehicles – New and used vehicles

Inventories are carried at lower of cost and net realisable value. Cost comprises purchase price, cost of conversion and other costs incurred in bringing the inventory to its present location and condition. The cost is calculated on specific identification basis.

The comparison of cost and net realisable value of inventory is made on an item by item basis. Spares, lubricants, accessories and other supplies are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the goods will exceed their net realisable value.

The provision for inventory obsolescence is assessed annually and is provided as considered necessary.

Financial instruments

Recognition and initial measurement

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

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

Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

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.

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 derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

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.

Impairment

Impairment of financial instruments

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

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

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

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.

Leases

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.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and 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.

Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

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.

Income tax

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

Current tax

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

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

Deferred tax

Deferred tax is 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 recognized in respect of carried forward tax losses and tax credits.

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

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

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

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.

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.

Cash-flow statement

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

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.

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 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 held for sale”. Once classified as held for sale, intangible assets and Property Plant Equipment are no longer amortised or depreciated.

Principle components of income and expenditure

Income

Revenue from operations

Our revenue from operations comprises:

(a) sale of products;

(b) sale of services; and

(c) other operating revenues

Sale of products

Our revenue from sale of products comprises of sales of new vehicles, sale of spare parts and accessories and sale of pre-owned vehicles. We generate revenue from sale of new passenger and commercial vehicles of our OEMs through our dealership network, and through sale of dealer approved spare parts and accessories to our customers. Further, we also generate revenue from sale of pre-owned vehicles, through our dealership network.

Sale of services

Our revenue from sale of service comprises of the revenue generated from servicing and repair of vehicles manufactured by our OEMs. Further, any sale of products, including spare parts or accessories during servicing of vehicles is included in revenue from sale of products (sale of spare parts and accessories).

Other operating revenues

Our revenue from other operating revenues comprises of income from schemes and incentives offered by our OEMs from time to time in relation to the sale of their vehicles, finance and insurance commission which is received by our Company from third party finance companies and insurance providers for marketing their financing and insurance products to customers who purchase new and pre-owned vehicles from our dealership network and income from driving school, which is operated by our Company, under the Maruti Suzuki dealership.

A majority of our revenue in these segments arises from our sale of new vehicles through our dealerships and sale of spare parts and accessories. In FY 2021, 2020 and 2019, revenue from sale of new vehicles and sale of spare parts and accessories contributed 67.03%, 66.22% and 73.20% and 13.08%, 13.08% and 10.26%, respectively, of our revenue from operations.

Other income

Our recurring other income includes interest on fixed deposits with banks, interest income based on rent deposits, gain on sale of property, plant and equipments (net), gain on sale of non-current investment (net), while our non-recurring other income includes liabilities/ provisions no longer required written back, net gain on financial assets measured at fair value through profit and loss, interest on income tax refund, lease concession received, gain on de-recognition of right of use assets, and other non-operating income.

Expenses

Total expenses includes (i) purchases of stock-in-trade; (ii) change in inventories of stock in trade; (iii) employee benefits expense; (iv) finance costs; (v) depreciation and amortisation; (vi) impairment loss on trade receivables and contract assets; and (vii) other expenses.

Purchases of stock-in-trade

Purchase of stock-in-trade represents the cost of acquisition of new vehicles, pre-owned vehicles and spare parts, lubricants and accessories from our OEMs for onward sale to our customers.

Change in inventories of stock in trade

Change in inventories of stock reflects the change in inventory maintained by us during each fiscal year.

Employee benefits expense

Employee benefits of our Company and Subsidiaries include salaries and allowances paid to our staff, contribution to provident fund and other funds and staff welfare expenses borne by us.

Finance costs

Our finance cost includes interest on borrowings (term loans and working capital loans) of our Company and Subsidiaries from banks for our business operations, interest on lease liability and other borrowing costs, which comprise of commission on bank guarantees, processing charges and other interests paid.

Depreciation and amortisation

Depreciation and amortisation expenses include depreciation on property, plant and equipment of our Company and Subsidiaries, depreciation on right of use assets and amortisation on intangible assets.

Other Expense

Other expenses primarily include rent expenses for our dealership network, advertising and sales promotion expenses, consumables, repairs and maintenance (including of plant and machinery and building), power, water and fuel and travelling, conveyance and housekeeping, security, office expenses, communication, refurbishment charges on pre-owned vehicles, loss on sale of property, plant and equipment (net), pre-delivery inspection charges, transportation charges, insurance, bank charges, management fee on pre-owned vehicles, legal and professional fees, impairment liss on investment, etc.

Results of Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated:

Particular	**Financial Year**					
	2021		**2020**		**2019**	
	(₹ In million)	**Percentage of total income (in %)**	**(₹ In million)**	**Percentage of total income (in %)**	**(₹ In million)**	**Percentage of total income (in %)**
Income						
Revenue from Operations	28,935.25	99.12	31,716.22	99.72	39,019.62	99.63

Particular	Financial Year					
	2021		2020		2019	
	(₹ In million)	Percentage of total income (in %)	(₹ In million)	Percentage of total income (in %)	(₹ In million)	Percentage of total income (in %)
Other income	257.27	0.88	88.34	0.28	143.77	0.37
Total Income	**29,192.52**	100.00	**31,804.56**	100.00	**39,163.39**	100.00
Expenses						
Purchases of stock-in-trade	24,573.83	84.18	26,110.20	82.1	35,175.46	89.82
Change in inventories of stock in trade	(243.55)	(0.83)	704.02	2.21	(1,405.65)	(3.59)
Employee benefits expenses	2,035.07	6.97	2,385.71	7.50	2,341.70	5.98
Finance costs	551.10	1.89	698.94	2.20	626.06	1.60
Depreciation and amortisation expense	724.91	2.48	610.93	1.92	482.13	1.23
Impairment loss on trade receivables and contract assets	24.76	0.08	37.62	0.12	30.84	0.08
Other expenses	1,053.88	3.61	1,438.45	4.52	1,596.31	4.08
Total Expenses	**28,720.00**	98.38	**31,985.87**	100.57	**38,846.85**	99.19
Profit/(Loss) before tax and exceptional item	**472.52**	1.62	**(181.31)**	(0.57)	**316.54**	0.81
Exceptional item	-	-	261.28	0.82	-	-
Profit before tax	**472.52**	1.62	**79.97**	0.25	**316.54**	0.81
Income tax expense						
Current tax	99.86	0.34	33.11	0.10	155.28	0.40
Deferred tax charge/ (credit)	48.11	0.16	(78.05)	(0.25)	(52.48)	(0.13)
Total tax expense/ (income)	**147.97**	0.51	**(44.94)**	(0.14)	**102.80**	0.26
Profit after tax for the year	**324.55**	1.11	**124.91**	0.39	**213.74**	0.55
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of net defined benefit plan income/ (loss)	9.09	0.03	37.57	0.12	(4.68)	(0.01)
Income tax charge/ (credit) relating to the above	1.34	0.00	13.24	0.04	(1.23)	(0.00)
Other comprehensive income/ (loss) for the year, net of income tax	**7.75**	0.03	**24.33**	0.08	**(3.45)**	(0.01)
Total comprehensive income for the year	**332.30**	1.14	**149.24**	0.47	**210.29**	0.54
Earnings per share (equity share of face value of ₹ 10 each)						
Basic (in ₹)	25.88		9.96		17.42	
Diluted (in ₹)	25.88		9.96		17.42	

FY 2021 compared to FY 2020

Our results of operations during FY 2021 were significantly impacted by the COVID-19 pandemic and the corresponding lockdowns imposed across various parts of the country during this period. Related preventive and protective actions included complete suspension of activities at our showrooms, sales outlets and booking offices and service centres, which were shut for parts of FY 2021.

Revenues

Our total income for FY 2021 was ₹29,192.52 million, as compared to ₹31,804.56 million for FY 2020, reflecting a decrease of 8.21%, mainly owing to a decline in the volume of sale of new vehicles and sale of services during this period as a result of prevailing economic conditions and the ongoing impact of the COVID-19 pandemic.

Revenue from operations

Sale of products

Sales of new vehicles Our revenue from sales of new vehicles for FY 2021 was ₹19,395.41 million, as compared to ₹21,002.12 million for FY 2020, reflecting a decrease of 7.65%, primarily due to a reduction in the sales of new vehicles of our OEMs during this period. This was mainly a result of the impact of the COVID-19 pandemic and associated lockdowns across the country during FY 2021.

Sale of spare parts and accessories Our revenue from sale of spare parts and accessories decreased by 8.77% to ₹3,783.64 million for FY 2021 from ₹4,147.33 million for FY 2020. The decrease was in line with the impact of the COVID-19 pandemic during this period.

Sale of pre-owned vehicles Our revenue from sale of pre-owned vehicles decreased marginally by 0.65% to ₹2,473.08 million for FY 2021, as compared to ₹2,489.22 million for FY 2020. This marginal decline was in line with prevailing economic conditions and the impact of the COVID-19 pandemic during this period.

<u>*Sale of services*</u>

Our revenue from sale of services decreased by 8.78% to ₹1,822.97 million for FY 2021 from ₹1,998.48 million for FY 2020, corresponding with prevailing conditions and the impact of the COVID-19 pandemic.

<u>*Other operating revenues*</u>

Income from schemes and incentives Our income from schemes and incentives decreased significantly by 33.15% to ₹991.02 million for FY 2021 from ₹ 1,482.39 million for FY 2020, primarily owing to a decline in sales as a result of the COVID-19 pandemic and a corresponding decline in schemes and incentives offered to us by our OEMs.

Finance and insurance commission Our revenue from finance and insurance commission decreased by 20.48% to ₹ 455.99 million for FY 2021 was , as compared to ₹573.44 million for FY 2020, in line with the decline in our sales of new and pre-owned vehicles during this period.

Income from driving school Our income from driving school for FY 2021 was ₹13.14 million, as compared to ₹23.24 million for FY 2020, reflecting a decline of 43.46% owing to the restrictions imposed as a result of the COVID-19 pandemic and associated lockdowns across the country.

<u>*Other income*</u>

Other income increased by 191.23% to ₹257.27 million in FY 2021 from ₹88.34 million in FY 2020 primarily due to lease concessions received amounting to ₹70.35 million on account of the COVID-19 pandemic and gain on derecognition of right-to-use assets amounting to ₹28.10 million during FY 2021, which was in relation to premature closure of certain rented premises.

Expenses

Our total expenses decreased by 10.21% to ₹28,720.00 million for FY 2021 from ₹31,985.87 million for FY 2020, primarily owing to a decline in our sales of vehicles during this period and a corresponding decline in our purchases of vehicles from OEMs as well as certain cost optimisation measures initiated by us such as rationalising discretionary spending and employee expenses.

Purchase of stock-in-trade Our purchase of stock-in-trade decreased by 5.88% to ₹24,573.83 million for FY 2021 from ₹26,110.20 million for FY 2020. This was primarily a result of a decrease in purchase by us of new vehicles to ₹19,035.03 million for FY 2021 from ₹20,207.49 million for FY 2020, corresponding to prevailing economic conditions, which was partially offset by an increase in purchase of pre-owned vehicles to ₹2,366.22 million for FY 2021 from ₹2,233.97 million for FY 2020.

Change in inventories of stock in trade In relation to change in inventories of stock in trade, we saw an increase in our closing inventory of ₹243.55 million for FY 2021, compared to a decrease in closing inventory of ₹704.02 million for FY 2020. This was primarily a result of the slowdown in sales during FY 2021 arising out of the impact of the COVID-19 pandemic and short supply of certain models of vehicles from OEMs.

Employee benefits expense Our employee benefits expense decreased by 14.70% to ₹2,035.07 million for FY 2021 from ₹2,385.71 million for FY 2020, owing primarily to a decrease in salaries and allowances to ₹1,794.21 million for FY 2021 from ₹2,096.49 million for FY 2020, which corresponded with a decline in our headcount and employee-related expenses during this period as a result of the impact of the COVID-19 pandemic.

Finance cost Our finance cost decreased by 21.15% to ₹551.10 million for FY 2021 from ₹698.94 million for FY 2020, owing primarily to a decrease in interest on bank borrowings to ₹237.62 million for FY 2021 to ₹390.64 million for FY 2020. The decrease in interest on bank borrowings was primarily owing to lower utilization of inventory funding facilities and reduction in interest rates.

Depreciation and amortisation expense Our depreciation and amortisation expense increased by 18.66% to ₹724.91 million for FY 2021 from ₹610.93 million for FY 2020, primarily owing to the addition of new service centres and new addition to right-of-use asset.

Other expenses Our other expenses decreased by 26.74% to ₹1,053.88 million for FY 2021 from ₹1,438.45 million for FY 2020, primarily owing to decreases in our rent, advertising and sales promotion, consumables and travelling and conveyance charges, corresponding to the impact of the COVID-19 pandemic on our business and operations.

Profit/ (loss) before tax As a result of the foregoing, our profit before tax increased by 490.87% to ₹472.52 million for FY 2021 from ₹79.97 million for FY 2020. This was largely driven by the increase in segment profits before income tax from sale of passenger cars, amounting to ₹664.72 million for FY 2021 as compared to ₹290.26 million for FY 2020. Further, improved margins and better product mix from our OEMs coupled with reduction in fixed costs and borrowings cost resulted in higher profits for this period.

Tax expenses Our total tax expense for FY 2021 was ₹147.97 million compared to an income from tax of ₹44.94 million for FY 2020.

Profit/ (loss) for the year Our profit after tax increased by 159.83% to ₹324.55 million for FY 2021 from ₹124.91 million for FY 2020, reflecting the efficiencies in management of operating costs that we implemented during FY 2021.

FY 2020 compared to FY 2019

Revenues

Our total income for FY 2020 was ₹31,804.56, as compared to ₹39,163.39 million for FY 2019, reflecting a decrease of 18.79%, owing mainly to a decline in sale of new vehicles during this period.

Revenue from operations

Sale of products

Sale of new vehicles Our revenue from sale of new vehicles for FY 2020 was ₹21,002.12 million, as compared to ₹28,561.80 million for FY 2019, reflecting a decrease of 26.47%, in line with the lockdown during second half of March 2020 and nationwide economic slowdown in automobile industry.

Sale of spare parts and accessories Our revenue from sale of spare parts and accessories increased marginally by 3.56% to ₹4,147.33 million for FY 2020 from ₹4,004.76 million for FY 2019.

Sale of pre-owned *vehicles* Our revenue from sale of pre-owned vehicles for FY 2020 was ₹2,489.22 million, as compared to ₹2,324.55 million for FY 2019, reflecting an increase of 7.08%, primarily owing to better realisation of revenue for each pre-owned car sold by our dealerships as well as an increase in volume of sales by 6% during this period.

Sale of services

Our revenue from sale of services increased by 14.36% to ₹1,998.48 million for FY 2020 from ₹1,747.48 million for FY 2019. This increase was primarily owing to an increase in volume of services delivered by us during this period as well as the addition of new service centres during this period.

Other operating revenues

Income from schemes and incentives Our income from schemes and incentives decreased by 17.39% to ₹ 1,482.39 million for FY 2020 from ₹1,794.42 million for FY 2019, primarily owing to a reduction new passenger vehicles sales on account of the economic slowdown and the COVID-19 induced nation-wide lock down commencing from the last week of March 2020.

Finance and insurance commission Our revenue from finance and insurance commission increased marginally by 2.39% to ₹573.44 million for FY 2020 from ₹560.04 million for FY 2019, primarily owing to increase in number of insurance policies renewed during this period.

Income from driving school Our income from driving school for FY 2020 was ₹23.24 million, as compared to ₹26.57 million for FY 2019.

Other income

Other income decreased by 38.55% from ₹143.77 million in FY 2019 to ₹88.34 million in FY 2020. A significant portion of our other income for FY 2019 included insurance income received on account of the floods in Kerala in August 2018.

Expenses

Our total expenses decreased by 18% to ₹31,985.87 million for FY 2020 from ₹38,846.85 million for FY 2019, primarily arising from a decrease in purchases and administrative expenses.

Purchase of stock-in-trade Our purchase of stock-in-trade decreased by 25.77% to ₹26,110.20 million for FY 2020 from ₹35,175.46 million for FY 2019, owing primarily to a decrease in purchase of stock-in-trade for new vehicles to ₹20,207.49 million for FY 2020 from ₹29,347.30 million for FY 2019 which was driven by a decline in the demand for new vehicles during this on account of the economic slowdown and the COVID-19 induced nation-wide lock down commencing from the last week of March 2020.

Change in inventories of stock in trade In relation to change in inventories of stock in trade, we saw a decrease in our closing inventory by ₹704.02 million for FY 2020, compared to an increase in closing inventory by ₹1,405.65 million for FY 2019. This was primarily a result of a decline in the demand for new vehicles during this period and the non availability of commercial vehicles due to transition from Bharat Emission Stage IV compliance to Bharat Emission Stage VI.

Employee benefits expense Our employee benefits expense increased marginally by 1.88% to ₹2,385.71 million for FY 2020 from ₹2,341.70 million for FY 2019, owing primarily to an increase in salaries and allowances to ₹2,096.49 million for FY 2020 from ₹2,015.40 million for FY 2019. The increase in employee benefits expense was owing to an increase in our headcount during FY 2020 as a result of addition of new facilities.

Finance cost Our finance cost increased by 11.64% to ₹698.94 million for FY 2020 from ₹626.06 million for FY 2019, owing primarily to an increase in interest on lease liability to ₹268.83 million for FY 2020 from ₹200.33 million for FY 2019.

Depreciation and amortisation expense Our depreciation and amortisation expense increased by 26.71% to ₹610.93 million for FY 2020 from ₹482.13 million for FY 2019 on account of addition of new service centres and the addition of a new right-of-use asset.

Other expenses Our other expenses decreased by 9.89% to ₹1,438.45 million for FY 2020 to ₹1,596.31 million for FY 2019, primarily owing to decreases in rent, advertising and sales promotion and miscellaneous expenses during this period.

Profit/ (loss) before tax As a result of the foregoing, our restated profit before tax amounted to ₹79.97 million for FY 2020, compared to a profit before tax of ₹316.54 million for FY 2019.

Tax expenses Our total tax income for FY 2020 was ₹44.94 million compared to an total tax expense of ₹102.80 million for FY 2019 on account of a lower current tax for the period due to lower profitability and receipt of deferred tax benefits on account of change in the tax rates applicable to our Subsidiaries.

Profit/ (loss) for the year Our profit after tax decreased by 41.56% to ₹124.91 million for FY 2020 from ₹213.74 million for FY 2019.

Liquidity and Capital Resources

Cash flows

(in ₹ million)

Particulars	FY		
	2021	2020	2019
Net cash generated from/(used in) operating activities	951.84	3,392.95	(470.84)
Net cash generated from/(used in) investing activities	(66.50)	(275.69)	(503.02)
Net cash (used in)/generated from financing activities	(706.86)	(2,989.98)	843.89
Net increase/(decrease) in cash and cash equivalents	178.48	127.28	(129.97)
Cash and cash equivalents at the beginning of the year	374.93	247.65	377.62
Cash and cash equivalents at the end of the year	553.41	374.93	247.65

Operating Activities

FY 2021

The net cash generated from operating activities for FY 2021 was ₹951.84 million, which consisted of operating cash flow before working capital changes amounting to ₹1,552.06 million. Working capital changes primarily consisted of increase in inventories of ₹243.55 million and trade receivables of ₹543.12 million, arising as a result of the slowdown in our sales and the lockdown during second half of March 2020 resulting in delayed recovery of trade receivables as a result of the COVID-19 pandemic, and a decrease in liabilities and provision of ₹423.00 million, which were partially offset by a decrease in loans and other financial assets and other assets of ₹604.90 million. The losses incurred due to the COVID-19 induced lockdown have been partially offset by rent waivers and various other cost control measures including rationalizing discretionary spending and employee costs. The market improved substantially in the third and fourth quarter of FY 2021 due to pent up demand of vehicles, increase in customer preferences for personal vehicles, thus resulting in an increased cash flow.

FY 2020

The net cash generated from operating activities for FY 2020 was ₹3,392.95 million, which consisted of operating cash flow before working capital changes amounting to ₹1,094.72 million. Working capital changes primarily consisted of decrease in inventories of ₹704.02 million and trade receivables of ₹1,488.61 million, and an increase in liabilities and provision of ₹638.40

million, which were partially offset by an increase in loans and other financial assets and other assets of ₹449.09 million. The market decline in FY 2020 was further escalated by the COVID-19 induced nationwide lock-down in the last week of March 2020 resulting in an over all de-growth of 18% in FY 2020.

FY 2019

The net cash used in operating activities for FY 2019 was ₹470.84 million for FY 2019, which consisted of operating cash flow before working capital changes amounting to ₹1,395.87 million. Working capital changes primarily consisted of increase in inventories of ₹1,405.65 million and trade receivables of ₹521.27 million, which were partially offset by an increase in liabilities and provision of ₹490.19 million and in loans and other financial assets and other assets of ₹226.49 million.

Investing Activities

FY 2021

The net cash used in investing activities for FY 2021 was ₹66.50 million, which primarily comprised of purchase of property, plant and equipment including capital advances of ₹273.41 million primarily comprising of amounts invested in purchase/ leasing of buildings, machinery, vehicles and furniture which was partially offset by proceeds from sale of property, plant and equipment of ₹130.25 million, and sale of investments of ₹81.85 million.

FY 2020

The net cash used in investing activities for FY 2020 was ₹275.69 million, which primarily comprised of purchase of property, plant and equipment including capital advances of ₹576.63 million primarily comprising of amounts invested in purchase/ leasing of buildings, machinery, vehicles and furniture, which was partially offset by proceeds from sale of property, plant and equipment of ₹390.38 million primarily comprising of proceeds from the sale of freehold land and building owned by us.

FY 2019

The net cash used in investing activities for FY 2019 was ₹503.02 million, which primarily comprised of purchase of property, plant and equipment including capital advances of ₹576.59 million primarily comprising of amounts invested in purchase/ leasing of buildings, machinery, vehicles and furniture, which was partially offset by proceeds from sale of property, plant and equipment of ₹62.60 million primarily comprising of proceeds from the sale of freehold land owned by us.

Financing Activities

FY 2021

The net cash used in financing activities for FY 2021 was ₹706.86 million, which primarily comprised of lease payments during the year of ₹468.40 million and short-term borrowings repaid of ₹404.92 million, which were partially offset by long-term borrowings availed of ₹638.99 million. The increase in borrowings was mainly due to ECLGS loans availed by us during this period.

FY 2020

The net cash used in financing activities for FY 2020 was ₹2,989.98 million, which primarily comprised of short-term borrowings repaid of ₹2,061.26 million, long term borrowings repaid of ₹513.38 million and lease payments during the year of ₹467.56 million, which were partially offset by long-term borrowings availed of ₹481.61 million. The decrease in borrowings was mainly due to repayment of long term loans as per the repayment schedule and reduction in inventory levels.

FY 2019

The net cash flow generated from financing activities for FY 2019 was ₹843.89 million, which primarily comprised of short-term borrowings availed of ₹1,481.86 million and long-term borrowings availed of ₹486.96, which was partially offset by interest paid of ₹424.40 million, long term borrowings repaid of ₹360.39 million and lease payments during the year of ₹346.01 million.

Indebtedness

As at March 31, 2021, we had total borrowings of ₹3,530.42 million which primarily consisted of secured and unsecured short term loans from banks and financial institutions, term loans from banks and financial institutions and vehicle loans from banks and financial institutions. For details of our borrowings as on June 30, 2021, see "*Financial Indebtedness*" on page 292.

Our loan agreements generally contain covenants, including limitations on the use of proceeds and restrictions on indebtedness, liens, asset sales, investments, transfer or ownership interests and certain changes in business. These covenants may limit our ability to pay dividends or make loans or advances to us, subject to the lender's waiver or consent. There were no defaults in repayment of principal or interest to lenders during FYs 2021, 2020 and 2019.

Contingent Liabilities and Commitments

As of March 31, 2021, we had the following contingent liabilities and commitments:

Particulars	As of March 31, 2021 *(in ₹ million)*
Contingent Liabilities	
Claims against the Group not acknowledged as debts	
Service tax related matters	16.80
KVAT related matters	127.67
Income tax matters	96.09
Employee's state insurance / provident fund demand	7.95
Customer claims	83.15
Commitments	
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	180.41
Corporate guarantees	-

Contractual Obligations

Except as disclosed as part of our contingent liabilities and commitments, we did not have any contractual obligations as of March 31, 2021.

For further information, see our Restated Financial Information on page 205.

Except as disclosed in our Restated Financial Information or this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Capital Expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for purchase of plant and equipment. In FYs 2021, 2020 and 2019, our capital expenditures (comprising of payments for acquisition of property, plant and equipment, intangibles and capital work in progress including capital advances) were ₹294.28 million, ₹588.92 million and ₹580.03 million, respectively.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include remuneration to directors and key managerial personnel, payment of rent to our Promoters etc. For details, see "*Related Party Transactions*" on page 266.

Recent Accounting Pronouncements

As of the date of this Draft Red Herring Prospectus, there are no recent accounting pronouncements, which would have a material effect on our financial condition or results of operations.

Quantitative and qualitative disclosures about market risk

Market risk is the risk of loss related to fall in revenues from change in the demand of passenger and/or commercial vehicles manufactured by our OEMs and sold through our dealerships. In the normal course of business, we are exposed to certain market risks including credit risk, liquidity risk and market risk (fluctuations in interest rate).

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 our operating activities (primarily trade receivables) and from our investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team. As of March 31, 2021, our trade receivables amounted to ₹1,607.27 million.

Impairment analysis

The aging of trade receivables is as follows:

Particulars	As at March 31, 2021
Less than 1 year	1,630.11
1-2 years	22.19
2-3 years	5.47
More than 3 years	-
Total	**1,657.77**

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.

We believe 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 March 31, 2021:

Particulars	Payable within 1 year	More than one year	Total
Trade payables	408.71	-	408.71
Borrowings	2,637.13	893.29	3,530.42
Lease liabilities	304.35	2,665.08	2,969.43
Other financial liabilities	411.62	-	411.62

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 instalments is based on market rates. The Company monitors the movement in interest rates on an ongoing basis.

Significant economic changes that materially affect or are likely to affect income from continuing operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in “*Significant Factors Affecting our Results of Operations*” and the uncertainties described in the section titled “*Risk Factors*” on page 269 and 23, respectively.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

Known trends or uncertainties

Our than as described in the section “*Risk Factors*” on page 23, to our knowledge, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future relationship between cost and income

Other than as described in the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 23, 142 and 267 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Significant dependence on single or few customers

Given the nature of our business, no single customer accounted for more than 10% of our revenue. Accordingly, we believe that our business is dependent on any single or a few customers.

Seasonality of business

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a FY. Typically, there is an increase in our business during the second and third quarters of each FY. Therefore, our results of operations and cash flows across quarters in a FY may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods. For details see, "*Risk Factors – Internal Risk Factors - Our passenger vehicles and commercial vehicles sales is subject to seasonality, which may contribute to fluctuations in our results of operations and financial condition*" on page 35.

Competitive conditions

We operate in a competitive environment. Please refer to the sections "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 142, 97 and 23, respectively for further information on our industry and competition.

Significant developments after March 31, 2021 that may affect our future results of operations

No circumstances have arisen since the date of the last financial statements disclosed in this DRHP which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months:

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2021, derived from Restated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Risk Factors*" on pages 267 and 23, respectively.

(₹ *in million*)

Particulars	Pre-Offer as at March 31, 2021	As adjusted for the Offer
Total borrowings		
- Non-current borrowings	893.29	[●]
- Current maturities of non-current borrowings	275.49	
- Short term borrowings	2,361.64	
Total borrowings (A)	**3,530.42**	**[●]**
Equity		
- Equity Share capital	125.44	[●]
- Other equity	2,334.58	[●]
Total Equity (B)	**2,460.02**	**[●]**
Total borrowings equity ratio (A/B)	**1.44**	**[●]**

Notes:

1) *The corresponding post Offer capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.*

2) *The above statement does not include lease liability as per Ind AS 116 disclosed under other financial liability in the Restated Financial Information.*

FINANCIAL INDEBTEDNESS

Our Company and Subsidiaries avails loans in the ordinary course of business for purposes such as, *inter alia*, inventory funding, expansion of services and for general corporate purposes. Our Company and Subsidiaries have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer. For details regarding the borrowing powers of our Board, see "*Our Management –Borrowing Powers of our Board*" and "*Risk Factors – The agreements governing our indebtedness contain certain restrictive covenants under our loan agreements could adversely affect our financial condition and results of operations*" on pages 187 and 31.

Set forth below is a brief summary of our aggregate borrowings as of June 30, 2021:

Category of borrowing	Sanctioned amount (in ₹ million)	Outstanding amount (in ₹ million)
Company		
Term Loans	818.46	764.31
Trade Advance	285.50	25.16
Inventory Funding	2,220.00	777.37
Cash Credit	100.00	-
Vehicle Loans	58.15	24.61
Working Capital Loans	100.00	100.00
Total (A)	3,582.11	1,691.45
Subsidiaries		
Term Loans	432.16	247.77
Trade Advance	70.00	-
Inventory Funding	2,392.50	1,111.37
Cash Credit	382.90	87.78
Vehicle Loans	186.57	95.64
Working Capital Loans	127.50	40.00
Loan from Directors	51.30	51.18
Total (B)	3,642.93	1,633.74
Bank Guarantees		
Company	100.00	109.55
Subsidiaries	104.65	103.65
Total Non-Fund Based Limit (C)	204.65	213.20
Total Fund Based and Non Fund Based Limit (A)+(B)+(C)	**7,429.70**	**3,538.40**

As certified by R.G.N Price & Co., Chartered Accountants by way of certificate dated August 4, 2021, 2021

Principal terms of the facilities sanctioned to our Company and Subsidiaries:

1. ***Interest:*** In terms of the loans availed by us, the interest rate typically ranges from 5.93% per annum to 16.00% per annum. For certain loans, the interest rate is the base rate of a specified lender and spread per annum. The spread varies among different loans for different banks.

2. ***Tenor:*** The tenor of the facilities availed by our Company and Subsidiaries typically ranges from 45 days to 96 months.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to, *inter alia*:

    a) Create security by way of an exclusive first charge on (i) all fixed assets of the Company and Subsidiaries; (ii) the stock of vehicles; and (iii) spares and accessories, and certain current assets of the Company and Subsidiaries;

    b) Create equitable mortgage over some of our properties;

    c) Provide corporate guarantees and personal guarantees by Directors, Promoters and the Promoter Group;

    d) Execute demand promissory notes for a specified amount in the form approved by the relevant lender;

    e) Execute post-dated cheques for the full value of the facility; and

    f) Provide indemnities.

    This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Pre-payment:*** The prepayment penalty attracted in respect of certain loans typically ranges from 2.00% to 4.00% of the outstanding amount of the term loan or sanctioned amount of the working capital loan.

5. ***Re-payment:*** The facilities are typically repayable within 45 days from the date of drawdown, as per the repayment schedule mutually agreed upon between the lender and us, forming part of the loan documentation entered into between the lenders and us, or on demand.

6. ***Events of Default:*** Borrowing arrangements entered into by us contain certain standard events of default, including, *inter alia:*

   a) Creation of any further charge on the secured assets or providing any guarantees to other lenders without prior approval of the relevant lender;

   b) Creation of any charge, lien or encumbrance over the borrower's properties or any part thereof in favor of any financial institution, bank, company or firm or persons without the prior consent of the lender in writing;

   c) Non-compliance with any of the terms of the relevant agreement or any other borrowing agreement;

   d) Undertaking or permitting any reconstitution/ diversification/ expansion/ modernization plans of the business without prior permission of the lender;

   e) Declaration of dividend or distribution of profits without the consent of the lender; and

   f) Utilisation of funds for purposes other than the sanctioned purpose.

   The details above are indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

   Additionally our Company and Subsidiaries are required to ensure that the aforementioned events of default and other events of default, as specified under the various binding documents and agreements entered into by our Company and Subsidiaries for the purpose of availing of loans are not triggered.

7. ***Restrictive Covenants:*** *Certain borrowing arrangements entered into by us contain restrictive covenants, including, inter alia:*

   a) Change in capital structure of the borrower without prior permission of the lender;

   b) Change in material ownership structure of the borrower;

   c) Change in management or control of the relevant Subsidiary or reduction in Promoter shareholding below a prescribed limit;

   d) Dilution of the shareholding of the existing Promoters below current levels or dilution in their controlling stake for any reason without the prior permission of the lender;

   e) Pledging of Promoters' shares with any bank/NBFC/institution without prior consent of the lender;

   f) Requirement of obtaining a no-objection certificate from the lender before availing any other facility and for ceding *pari-passu* charge on secured assets to any new lender and informing the lender of any fresh borrowing arrangement either secured or unsecured with any other lender;

   g) Amending the charter documents of the borrower without the prior consent of the lender;

   h) Entering into any profit sharing or royalty agreement whereby the borrower's income or profits may be shared with any other entity or person without the prior consent of the lender;

   i) Permitting any transfer of the controlling interest or making any drastic change in the management set-up without the prior consent of the lender in writing;

   j) Undertaking or permitting any reorganization, amalgamation, reconstruction, takeover or any other scheme of compromise or arrangement, merger or demerger, or amending any provision of the borrower's major constitutive documents without prior notice to the relevant lender; and

   k) Business being confined to such activity as has been notified to the lender and for which the lender has sanctioned the credit facilities.

   This is an indicative list and there may be additional restrictive covenants under the various borrowing arrangements entered into by us.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes; and (iv) other pending litigation as determined to be material as per the policy dated July 1, 2021, in each case involving our Company, Subsidiaries, Group Companies, Promoters and Directors ("**Relevant Parties**"). Further, except as disclosed in this section, there are no disciplinary actions including penalties imposed by SEBI or the Stock Exchanges against our Promoters in the last five financial years including any outstanding action.*

For the purpose of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation pursuant to Board resolution dated July 1, 2021, to be disclosed by our Company in the Draft Red Herring Prospectus:

All pending litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including any outstanding action and tax matters (direct or indirect), would be considered 'material' if: (i) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1% of the profit after tax of the Company as per the Restated Financial Information of the Company for the last full financial year, i.e., 1% of the profit after tax of the Company for FY 2021 (which is ₹3.25 million); or (ii) monetary liability is not quantifiable, however, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of the Company.

Except as stated in this section, there are no outstanding material dues to the creditors of the Company. Further, our Board has considered pursuant to board resolution dated July 1, 2021, outstanding dues to any creditor of the Company having monetary value which exceeds 5% of the total consolidated trade payables of the Company as per the latest restated consolidated financial statements of the Company disclosed in this Draft Red Herring Prospectus, i.e., 5% of the of the total consolidated trade payables of the Company as per the Restated Financial Information of our Company as on March 31, 2021, shall be considered as material. For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with the Company regarding status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder.

Our Group Companies are not party to any pending litigations which will have a material impact on our Company.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

I. Litigation involving our Company

Litigations filed against our Company

<u>Civil litigations</u>

1. A complaint bearing number CC 234 of 2020 dated August 24, 2020 has been filed by Ashyu Vijayan and two others ("**Complainants**") against our Company and Maruti Suzuki India Limited ("**Defendants**") before the District Commission, Ernakulam ("**Commission**"), alleging *inter alia* defects in vehicles sold by our Company, deficiency in service, and unfair trade practice undertaken by the Defendants. Pursuant to this complaint, the Complainants have also alleged that due to the defective vehicle the Complainants also suffered an accident causing injuries to the Complainants. Subsequently, the Complainants have *inter alia* prayed before the Commission to direct the Defendants (i) to replace the alleged defective vehicle or refund of the sale value of the vehicle which is ₹0.75 million along with an interest of 12% per annum; and (ii) pay an amount of ₹1.50 million towards the treatment expenses for the accident; (iii) to pay an amount of ₹0.70 million towards the loss of income of certain Complainants; (iv) pay a compensation of ₹1.5 million towards mental agony of the Complainants; and (v) pay ₹0.15 million towards cost of proceedings. The matter is currently pending.

2. A complaint, bearing number MV(OP) 375 of 2017 dated April 10, 2017 has been filed by Mohammed Asharaf and three others ("**Complainants**") against the Manager, United India Insurance Company Limited, Shaji KR and another ("**Respondents**") before the Motor Accidents Claims Tribunal, Irinjalakuda ("**Court**"). Pursuant to this petition, it is alleged that one Faseela had succumbed to head injuries after the bus in which she was travelling had met with an accident with a car owned by Shaji R., due to rash and negligent driving. The Complainants have also made United India Insurance Limited a party to the petition since the car was insured against third party risk and the Complainants have claimed compensation from United India Insurance Limited as well. Subsequently, United India Insurance Limited has filed an affidavit before the Court stating that there was no active third party insurance for the car and the insurance policy was cancelled on October 11, 2016 by our Company for alleged non-payment of insurance premium by the policy holder,

hence impleading our Company in the matter as well. Pursuant to this complaint, the Complainants have claimed ₹5.00 million from the Respondents, jointly or severally. Subsequently, our Company, pursuant to the written statement dated December 8, 2020 has stated that our Company is not a proper and necessary party to the petition filed by the Complainants. The matter is currently pending.

3. A petition bearing number IA 1 of 2021 (**"Restoration Petition"**) dated March 30, 2021 in OS 4445 of 2019 (**"Suit"**) has been filed by Shriram City Union Finance Limited ("**Shriram**") before the XXIII Additional City Civil Judge, Chennai (**"Court"**) against our Company, PAPL and others (together, the "**Defendants**"), for restoring the suit (originally filed before the High Court of Madras numbered as OS 402 of 2015 dated April 24, 2015 and later transferred to the Court and renumbered as OS4445 of 2019) which was filed for recovery of money alleging cheating, collusion and forgery in relation to a vehicle loan of ₹8.14 million availed by certain employees of PAPL from Shriram, for a vehicle valued only at ₹5.35 million. Further, Shriram has also alleged that the Defendants failed to act upon a compromise to settle dues worth ₹2.78 million which had been initiated to settle the matter pursuant to which Suit was filed before the High Court of Judicature at Madras claiming to recover the balance due of ₹4.82 million. Subsequently, the Suit was dismissed for default however the Restoration Petition is pending before the Court.

<u>*Criminal litigations*</u>

1. Pursuant to a letter dated April 11, 2014, the Assistance General Manager of State Bank of Travancore filed a complaint with the Sub Inspector of Police, Nadapuram Police Station, Nadapuram, against, *inter alia*, Vipin K. Venunandam, in relation to a loan of amount ₹0.72 million which was fraudulently obtained by him from the State Bank of Travancore, Nadapuram Branch ("**SBI**") for the purchase of a car from our Company. Further, pursuant to the said letter, it was alleged that post sanction of the loan amount, an amount of ₹0.72 million was transferred to our Company and subsequently, our Company in collusion with Vipin K. Venunandam, had refunded an amount of ₹0.64 million to Vipin K. Venunandam. Based on the complaint, an FIR bearing number 282 of 2014 dated April 11, 2014 was filed under section 154 of the Cr.P.C. Thereafter, the final report dated June 12, 2014 was filed by the Sub Inspector of Police, Nadapuram before the Judicial First Class Magistrate Court, Nadapuram. The matter is currently pending.

2. An FIR bearing number 0788 of 2017, dated August 21, 2017 has been registered with the Kannur Town police station, against certain employees of our Company pursuant to a complaint filed by Jineesh P.A. ("**Complainant**"). Pursuant to the FIR, the Complainant has accused that the Complainant's mother had booked a car from our Company's Kannur showroom, by paying a sum of ₹0.48 million as an instalment. The Complainant has accused our Company of compelling the Complainant's mother to buy the defective car. The Complainant has also accused the employees of our Company of cheating by fabricating documents. This matter is currently pending.

3. A criminal miscellaneous case bearing no. CRLMC 909 of 2016 has been filed under section 482 of the Cr.PC, by M.P. Chothy ("**Petitioner**") before the High Court of Kerala ("**High Court**") at Ernakulam against our Company, Company's Directors and Promoters, Francis K. Paul and John K. Paul and our employees namely, Shamin M., Rafees, Lijo, Goldi, Sandeep N.S. and the State of Kerala. Pursuant to this case, the Petitioner has alleged and accused the Directors and the other respondents of cheating and dishonestly inducing the Petitioner to sell the Petitioner's car to our Company, in lieu of a new car which was allegedly never delivered to the Petitioner. Subsequently, the Petitioner filed a private complaint which was dismissed citing that the dispute is of a civil nature. Aggrieved by it, the Petitioner filed a revision petition which was again dismissed. Pursuant to this petition, the Petitioner has prayed before the High Court, to direct our Company's Directors and Promoters, John K. Paul and Francis K. Paul to pay a sum of ₹1.36 million along with 9% interest per annum. The matter is currently pending.

4. A final report charge sheet (in FIR no. 68 of 2019) dated March 17, 2019 ("**Charge Sheet**") has been filed with the Vellathooval police station based on the complaint received by Ambily ("**Complainant**") before the Judicial First Class Magistrate Court, Adimali against our Company and others ("**Accused**"). Pursuant to the Charge Sheet, the Complainant has alleged the accused of *inter alia* house trespassing, criminal intimidation, voluntary causing hurt under section 451, 506(1), 294(b), 323 and 34 of IPC. The matter is currently pending.

5. A final report dated September 30, 2020 ("**Final Report**") in FIR bearing number 339 of 2019 has been filed by Rajesh before the Judicial First Class Magistrate Court IX, Ernakulam against one of our Promoters, John K. Paul and another. In terms of the Final Report, our Company has been accused of having an unauthorised electrical connection to the cabin of the security guard of our Company. Further, it has been alleged that while attempting to repair the broken wiring of the electrical connection, the security guard of our Company was electrocuted to death. While our Company has not been named as an accused to the final report, the alleged incident took place on the premises of our Company. The matter is currently pending.

6. For details in relation to the Crl. MC 1678 of 2018 filed by Remya G. Krishnan before the High Court of Kerala, see *"- Litigations filed by our Company – Criminal litigations*" on page 295.

Regulatory matters

1. An insurance appeal bearing number 7 of 2013 dated January 19, 2013 has been filed by the Regional Director, ESI Corporation & another ("**ESI Corporation**") before the High Court of Kerala, Ernakulam ("**High Court**") against our Company. The Insurance Inspector, pursuant to its regular inspection, had noted that an amount of ₹0.51 million was recorded under the head 'incentives' which was not taken for reconning the ESI contribution equivalent to ₹0.03 million for which a demand was made ("**Demand**"). Subsequently, our Company preferred a case against the Demand, bearing no. IC 35 of 2009 filed before the EI Court, Alappuzha ("**Court**"), which was decided against the ESIC Corporation. Subsequently, the ESIC Corporation has preferred this appeal before the High Court. The matter is currently pending.

2. A petition bearing number G.C. 47 of 2016 dated August 10, 2016 has been filed by Sajith E. ("**Petitioner**") before the Deputy Labour Commissioner, Kozhikode ("**Labour Commissioner**"), against our Company. Pursuant to this petition, the Petitioner has claimed that he had been an employee of our Company from August 1, 2009 till November 30, 2015 and is due to receive a sum of ₹0.04 million as gratuity under the provisions of the Payment of Gratuity Act, 1972. Our Company, pursuant to a counter claim statement, has denied the Petitioner's claims and has stated that the Petitioner had joined our Company on November 1, 2011 and prior to that he had been undergoing training and is not subjected to receive the said gratuity amount. Subsequently, the Petitioner has also filed a rejoinder before the Labour Commissioner stating that the claims made by our Company in the counter claim is not maintainable and not genuine. The matter is currently pending.

3. An application bearing number M.C.P 12 of 2014 dated July 15, 2014 ("**Application**") has been filed by the Assistant Labour Officer, Vatakkara ("**ALO Vatakkara**"), before the Court of the Authority Appointed under the Minimum Wages Act, 1948, Kozhikode against our Company and one of our Promoters, Francis K. Paul. Pursuant to the Application, the ALO Vatakkara has directed our Company to pay a sum of ₹0.23 million for allegedly not complying with the provisions of the Minimum Wages Act, 1948 ("**Act**") in relation to payment of wages to our employees at a rate which is less than the minimum rate of wages as prescribed under the Act. The matter is currently pending.

4. The High Court of Kerala at Ernakulam ("**High Court**"), pursuant to a connected judgement (in WA 1651 of 2018) dated January 23, 2020 had decided that Rule 21(A)(2) of the Kerala Minimum Wages Rules, 1958 which mandated payment of wages through electronic mode as *ultra vires* ("**Judgement**"). Pursuant to this the State of Kerala has filed a special leave petition ("**SLP**") bearing number 15209 of 2020 challenging the Judgement before the Supreme Court of India. Further, our Subsidiaries, namely VMPL, PADPL and PMMPL have also been made a party to similar SLP. The matter is currently pending.

5. An appeal bearing number 185 of 2019 dated January 20, 2020 has been filed by our Company before the Central Government Industrial Tribunal, Ernakulam, New Delhi against the Regional Provident Fund Commissioner, Employees Provident Fund Commissioner, Employees' Provident Fund Organisation. This appeal is filed pursuant to the interim order passed by the Regional Provident Fund Commissioner, Kochi dated March 11, 2015, wherein it had concluded that our Company had not enrolled all eligible employees under the Employee's Provident Fund Scheme and ordered our Company to remit an amount of ₹7.16 million ("**Order**"). Pursuant to this appeal, our Company has prayed to pass interim order to stay the Order. The matter is currently pending.

6. An insurance appeal bearing number 52 of 2010 dated June 28, 2010 has been filed by our Company before the High Court of Kerala, Ernakulam ("**High Court**"), against the Regional Director, Employees' State Insurance Corporation ("**ESIC**"). The ESIC had issued a C18 notice**,** directing our Company to pay contribution of ₹0.79 million for employee insurance for the incentive paid to the employees. Subsequently, our Company challenged the said notice by filing I.C. 116 of 2005 before the EIC, Alappuzha ("**ESI Court**"). The ESI Court, pursuant to a judgement dated January 7, 2010 held that the incentive paid to the employees on a monthly basis would constitute wages under Section 2(22) of the Employees State Insurance Act, 1948. Our Company has preferred an appeal before the High Court of, challenging the order passed by ESIC Court. The insurance appeal is currently pending.

7. An insurance appeal bearing number 17 of 2013 dated March 23, 2013 has been filed by our Company before the High Court of Kerala, Ernakulum ("**High Court**"), against the Regional Director, Employees State Insurance Corporation ("**ESI**") and another. The Employees Insurance Court ("**Court**") had passed a judgement dated November 8, 2012 in I.C. No. 35 of 2009, and held that the incentives, which our Company had paid to the employees (to boost the Company's sales) would constitute 'wages' in terms of Section 22(2) of the Employees' State Insurance Act, 1948, and hence, our Company is liable to pay extra contribution of ₹0.03 million, on the incentives paid to the employees. Pursuant to this petition, our Company has prayed before the High Court to set aside the judgement passed by the Court in I.C. 35 of 2009. The matter is currently pending.

8. A writ petition bearing no. 27278 of 2020 dated July 22, 2020 has been filed by our Company against the State of Kerala and others before the High Court of Kerala ("**High Court**"). Our Company has challenged the stamp duty adjudication order of the District Registrar, Thrissur dated July 3, 2020 (the "**Order**"), whereby the District Registrar had ordered that

(i) conversion of our Company from a private limited company to a public limited company; and (ii) the agreement to waive the rent due to COVID -19 pandemic, would constitute a fresh transaction and would subsequently attract additional stamp duty in terms of article 33(4) of the Kerala Stamp Act, 1959. Pursuant to the Order, our Company was also *inter alia* directed to pay a sum of ₹1.73 million. The Order also concluded that our Company has to The matter is currently pending.

9. A writ petition bearing number 37194 of 2008 dated December 16, 2008 has been filed by our Company against the State of Kerala, the Labour Commissioner, Trivandrum and the Assistant Labour Officer (III Circle), Palakkad ("**ALO Palakkad**") and others ("**Respondents**") before the High Court of Kerala ("**High Court**"). Pursuant to a notice issued by the ALO Palakkad dated February 22, 2008 ("**Notice**"), our Company was directed to register our Company's employees under the welfare fund scheme constituted under the Kerala Shops and Commercial Establishments Worker's Welfare Fund Act, 2006 ("**Act**"), which was contrary to the proviso under section 2(g) of the Act. Subsequently, the provisions of the Act were amended further imposing compulsory payment of contribution by our Company under the Act. Pursuant to this writ petition, our Company has challenged that the amendments introduced in the Act as arbitrary, illegal and unreasonable and also violative of Article 14 and 19(1)(g) of the Constitution of India.

   In relation to writ petition 37194 of 2008, our Company has also filed a similar writ petition bearing number 10409 of 2008, challenging the Notice. Both the writ petitions, W.P. 37194 of 2008 and W.P. 10409 of 2008 are currently pending. Further, pursuant to an order dated March 27, 2008 the High Court has granted an interim stay in W.P. 10409 of 2008.

10. An appeal bearing no 39 of 2021 dated April 27, 2021 filed by our Company before the Central Government Industrial Tribunal-Cum Court, Ernakulam, against the Regional Provident Fund Commissioner, Employees Provident Fund Organisation, Kaloor, Ernakulam ("**Defendant**") against the order dated March 22, 2021 ("**Order**") passed by the Defendant. The Defendant passed the Order holding that our Company is liable to pay damages for the delayed payment of contribution amounting to ₹0.59 million. Our Company contends that there is no delay on its account and it has paid the required contribution within the time prescribed. The matter is currently pending.

Material tax matters

1. A notice dated May 14, 2019 ("**Notice**") has been issued by the Office of Assistant Commissioner (ST), Amaindakarai Assessment Circle, Chennai ("**Commissioner**") to our Company. In terms of the Notice, the Commissioner has stated that our Company had reported a total and taxable turnover of ₹936.36 million and ₹914.05 million, respectively for the year 2007-2008 and had allegedly *inter alia* (i) claimed an exemption of ₹22.31 million for the sales carried out in its canteen stores department and not furnishing supporting documents; (ii) claimed an exemption of ₹1.53 million as warranty sales claim and did not furnish supporting documents. Pursuant to the Notice, the Commissioner has demanded a total amount of ₹9.71 million, after adjusting the tax which was already paid by our Company. The matter is currently pending.

2. A notice dated May 14, 2019 ("**Notice**") has been issued by the Office of Assistant Commissioner (ST), Amaindakarai Assessment Circle, Chennai ("**Commissioner**") to our Company. In terms of the Notice, it is stated that our Company had reported a total and taxable turnover of ₹781.61 million and ₹754.49 million, respectively for the year 2008-2009 and had allegedly *inter alia* (i) claimed an exemption of ₹27.12 million for the sales carried out in its canteen stores department and not furnishing supporting documents; (ii) claimed an exemption of ₹1.75 million as warranty sales claim and not furnishing supporting documents. Pursuant to the Notice, the Commissioner has demanded a total amount of ₹10.85 million, after adjusting the tax which was already paid by our Company. The matter is currently pending.

3. A notice dated May 14, 2019 ("**Notice**") has been issued by the Office of Assistant Commissioner (ST), Amaindakarai Assessment Circle, Chennai ("**Commissioner**") to our Company. In terms of the Notice, it is stated that our Company had reported a total and taxable turnover of ₹760.83 million and ₹718.82 million, respectively for the year 2009-2010 and had allegedly *inter alia* (i) claimed an exemption of ₹42.01 million for the sales carried out in its canteen stores department and not furnishing supporting documents; (ii) sale of certain vehicles at a lesser value than its actual price creating a lapse of ₹0.42 million to the government. Pursuant to the Notice, the Commissioner has demanded a total amount of ₹9.80 million, after adjusting the tax which was already paid by our Company. The matter is currently pending.

4. Six orders have been passed by Assistant Commissioner (CT), Amaindakarai Assessment Circle against our Company demanding for a total sum of ₹10.89 million for alleged *inter alia* not accounting the sale of pre-owned cars in form-I returns and not raising tax invoices for such sale of pre-owned cars from assessment year 2010-2011 to 2015-2016. The matter is currently pending.

5. For the assessment year 2013-14, our Company, had filed an annual return stating a turnover of ₹13,217 million which was contested by the Assistant Commissioner, Special Circle III, Ernakulam ("**Assistant Commissioner**") pursuant to its order dated August 30, 2016 ("**Order**"). Pursuant to the Order, the Assistant Commissioner has *inter* alia stated that

the actual amount of turnover of our Company was ₹13,222 million (including stock turn over) and not ₹13,217 million and had ordered our Company to pay the balance amount, the exemption of ₹515.85 million claimed by our Company is not as per the extant provisions of the Kerala Value Added Tax Act, 2003. Pursuant to the Order, our Company has been demanded to pay an amount of ₹94.41 million. Subsequently, pursuant to an order passed by the Kerala Value Added Tax Tribunal, Ernakulam, our Company has obtained an interim stay order. The matter is currently pending.

6. An order dated February 28, 2011 ("**Order**") has been passed by the Assistant Commissioner, Special Circle – III, Commercial Taxes, Ernakulam ("**Commissioner**") against our Company. Pursuant to the Order, the Commissioner has *inter alia* stated that the exemption of ₹27.32 million claimed by our Company is not allowed, an amount of ₹0.18 million is required to be added to the total turn over of the Company and shall be taxed at 12.5% since our Company did not provide any evidence at the time of filing the returns. The Commissioner has claimed a total demand of ₹16.68 million (including interest).

   Our Company had also filed an appeal against the Order before the 1st appellate authority and subsequently before the Kerala Value Added Tax Appellate Tribunal ("**Tribunal**"). The Tribunal pursuant to its order dated October 29, 2015 allowed the appeal. Aggrieved by this, the State of Kerala has filed appeals bearing number 115 of 2016 and 122 of 2016 before the High Court of Kerala at Ernakulam. The matter is currently pending.

7. An order dated June 1, 2011 ("**Order**") has been passed by the Assistant Commissioner, Special Circle – III, Commercial Taxes, Ernakulam ("**Commissioner**") against our Company. Pursuant to the Order, the Commissioner has *inter alia* stated that during the year 2006-2007, the sale of fixed assets by the Company amounted to ₹5.31 million and hence such sale is required to be added to the turnover conceded, warranty claim of ₹5.53 million received by our Company in Kerala shall also be taxable. The Commissioner has claimed a demand of ₹19.54 million (including interest).

   Our Company had also filed an appeal against the Order before the 1st appellate authority and subsequently before the Kerala Value Added Tax Appellate Tribunal ("**Tribunal**"). The Tribunal pursuant to its order dated October 29, 2015 allowed the appeal. Aggrieved by this, the State of Kerala has filed appeals bearing number 118 of 2016 and 131 of 2016 before the High Court of Kerala at Ernakulam. The matter is currently pending.

8. An order dated September 28, 2010 ("**Order**") has been passed by the Assistant Commissioner, Special Circle – III, Commercial Taxes, Ernakulam ("**Commissioner**") against our Company. Pursuant to the Order, the Commissioner has *inter alia* stated that during the year 2007-2008, there was a difference in the amount of local sale filed in the annual returns of the company against the amount appearing in the audited financial statements, our Company cannot claim an input tax credit on sales return for ₹0.78 million since our Company allegedly did not file a proof of tax credit. The Commissioner has claimed a demand of ₹19.73 million (including interest).

   Our Company had also filed an appeal against the Order before the 1st appellate authority and subsequently before the Kerala Value Added Tax Appellate Tribunal ("**Tribunal**"). The Tribunal pursuant to its order dated October 29, 2015 allowed the appeal. Aggrieved by this, the State of Kerala has filed appeals bearing number 119 of 2016 and 130 of 2016 before the High Court of Kerala at Ernakulam. The matter is currently pending.

9. An order dated September 25, 2010 ("**Order**") has been passed by the Assistant Commissioner, Special Circle – III, Commercial Taxes, Ernakulam ("**Commissioner**") against our Company. Pursuant to the Order, the Commissioner has *inter alia* stated that during the year 2008-2009, the sale of fixed assets by the Company amounted to ₹1.67 million and hence such sale is required to be added to the turnover conceded. The Commissioner has claimed a demand of ₹15.50 million (including interest).

   Our Company had also filed an appeal against the Order before the 1st appellate authority and subsequently before the Kerala Value Added Tax Appellate Tribunal ("**Tribunal**"). The Tribunal pursuant to its order dated October 29, 2015 allowed the appeal. Aggrieved by this, the State of Kerala has filed appeals bearing number 125 of 2016 and 120 of 2016 before the High Court of Kerala at Ernakulam. The matter is currently pending.

10. An appeal dated April 19, 2021 has been filed by our Company before the Commissioner of Income Tax Appeals (I), Ernakulam against the order passed by the Income Tax Department, Ministry of Finance, Government of India, New Delhi, dated March 31, 2021 ("**Order**"). In terms of the Order, the Company was directed to *inter alia* disallow the belated payments made under the Employees' State Insurance Act, 1948 ("**Act**") to calculate the total income of the Company for the assessment year 2018-19. Pursuant to the appeal, our Company has stated that disallowance of ESI contribution, in terms of the Order is not justified since the payment was made after the due date under the Act and before filing the income tax return for assessment year 2018-19.

    Further, our Company had also filed a writ petition bearing number 14181 of 2021 before the High Court of Kerala ("**High Court**"), against the Additional/ Joint/ Deputy/ Assistant Commissioner of Income Tax, New Delhi and others, on the ground that the assessment was completed without serving a draft of the assessment order and without calling upon our Company for a show cause as required under Section 144B of the Income Tax Act, 1961. The High Court, pursuant to an interim order dated July 16, 2021 has stayed the operation and implementation of the Order including recovery of the amount demanded thereunder till the disposal of the writ petition. The matter is currently pending.

Notices issued to our Company

1. A notice dated May 24, 2018 has been issued by the Statutory Inspector, Assistant Labour Commissioner, Ranni to our Company and one of our Promoters, Francis K. Paul, for not maintaining the wages register, wages slip, muster role, failed to disburse the wages to employees through individuals and for failing to submit electronically or upload the register of employment and wage under the Minimum Wages Act, 1948 and applicable provisions of the Kerala Shops and Commercial Establishment Act, 1960. The matter is currently pending.

2. An inspection order notice dated May 18, 2018 has been issued by the Assistant Labour Commissioner, Kanjirapally to our Company and one of our Promoters, John K. Paul. The Assistant Labour Commissioner, Kanjirapally had carried out an investigation on May 8, 2018 and had observed that our Company was not in compliance with certain provisions of the Kerala Industrial Establishment (National and Festival Holidays) Act, 1958, the Kerala Shops and Commercial Establishments Workers Welfare Fund Act, 2006, The Minimum Wages Act, 1948 and the Kerala Shops and Commercial Establishments Act, 1960. The matter is currently pending.

3. A inspection notice has been issued by the Assistant Labour Officer Pala to our Company and one of the Promoters, John Paul. The Assistant Labour Officer Palai, had carried out an investigation in our office premises on May 10, 2018 and observed that our Company was not in compliance with certain provisions of the Kerala Industrial Establishments (National and Festivals Holiday's) Act, 1958, the Kerala Shops and Commercial Establishments Workers Welfare Fund Act, 2006, the Kerala Shops and Commercial Establishments Act, 1960 and the Minimum Wages Act, 1948. The matter is currently pending.

Litigations filed by our Company

Criminal litigations

1. There are six cases filed by our Company pending before various forums for alleged violation of Section 138 of Negotiable Instruments Act, 1881, for recovery of amounts due to our Company for which cheques issued in favour of our Company by our debtors have been dishonoured. The total pecuniary value involved in all these matters is ₹0.86 million.

2. Pursuant to an FIR bearing number 936 of 2015 dated November 1, 2015 filed by our Company against Remya G. Krishnan and Shilson Thomas ("**Accused**"), for alleged misappropriation of an amount of ₹1.02 million by fabricating forged receipts, mishandling of cash, a final report charge sheet was filed before the Judicial First Class Magistrate Court – II, Aluva. Subsequently, a petition bearing number Crl. M.C. 1678 of 2018 was also filed by Remya G. Krishnan before the High Court of Kerala ("**High Court**"), against the State of Kerala and Rajesh A. Nair, an employee of our Company, seeking to quash the pending criminal complaint. The matters are currently pending.

3. An FIR bearing number 124 of 2017 dated October 21, 2017 has been registered at the Kadampuza police station, Malappuram, by our Company, against Azad ("**Accused**") under section 420 of the IPC. The Accused was a collection agent of our Company from August 1, 2015 to October 18, 2017 and had allegedly committed fraud and criminal breach of trust by not remitting the insurance policy amount to a tune of ₹0.09 million which the Accused collected from the Company's customers. The matter is currently pending.

4. An FIR bearing no. 314 of 2018 dated July 4, 2018 has been filed against certain unknown persons by our Company (represented by Mithun M.) with the Chevayoor Police ("**Police**") and before the Judicial First Class Magistrate 1, Kozhikode ("**Court**"), for a theft of a vehicle owned by our Company. During investigation of the matter, the said vehicle was recovered by the Police and the vehicle has been in their custody since the date of the recovery. Subsequently, our Company has filed a petition bearing no. CMP 2484 of 2019 dated May 14, 2019 before the Court against the Station House Officer, Chevayoor Police Station and the State of Kerala and has prayed before the Court to pass an order to handover the custody of the vehicle to our Company from the Police. The matter is currently pending.

5. A final report charge sheet bearing number 247 of 2019 dated April 2, 2019 has been filed by our Company (represented by Santosh) against Deepu and Ajith ("**Accused**") before the Judicial First Class Magistrate Court, Admiali. The Accused were the employees of the Company and had allegedly misappropriated funds amounting ₹0.75 million of our Company which was given to the Accused by the customers of the Company for purchase of cars. The matter is currently pending.

6. A petition bearing number 1655 of 2015 dated February 21, 2015 has been filed by our Company before the Judicial First Class Magistrate, Cherthala ("**Court**") against Anoop P.R. ("**Accused**"). The Accused has been working with our

Company as a sales officer and had allegedly *inter alia* fabricated false bills of our Company and collected a sum of ₹0.75 million from our customers by promising them of new vehicles and providing the customers of our Company with fake vehicle registration numbers. The matter is currently pending.

II. Litigation involving our Subsidiaries

Litigations filed against our Subsidiaries

Civil litigations

PAPL

1. A petition bearing number IA 1 of 2021 dated March 30, 2021 in OS 4445 of 2019 has been filed by Shriram City Union Finance Limited before the XXIII Additional City Civil Judge, Chennai, against PAPL, our Company and others. For details, see "*Litigation involving our Company – Litigations filed against our Company - Civil Litigation*" on page 294.

2. For details in relation to complaint bearing number 259 of 2018 filed before the Karanataka State Consumer Commission, Bengaluru, against PAPL, Lloyd D'souza, Paminder Singh and another, see "*-Litigation filed by our subsidiaries – Criminal litigations – PAPL – 1"* on page 300.

3. A petition bearing number MVC 4266 of 2019 has been filed by Sandhya Sagar ("**Petitioner**") and others before the Motor Accident Claims Tribunal at Bengaluru ("**Tribunal**") against PAPL and United India Insurance Company Limited ("**Respondents**"). Pursuant to the petition, the Petitioner have stated that the Petitioner along with her family met with an accident due to alleged rash, careless and negligent driving by Goutam (an erstwhile employee of PAPL) due to which one of the family members of the Petitioner succumbed to his injuries. The Petitioner has claimed a total compensation of ₹15 million from the Respondents. Subsequently, PAPL has filed its objections before the Tribunal, stating *inter alia* that, Goutham who was driving the car was not its permanent employee and was a sales representative of PAPL and the allegations made by the Petitioners are not maintainable.

   The Petitioner has also filed MVC 4267 of 2019 ("**2nd Petition**") before the Tribunal against the Respondents and has claimed that due to the accident the Petitioner has become paraplegic, under complete bed rest and immobilized to wheelchair. Pursuant to the 2nd Petition, the Petitioner has claimed a compensation of ₹20 million. Both the matters is currently pending.

4. A complaint bearing number CC 129 of 2016 ("**Complaint**") has been filed by Vishwas Enterprises and Anand B. Doddamani ("**Complainants**") before the Karnataka State Consumer Disputes Redressal Commission, Bengaluru ("**Commission**") against PAPL and Jaguar Land Rover India Limited ("**Defendants**"). Pursuant to the Complaint, the Complainants have alleged the Defendants of selling a defective car, having defects *inter alia* with the air conditioning system and the brake pads of the car. The Complainants have also prayed before the Commission to direct the Defendants to pay a sum of ₹10 million as compensation (along with a future interest of 24%). Subsequently, PAPL has also filed a written statement before the Commission stating *inter alia* that such Complaint is a vague and has been filed with a malafide intention. The matter is currently pending.

5. A complaint bearing number CC 136 of 2020 ("**Complaint**") has been filed by Tanisujan Infra Private Limited (represented by its managing director)("**Complainant**") before the District Consumer Disputes Redressal Commission at Mysuru ("**Commission**") against PAPL and another ("**Defendant**"). Pursuant to the Complaint, the Complainant has alleged the Defendants of selling a defective car and of unfair trade practice & deficiency of services. The Complainants have also prayed before the Commission to direct the Defendants to pay a sum of ₹7.34 million as compensation. Subsequently, PAPL has also filed a written statement before the Commission refuting all the allegations made by the Complainant, against PAPL. The matter is currently pending.

6. A complaint bearing number CC 34 of 2021 ("**Complaint**") has been filed by Rajaram Hedge ("**Complainant**") before the District Consumer Disputes Redressal Commission ("**Commission**") at Udupi against PAPL and another ("**Defendant**"). Pursuant to the Complaint, the Complainant has alleged the Defendants of selling a defective car with a faulty air bag which allegedly did not open due to an accident. The Complainants have also prayed before the Commission to direct the Defendants to pay a sum of ₹5.01 million as compensation along with the cost of proceedings. The matter is currently pending.

PMMPL

1. For details in relation to writ petition (C) 36521 of 2017 filed by Sheela S and another, before the High Court of Kerala, Ernakulam, against PMMPL, see, "*-Litigation involving our Subsidiaries – Litigation filed by our Subsidiaries – Civil litigations – PMMPL – 1*" on page 303.

Criminal litigations

PAPL

1. An FIR bearing number 157 of 2018 dated May 29, 2018 has been filed by the Mico Layout Police Station, based on the complaint received by Ravindranath Kamath. For further details, see "*-Litigation involving our Subsidiaries – Litigation filed by our Subsidiaries – Criminal litigations – PAPL – 1"*

Regulatory matters

PMMPL

1. For details in relation to SLP bearing number SLP (C) 13331-13345/ 2020, see, *"-Litigation involving our Company – Litigations filed against our Company – Regulatory matters - 4"* on page 296.

PADPL

1. For details in relation to SLP bearing number SLP (C) 13462-13471/ 2020, see, *"-Litigation involving our Company – Litigations filed against our Company – Regulatory matters - 4"* on page 296.

VMPL

1. For details in relation to SLP bearing number SLP (C) 12583 of 2020, see, *"-Litigation involving our Company – Litigations filed against our Company – Regulatory matters - 4"* on page 296.

2. For details in relation to the complaint filed by Somarajan, see, *"-Litigation involving our Subsidiary – Litigations filed against our Subsidiary – Notices issued to our Subsidiaries – 1"* on page 302.

Material tax matters

PMMPL

1. A notice bearing number 320702 71465/2006-07 dated December 28, 2010 has been issued by the Assistant Commissioner (Assessment), Commercial Tax, Special Circle- 1, Ernakulam to PMMPL ("**Notice**"), stating certain anomalies in the tax return filed. PMMPL in its annual return form 10 had stated that the total and taxable turn over of PMMPL for the year ended March 31, 2007 was ₹1,802 million. However, as per the Notice, the total taxable turnover is supposed to be ₹2,036 million. Pursuant to a reply dated January 27, 2011, PMMPL has stated that the turnover of ₹1,802 million is correctly derived after deducting certain deductions and sales returns. The matter is currently pending.

2. An order dated December 21, 2017 ("**Order**") has been issued by the Assistant Commissioner, Commercial Taxes, Special Circle - I, Ernakulam ("**Assistant Commissioner**") against PMMPL. Pursuant to the Order, the Assistant Commissioner has alleged certain irregularities found in the annual returns filed by PMMPL against the audited statement of accounts, such as, difference of ₹35.92 million for the head 'net purchase' between the annual returns against the annual statements of accounts. Further, the Assistant Commissioner has also ordered to disallow the claim of ₹9.37 million made by PMMPL since no supporting documents were produced by PMMPL. Pursuant to the Order, PMMPL has been demanded to pay a sum of ₹14.95 million. Aggrieved by the Order, PMMPL has filed an appeal before the Joint Commissioner (Appeals)-III, Kerala SGST Department, Ernakulam. The matter is currently pending.

3. An order dated April 27, 2017 ("**Order**") has been issued by the Assistant Commissioner, Commercial Taxes, Special Circle - I, Ernakulam ("**Assistant Commissioner**") against PMMPL. Pursuant to the Order, the Assistant Commissioner has alleged certain irregularities found in the annual returns for the return period 2013-14, filed by PMMPL against the audited statement of accounts, such as, difference of ₹32.93 million for the head 'turnover' between the annual returns against the annual statements of accounts. The Assistant Commissioner has also alleged defects in the date of return of the goods in the credit notes and the debit notes maintained by PMMPL. Pursuant to the Order, PMMPL has been demanded to pay a sum of ₹5.43 million. Aggrieved by the Order, PMMPL had filed an appeal before the High Court of Kerala at Ernakulam ("**High Court**"). The High Court, pursuant to its order dated March 9, 2018 has directed the Assistant Commissioner to consider the rectified returns filed by PMMIL to pass an order. The matter is currently pending.

4. A writ petition bearing no. 24476 of 2015 has been filed by PMMPL before the High Court of Kerala at Ernakulam against the State of Kerala and another. Pursuant to an order dated July 23, 2015 ("**Order**") passed by the Assistant Commissioner, Special Circle, Commercial Taxes, Ernakulam ("**Commissioner**"), the Commissioner had *inter alia* stated that PMMPL had allegedly conceded interstate stock transfer worth ₹1,529 million, however such stock transferers

were stated as nil in the annual return filed. Hence, PMMPL is liable to pay tax on such amount conceded. The matter is currently pending.

5. An order March 27, 2017 has been issued by the Assistant Commissioner, Commercial Taxes, Special Circle, Ernakulam to PMMPL alleging certain discrepancies in the annual return filed against the annual statements for the assessment year 2009-10 and raised a demand of ₹30.42 million ("**Order**"). PMMPL has filed a writ petition bearing number 20737 of 2017 before the High Court of Kerala at Ernakulam against the Order. The matter is pending.

6. An order bearing number 320702 27465/2010-11 dated July 18, 2019 ("**Order**") has been issued by the Assistant Commissioner, Special Circle, SGST Department, Ernakulam against PMMPL, alleging certain defects and discrepancies in the rectification application for the assessment year 2010-2011 filed by PMMPL. The alleged defects and discrepancies were *inter alia* calculation of escaped sales turnover of motor vehicles, without considering discount allowed through invoices etc. Pursuant to the Order, PMMPL has been demanded to pay a sum of ₹13.39 million. Aggrieved by the Order, PMMPL has filed an appeal bearing number 2683 of 2019 before the Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam. The matter is currently pending.

7. An order dated December 26, 2016 ("**Order**") has been issued by the Assistant Commissioner, Commercial Taxes, Special Circle - I, Ernakulam ("**Assistant Commissioner**") against PMMPL. Pursuant to the Order, the Assistant Commissioner has alleged certain irregularities found in the annual returns filed by PMMPL, *inter alia*, (i) amount against 'warranty and free services' worth ₹65.90 million which was shown in the audited accounts of PMMPL was not included in the return filed; (ii) conversion of security deposits into penalty worth ₹0.07 million etc. Pursuant to the Order, PMMPL has been demanded to pay a sum of ₹41.36 million. Aggrieved by the Order, PMMPL has filed a writ petition bearing number 5356 of 2017 before the High Court of Kerala at Ernakulam. The matter is currently pending.

8. An order dated June 28, 2017 has been issued by the Assistant Commissioner, Commercial Taxes, Special Circle, Ernakulam to PMMPL alleging certain discrepancies in the annual return filed against the annual statements for the assessment year 2014-15 and raised a demand of ₹5.53 million ("**Order**"). The matter is currently pending.

9. The Assistant Commissioner of Income Tax, Corporate Circle 2-(1), Kochi has issued a demand notice under section 156 of the Income Tax Act, 1961 dated March 2, 2015 ("**Order**"), demanding PMMPL to pay a sum of ₹4.24 million for the assessment year 2012-13. PMMPL has filed an appeal before the Commissioner of Income Tax (Appeals)-II, Ernakulam, stating that the demand raised pursuant to the Order is against facts and law. The matter is currently pending.

VMPL

1. VMPL has received a notice dated April 16, 2021 ("**GST Notice**") from the Assistant Commissioner, Special Circle III, State Goods and Service Tax Department ("**Commissioner**"), stating that there have been certain discrepancies *inter alia* between the form GSTR 3B and form GSTR 1 filed by VMPL for the financial year 2018-19. In terms of the GST Notice, the total discrepancy between the returns filed by VMPL is ₹36.43 million.

2. VMPL has received a notice dated July 9, 2021 ("**GST Notice**") from the Assistant Commissioner, Special Circle III, State Goods and Service Tax Department ("**Commissioner**"), stating that there have been certain discrepancies *inter alia* between the form GSTR 3B and form GSTR 1 filed by VMPL for the financial year 2020-21. In terms of the GST Notice, the total discrepancy between the returns filed by VMPL is ₹75.89 million.

3. VMPL has received a notice dated July 26, 2021 ("**GST Notice**") from the Deputy Commissioner, State GST, Special Circle III, Ernakulam ("**Commissioner**"), with a demand of ₹49.98 million to be payable under section 73(5) of the Goods and Services Act, 2017.

<u>*Notices issued to our Subsidiaries*</u>

VMPL

1. A complaint dated November 8, 2019 ("**Complaint**") has been filed before the District Labour Officer Pattanamthitta by Somarajan ("**Complainant**") against one of our Promoters, Naveen Philip and VMPL. Pursuant to the Complaint, the Complainant has alleged *inter alia* wrongful termination of his employment with VMPL and has also alleged that the Complainant was dismissed without giving the provident fund and gratuity, which was due to the Complainant. Further, pursuant to an order passed by the Labour and Skills (A) Department, Thiruvananthapuram dated May 7, 2021, the Complaint has been transferred to the Labour Court, Kollam. The matter is currently pending.

2. A complaint dated August 12, 2020 ("**Complaint**") has been filed by James Tom ("**Complainant**") before the Office of the District Labour Officer, Kottayam ("**DLO**"). Pursuant to the Complaint, the Complainant has alleged unlawful termination of his employment from VMPL. Subsequently, the director of VMPL has also received a notice bearing

number 1658/2020, in relation to the Complaint. Further, pursuant to the letter dated February 3, 2021 addressed to the DLO, VMPL has stated that the matter has been mutually concluded and the settlement amount agreed between the Complainant and VMPL has been transferred to the Complainant's account. Subsequently, VMPL has not received any further notice from the DLO.

Litigations filed by our Subsidiaries

Civil litigations

PMMPL

1. A petition bearing number (DRT) 115 of 2017 (O) has been filed by PMMPL ("**Petitioner**") before the High Court of Kerala at Ernakulam ("**High Court**"), against State Bank of India, Stressed Asset Management Branch, Palarivattom ("**Bank**"), the Authorized Officer, State Bank of India, Stressed Asset Management Branch ("**AO**"), St. Anthony Cars Private Limited, Sheela S. and Aswathy S ("**Defendants**"). This petition was filed, pursuant to a dismissal order dated September 11, 2017, dismissing the securitisation application bearing number S.A. 55 of 2016 by the Debts Recovery Tribunal – 2, Ernakulam. The Petitioner had entered into a lease deed dated July 15, 2016, with Sheela S. and Aswathy S., who are the owners of the property bearing number Sy. 584/384, 10-2 in Kurnool Village in Kollam taluk ("**Property**"). After the lease agreement was executed, it came to the knowledge of PMMPL that the said property was in the possession of the Bank under the SARFESI Act ("**Act**") pursuant to the notice issued by the Bank ("**Bank Notice**"). Subsequently, the Bank had also asked PMMPL to remove all the holdings and to terminate the occupancy of the Property. On further enquiry, it came to the knowledge of PMMPL that, St. Anthony Cars Private Limited (who was the erstwhile tenant of the Property) had defaulted payment for the facilities availed by it and the Bank initiated action under the Act. The petition filed before the Debts Recovery Tribunal – 2, Ernakulam was dismissed pursuant to which PMMIL filed an appeal before the High Court. An interim stay has been granted in the matter.

   Further, Sheela S. and Aswathi S. have also filed a writ petition (C) 36521 of 2017 before the High Court against the Bank, PMMPL, the AO, St. Anthony Cars Private Limited, stating that the Bank and the AO have no right to proceed against the Property under the Act and the Bank Notice is illegal. Both the matters are currently pending.

PAPL

1. A complaint bearing number CC 619 of 2017 ("**Complaint**") has been filed by PAPL before the Karnataka State Consumer Disputes Redressal Commission, Bangalore ("**Commission**") against SBI General Insurance Company Limited ("**SBI**") and another ("**Defendants**"). PAPL had obtained a vehicle insurance from SBI for a vehicle bearing number KA 01 ML 6909 ("**Vehicle**"), which PAPL provided to its customers on a standby basis while the vehicle of the customers are being serviced at its service stations. The said Vehicle had met with an accident while it was being driven by one of the relatives of the customer of PAPL, pursuant to which the insurance claim on the Vehicle was also rejected by SBI on the grounds that *inter alia* the Vehicle was being used for 'motor trade purpose' violating the terms and conditions of the insurance policy. Pursuant to this Complaint, PAPL has alleged deficiency of service by the Defendants and has claimed a sum of ₹6.17 million. The matter is currently pending.

2. A complaint bearing number CC 145 of 2015 ("**Complaint**") has been filed by PAPL before the Karnataka State Consumer Disputes Redressal Commission ("**Commission**"), Bengaluru against Escon Elevators Private Limited ("**Defendant**"). Pursuant to the Complaint, PAPL has alleged that the automobile lift which was purchased from the Defendants for its service station is defective and suffered frequent breakdowns. PAPL has also claimed a total compensation of ₹9.69 million. The matter is currently pending.

Criminal litigations

PMMPL

1. There are 13 cases filed by PMMPL pending before various forums for alleged violation of Section 138 of Negotiable Instruments Act, 1881, for recovery of amounts due to PMMPL for which cheques issued in favour of PMMPL by our debtors have been dishonoured. The total pecuniary value involved in all these matters is ₹0.89 million.

2. An FIR bearing no. 0529 of 2018 dated March 16, 2018 has been filed by PMMPL, before the Chief Judicial Magistrate, Kollam, against Sanu Kuruvila Samuel ("**Accused**") for offences under section 406, 408, 465, 468, 471, 420 of the IPC. The Accused was working with PMMPL from July 2017 to February 2018 and had allegedly committed misappropriation of funds amounting to ₹0.54 million with the fraudulent motive to make illegal profit and unlawful loss to the PMMPL. Furthermore, the Accused had also (i) created fraudulent invoices; (ii) sold spare parts belonging to PMMPL and did not remit the cash for sale to PMMPL; and (iii) committed theft of cash. The matter is currently pending.

3. A complaint bearing no. 445/18/PTN/P-26 dated July, 11, 2018 has been filed by PMMPL, before Sub Inspector, Thrikkakara requesting investigation, against Geevarghese ("**Accused**"). In terms of the Complaint, the Accused was working as sales executive at PMMPL and had committed misappropriation of fund worth ₹0.10 million by the way of collecting cash from customers and not remitting it to PMMPL. The matter is currently pending.

PADPL

1. PADPL has filed two cases for alleged violation of Section 138 of Negotiable Instruments Act, 1881, for recovery of amounts due to PADPL for which cheques issued in favour of PADPL by the debtors of PADPL have been dishonoured. The total pecuniary value involved in all these matters is ₹0.19 million.

PAPL

1. A criminal petition bearing number 6715 of 2018 ("**Petition**") has been filed by Lloyd D'Souza and Pamindar Singh ("**Petitioners**") before the High Court of Karnataka, Bengaluru ("**High Court**") against the State of Karnataka and Ravindranath Kamath ("**Defendants**"). Pursuant to the Petition, the Petitioners have alleged that Ravindranath Kamath had brought a car to the Petitioners for test drive and repairs. Pursuant to the repairs, the Petitioners raised a bill of ₹0.76 million out of which Ravindranath Kamath could pay only ₹0.13 million with a balance of ₹0.64 million as unpaid to the Petitioners. Subsequently, Ravindranath Kamath also lodged a complaint before the Mico Layout Police Station, Bangalore allegedly stating that the Petitioners had committed the offence of cheating and fraud. Based on the complaint the Mico Layout Police Station registered the case as crime number 157 of 2018 ("**FIR**") under section 406, 420 and 34 of the IPC. Pursuant to this Petition, the Petitioners have prayed before the High Court to quash the FIR. While the Petition has not filed by PAPL, the Petitioners are the employees of PAPL. The matter is currently pending.

   Subsequently, in relation to the above, Ravindranath Kamath and another ("**Complainants**") have also filed a complaint bearing number 259 of 2018 ("**Complaint**") before the Karnataka State Consumer Commission, Bengaluru ("**Commission**") against PAPL, the Petitioners and another has accused PAPL and the Petitioners of *inter alia* deficiency of service while carrying out the services of the car and of unfair trade practices. Pursuant to the Complaint, the Complainants have also prayed before the Commission for a claim of ₹8.38 million. The matter is currently pending.

VMPL

1. VMPL has filed a case for alleged violation of Section 138 of Negotiable Instruments Act, 1881, for recovery of amounts due to VMPL for which cheques issued in favour of VMPL by the debtors of VMPL have been dishonoured. The total pecuniary value involved in all these matters is ₹0.03 million.

2. A complaint bearing number CMP 8085 of 2015 ("**Petition**") has been filed by VMPL, before the Judicial First Class Magistrate Court, Changanassery ("**Court**") against Raaji ("**Accused**"). Pursuant to the Petition, VMPL has *inter alia* accused the Accused of cheating and misappropriating funds of VMPL, and not giving the documents to the customers of VMPL against the payment that the customers of VMPL had made to purchase insurance, thereby causing a loss of ₹0.84 million to VMPL. The matter is currently pending.

III. Litigation involving our Promoters

Litigations filed against our Promoters

<u>*Civil litigation*</u>

1. An appeal bearing number MFA (Forest) No. 18 of 2018 has been filed by the State of Kerala and the Custodian of Ecologically Fragile Lands (Chief Conservator of Forests)("**Appellants**") before the High Court of Kerala at Ernakulam ("**High Court**") against Popular Estates (represented by one of our Promoters, John K. Paul). The Ecologically Fragile Lands Tribunal, Kozhikode ("**Tribunal**") had passed an order ("**Order**") against the Appellants in OA no. 7 of 2016 and decided that the 260.60 hectares of land ("**Disputed Land**") is not ecologically fragile land but a plantation and the Disputed Land is not vested with the Government as per the provisions of the Kerala Forest (Vesting And Management Of Ecologically Fragile Lands) Act, 2003. The Applicants have challenged the said order before the High Court through MFA (Forest) no. 18 of 2013. Pursuant to this appeal the Appellants have prayed before the High Court to set aside the Order since the Tribunal failed to acknowledge that the Disputed Land is a large piece of fragile ecological and sensitive land and such land should be vested with the Government. The matter is currently pending.

2. A special leave petition appeal bearing number 4207 of 2017 ("**SLP Appeal**") has been filed by the State of Kerala and the Custodian and Conservator of Vested Forests, Kozhikode, Kerala ("**Appellants**") before the Supreme Court of India against Popular Estates (dissolved), Popular Plantations (dissolved), represented by one of our Promoters, John K. Paul ("**Respondent**"). The SLP Appeal has been filed against the judgement passed by the High Court of Kerala, Ernakulam in MFA 108 of 2008 wherein the High Court had held that the land held by the Respondents are a part of plantation land

and not forest land ("**Order**"). Aggrieved by the Order, the Appellants have filed this SLP Appeal. The matter is currently pending.

<u>*Criminal Litigation*</u>

1. A criminal miscellaneous case under section 482 of the Cr.PC, bearing no. CRLMC 909 of 2016 has been filed by M.P. Chothy ("**Petitioner**") before the High Court of Kerala at Ernakulam against our Company's Directors and Promoters, Francis K. Paul and John K. Paul and our employees namely, Shamin M., Rafees, Lijo, Goldi, Sandeep N.S. and the State of Kerala. For further details see, "*– Litigations involving our Company - Litigations filed against our Company - Criminal Litigation*" on page 295.

2. A final report dated September 30, 2020 in FIR bearing number 339 of 2019 has been filed by Rajesh before the Judicial First Class Magistrate Court IX, Ernakulam against one of our Promoters, John K. Paul and another. For details see "*-Litigations involving our Company – Litigations filed against our Company – Criminal Litigations – 5"* on page 295.

<u>*Regulatory matters*</u>

1. An application has been filed by the Assistant Labour Officer, Vatakkara, against our Company, one of our Promoters, Francis K Paul, our Company and others before the Court of the Authority Appointed under the Minimum Wages Act, 1948, Kozhikode. For details, see "*Outstanding Litigation and Material Developments - Litigations filed against our Company - Regulatory Matters*" on page 296.

<u>*Notices issued to our Promoters*</u>

1. For details in relation to the complaint filed by Somarajan against one of our Promoters, Naveen Philip, see, *"-Litigation involving our Subsidiary – Litigations filed against our Subsidiary – Notices issued to our Subsidiaries – 1"* on page 302.

2. Three notices dated June 21, 2021 ("**Notices**") has been issued by the RoC, Ministry of Corporate Affairs, Government of India to one of our Promoters, John Paul, for alleged violation of (i) section 295(1)(c) read with 295(4) of the Companies Act, 1956 (referred as section 185 of the Companies Act, 2013); (ii) section 186(7) of the Companies Act, 2013; (iii) section 292(1)(e) read with section 294(4) of the Companies Act, 1956 (referred as section 179 of the Companies Act, 2013)("**Applicable Provisions**") by Kerala Chamber of Commerce Industry ("**KCCI**"). Pursuant to the Notices, it is alleged that Applicable Provisions were violated by KCCI while granting an interest free advance of ₹22.18 million to India Middle East Broadcasting Network Private Limited, when John Paul was a director of KCCI.

3. For details in relation to notice dated May 24, 2018 issued by the Statutory Inspector, Assistant Labour Commissioner, Ranni to one of our Promoters, Francis K. Paul, see *"-Litigations involving our Company – Litigations filed against our Company – Notices issued to our Company – 1"* on page 299.

4. For details in relation to notice dated May 18, 2018 issued by the Assistant Labour Commissioner, Kanjirapally to our Company and one of our Promoters, John Paul, see *"-Litigations involving our Company – Litigations filed against our Company – Notices issued to our Company – 2"* on page 299.

5. For details in relation to notice issued by the Labour Officer, Palai, to one of our Promoters, John Paul, see *"-Litigations involving our Company – Litigations filed against our Company – Notices issued to our Company – 3"* on page 299.

IV. Litigation involving our Directors

Litigations filed against our Directors

<u>*Civil litigation*</u>

1. An appeal bearing number MFA (Forest) No. 18 of 2018 has been filed by the State of Kerala and the Custodian of Ecologically Fragile Lands (Chief Conservator of Forests) before the High Court of Kerala at Ernakulam against Popular Estates (represented by one of our Promoters, John K. Paul). For further details, see *"-Litigations involving our Promoters – Litigations filed against our Promoters – Civil litigations*" on page 304.

2. An appeal bearing no. 903 of 2011 dated January 21, 2011 is filed by the State of Kerala against Popular Estates and Popular Plantations (Represented by our Promoter John K Paul) before the High Court of Kerala. For further details, see *"-Litigations involving our Promoters – Litigations filed against our Promoters – Civil litigations*" on page 304.

<u>*Criminal Litigation*</u>

1. A criminal miscellaneous case under section 482 of the Cr.PC, bearing no. CRLMC 909 of 2016 has been filed by M.P. Chothy ("**Petitioner**") before the High Court of Kerala at Ernakulam against our Company's Directors and Promoters, Francis K. Paul and John K. Paul and our employees namely, Shamin M., Rafees, Lijo, Goldi, Sandeep N.S. and the State of Kerala. For further details see, "*– Litigations involving our Company - Litigations filed against our Company - Criminal Litigation*" on page 295.

2. A final report dated September 30, 2020 in FIR bearing number 339 of 2019 has been filed by Rajesh before the Judicial First Class Magistrate Court IX, Ernakulam against one of our Promoters, John K. Paul and another. For details see "*-Litigations involving our Company – Litigations filed against our Company – Criminal Litigations – 5"* on page 295.

<u>*Regulatory Matters*</u>

1. An application has been filed by the Assistant Labour Officer, Vatakkara, against our Company, one of our Promoters, Francis K Paul before the Court of the Authority Appointed under the Minimum Wages Act, 1948, Kozhikode. For details, see "*Outstanding Litigation and Material Developments - Litigations filed against our Company - Regulatory Matters*" on page 296.

<u>*Notices issued to our Directors*</u>

1. For details in relation to the complaint filed by Somarajan against one of our Directors, Naveen Philip, see, *"-Litigation involving our Subsidiary – Litigations filed against our Subsidiary – Notices issued to our Subsidiaries – 1"* on page 302.

2. For details in relation to the three notices dated June 21, 2021 issued by the RoC, Ministry of Corporate Affairs, Government of India to one of our Directors, John Paul, see *"-Litigations involving our Promoters – Litigation filed against our Promoters – Notices issued to our Promoters – 2"* on page 305.

3. For details in relation to notice dated May 24, 2018 issued by the Statutory Inspector, Assistant Labour Commissioner, Ranni to one of our Directors, Francis K. Paul, see *"-Litigations involving our Company – Litigations filed against our Company – Notices issued to our Company – 1"* on page 299.

4. For details in relation to notice dated May 18, 2018 issued by the Assistant Labour Commissioner, Kanjirapally to our Company and one of our Directors, John Paul, see *"-Litigations involving our Company – Litigations filed against our Company – Notices issued to our Company – 2"* on page 299.

5. For details in relation to notice issued by the Labour Officer, Pala, to one of our Directors, John Paul, see *"-Litigations involving our Company – Litigations filed against our Company – Notices issued to our Company – 3"* on page 299.

Tax Claims

Except as disclosed below, there are no claims related to direct and indirect taxes, involving our Company, Subsidiaries, Directors and Promoters.

Nature of case	Number of cases	Total amount involved (in ₹ million)
Company		
Direct Tax	14	65.69
Indirect Tax	74	237.60
Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Subsidiaries		
Direct Tax	12	9.75
Indirect Tax	46	697.71

Outstanding dues to Creditors

There is no micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, to whom our Company owes any amount as of March 31, 2021.

As per the materiality policy, creditors of our Company to whom an amount exceeding 5% of our total consolidated trade payables for the period ending March 31, 2021 was outstanding, were considered ‘material’ creditors. Based on this criteria, our Company had the following creditors as on March 31, 2021.

Types of Creditors	Number of creditors	Amount involved (in ₹ million)
Material creditors	2	227.47
Small scale creditors	18	1.94
Other creditors	2,804	179.30
Total Outstanding Dues	2,824	408.71

The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company at https://www.popularmaruti.com/material-creditors/. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including Company’s website www.popularmaruti.com would be doing so at their own risk.

Material Developments

Other than as stated in “*Management’s Discussion And Analysis of Financial Condition And Results of Operations”* on page 267, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of approvals obtained by our Company and Material Subsidiaries which are considered material and necessary for the purpose of undertaking its business activities. In view of these key approvals, our Company can undertake this Offer and its business activities. In addition, certain of our key approvals may expire in the ordinary course of business and our Company will make applications to the appropriate authorities for renewal of such key approvals, as necessary. For details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies" on page 166.

I. Incorporation details

- Certificate of incorporation dated July 5, 1983 issued by the Registrar of Companies to our Company, in the name of Popular Vehicles and Services Limited.
- Fresh certificate of incorporation dated March 24, 2015 issued by the Registrar of Companies to our Company consequent upon conversion to a private limited company in the name of Popular Vehicles and Services Private Limited.
- Fresh certificate of incorporation dated July 10, 2018 issued by the Registrar of Companies to our Company consequent upon conversion to a public limited company in the name of Popular Vehicles and Services Limited.
- Our Company was allotted a corporate identity number U50102KL1983PLC003741
- For incorporation details of our Subsidiary, see "*History and Certain Corporate Matters – Our Subsidiaries*" on page 174.

II. Approvals in relation to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures - Authority for the Offer*" on page 311.

III. Key approvals in relation to our Company and Material Subsidiaries

Tax Related Approvals

We are required to obtain registration under various national tax laws and state specific tax laws such as the Income Tax Act, 1961, Central Goods and Services Tax Act, 2017, Kerala Goods and Services Tax Act, 2017, Tamil Nadu Goods and Services Tax Act, 2017, Karnataka Goods and Services Act, 2017 as applicable. We have obtained the material licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws.

Key approvals obtained for business operations

(i) Approvals in relation to our sales operations:

In respect of the corporate offices, sales showrooms, sales outlets, retail outlets and booking offices, true value showrooms, true value outlets, and warehouses of our Company and Subsidiaries, we are required to obtain and maintain certain registrations and licenses such as certificate of registration for shops and establishments and corporation license under the provisions of relevant legislations of Kerala, Tamil Nadu and Karnataka as applicable. We have obtained all material registrations and licenses in relation to our sales operations. Certain registrations, and licenses, may have lapsed in their normal course and we have either made applications to the appropriate authorities for renewal of such registrations, and/or licenses or are in the process of making such applications. The details for material approvals applied for but not received are as mentioned below:

a) Material approvals and renewals applied for but not received.

Sr. No.	Location	License
Arena Showrooms (PVSL)		
1.	Calicut	Panchayath/Municipal/Corporation License
2.	Kottayam	Corporation License
3.	Kannur	Panchayath/Municipal/Corporation License
4.	Trivandrum	License under Shops and Establishments
Nexa Showrooms (PVSL)		
5.	Calicut	Panchayath/Municipal/Corporation License
E-Outlets Maruti (PVSL)		

Sr. No.	Location	License
6.	Perambra	Panchayath/Municipal/Corporation License
7.	Kunnamkulam	Panchayath/Municipal/Corporation License
8.	Chalakudy	Panchayath/Municipal/Corporation License
9.	Panoor	Panchayath/Municipal/Corporation License
10.	Vatakara	Panchayath/Municipal/Corporation License
11.	Karassery	Panchayath/Municipal/Corporation License
12.	Kottarakara	Panchayath/Municipal/Corporation License
Arena Booking Offices (PVSL)		
13.	Pathanamthitta	Panchayath/Municipal/Corporation License
14.	Kanhangad	Panchayath/Municipal/Corporation License
15.	Kuthuparambu	Panchayath/Municipal/Corporation License
16.	Thiruvalla	Panchayath/Municipal/Corporation License
17.	Adoor	Panchayath/Municipal/Corporation License
Maruti True Value showroom (PVSL)		
18.	Kannur	Panchayath/Municipal/Corporation License
19.	Ernakulam - Mamangalam	Panchayath/Municipal/Corporation License
20.	Thrissur	Panchayath/Municipal/Corporation License
Maruti True Value outlet (PVSL)		
21.	Kothamangalam	Panchayath/Municipal/Corporation License
22.	Mavelikara	Panchayath/Municipal/Corporation License
Showrooms (PMMIL)		
23.	Ernakulam	Panchayath/Municipal/Corporation License
24.	Trivandrum	Panchayath/Municipal/Corporation License
Sales outlet (PMMIL)		
25.	Koduvally	Panchayath/Municipal/Corporation License
26.	Mutvattupuzha	Panchayath/Municipal/Corporation License
27.	Kayamkulam	Panchayath/Municipal/Corporation License
28.	Tamaram	Panchayath/Municipal/Corporation License
Warehouses (PADPL)		
29.	Kottayam	Corporation License
Showroom (VMPL)		
30.	Thrissur	Corporation License

(ii) Approvals in relation to our service centres:

In respect of the service centres of our Company and Subsidiaries, we are required to obtain and maintain certain permits, registrations, approvals and licenses under the provisions of relevant legislations of Kerala and Tamil Nadu, as applicable, including, *inter alia*, factory licenses, pollution consents and panchayath/municipal/corporation licenses. Further, a few of our service centres are required to obtain legal metrology certificate, clearances from the Electrical Inspectorate for installation and supply of electricity, relevant consents from the PCBs as well as fire NOCs from the relevant fire services department. We have obtained all material permits, registrations, approvals and licenses in relation to our service centres and body shops. Certain permits, registrations, approvals and licenses, may have lapsed in their normal course and we have either made applications to the appropriate authorities for renewal of such permits, registrations, approvals and/or licenses or are in the process of making such applications. The details for material approvals applied for but not received and approvals yet to be applied for, are as mentioned below:

a) Material approvals and renewals applied for but not received.

Sr. No.	Location	License
Maruti service centres (PVSL)		
1.	Calicut MIMS	Pollution Control Board Consent and Panchayath/Municipal/Corporation License
2.	Kottayam	Panchayath/Municipal/Corporation License
3.	Kannur	Panchayath/Municipal/Corporation License
4.	Ernakulam North	Panchayath/Municipal/Corporation License
5.	Porur	Pollution Control Board Consent
6.	Thrissur	Pollution Control Board Consent
Service centres (PMMIL)		
7.	Trivandrum - Pallichal	Panchayath/Municipal/Corporation License
8.	Kollam – Kallumthazham	Panchayath/Municipal/Corporation License
9.	Alappuzha	Panchayath/Municipal/Corporation License

b) Material approvals yet to be applied for.

Sr. No.	Location	License
Maruti service centres (PVSL)		
1.	Keelkkatil	Pollution Control Board Consent
2.	Thrissur	Panchayath/Municipal/Corporation License
Service centres (PMMIL)		
3.	Madhavaram	Pollution Control Board Consent
4.	Kattupakkam	Pollution Control Board Consent

(iii) Approvals in relation to our driving schools:

In respect of our driving schools, we are required to obtain and maintain certain permits, registrations, approvals and licenses under the provisions of relevant legislations of Kerala including, *inter alia*, RTO driving school license and corporation licenses. We have obtained all material permits, registrations, approvals and licenses in relation to our driving schools. Certain permits, registrations, approvals and licenses, may have lapsed in their normal course and we have either made applications to the appropriate authorities for renewal of such permits, registrations, approvals and/or licenses or are in the process of making such applications. The details for material approvals applied for but not received are as mentioned below:

(a) Material approvals and renewals applied for but not received.

Sr. No.	Location	License
Maruti driving school (PVSL)		
1.	Elamkulam	RTO Driving License

IV. Intellectual property

Trademark obtained by our Company:

Sl. No	Trade mark	Trademark No.	Class	Certificate no.	Date of application	Date of expiry	Status
1.	Popular Vehicles and Services (Logo)	3953741	35	2346727	September 24, 2018	September 23, 2028	Registered
2.	Popular Vehicles and Services (Logo)	3953742	37	2344970	September 24, 2018	September 23, 2028	Registered

PAPL, one of our Direct Subsidiaries has obtained the following trademark registrations:

Sl. No	Trade mark	Trademark No.	Class	Certificate no.	Date of application	Date of expiry
1.	Marqland	2067210	35	1076543	December 13, 2020	December 12, 2030
2.	Marqland	2067211	37	1076434	December 13, 2020	December 12, 2030

KGPL, one of our Step-down Subsidiaries has applied for the following trademark registrations:

Sl. No	Trade mark	Application No.	Class	Date of application
1.	Ecomarq	5053166	35	July 21, 2021
2.	Ecomarq	5053167	37	July 21, 2021

For information in relation to the trademarks licensed by our Company, please see "*Our Business – Intellectual Property*" on page 162.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on June 10, 2021 and our Shareholders have approved the Offer pursuant to a resolution dated July 8, 2021 in terms of Section 62(1)(c) of the Companies Act, 2013. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated August 4, 2021. The Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution passed on August 4, 2021.

The Selling Shareholder has confirmed and approved its participation in the Offer for Sale in relation to its portion of Offered Shares. For details, see "*The Offer*" on page 49.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, members of the Promoter Group, Directors, persons in control of our Company and the persons in control of our Promoters are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Directors are associated with securities market related business, in any manner and there has been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoters or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

The Selling Shareholder confirms that it has not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Confirmation in relation to RBI Circular dated July 1, 2016

Neither our Company, nor any of our Promoters or Directors have been declared as fraudulent borrowers by the lending banks or financial institution or consortium, in terms of the Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs dated July 1, 2016, as amended, issued by the Reserve Bank of India.

Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters, members of the Promoter Group, and the Selling Shareholder confirm that they are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has an average operating profit of at least ₹150 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated basis; and
- Our Company has not changed its name in the last one year.

Our Company's operating profit, net worth, net tangible assets and monetary assets derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three years ended March 31 are set forth below:

Derived from our Restated Financial Information:

(₹ in million)

S. No.	Particulars	FY 2021	FY 2020	FY 2019
A.	Net tangible assets, as restated and consolidated [1]	2,398.35	2,071.80	1,916.92
B.	Monetary assets, as restated and consolidated [2]	594.00	422.76	290.85
C.	Monetary assets, as restated and consolidated as a % of net tangible assets, as restated and consolidated (B/A)	24.77	20.41	15.17
D.	Net worth[3]	2,460.02	2,127.72	1,978.48
E.	Operating profit, as restated and consolidated [4]	766.35	690.57	798.83

Notes:

1. *"Net tangible assets, as restated and consolidated" basis, mean the sum of all net assets of the Company on a restated and consolidated basis excluding intangible assets as defined in Indian Accounting Standard 38 and goodwill*
2. *Monetary assets, as restated and consolidated = Cash on hand + cheques on hand + balance with banks + balance with banks held as margin money, on restated basis.*
3. *"Net worth" of the Company, as restated and consolidated, has been defined as the aggregate of equity share capital and other equity of the Company*
4. *"Operating profit, as restated and consolidated" basis, has been calculated as net profit before tax, excluding other income and finance costs each on a restated and consolidated basis..*

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, our Promoters, members of the Promoter Group, the Selling Shareholder and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoters, or Directors is a wilful defaulter (as defined in the SEBI ICDR Regulations);

(iv) None of our Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;

(vi) Our Company has entered into tripartite agreements dated August 14, 2018 and August 24, 2018 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares.

(vii) The Equity Shares of our Company held by the Promoters are in the dematerialised form;

(viii) Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith; and

(ix) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING AXIS BANK LIMITED, DAM CAPITAL ADVISORS LIMITED (*FORMERLY IDFC SECURITIES LIMITED*) AND CENTRUM CAPITAL LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 4, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors, the Selling Shareholder and BRLMs

Our Company, the Selling Shareholder, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website www.popularmaruti.com, or the respective websites of our Promoters or any affiliate of our Company would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company, Selling Shareholder and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Selling Shareholder, their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholder, and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus.

No person outside India is eligible to Bid for Equity Shares in the Offer.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Equity Shares Offered and Sold in the Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to the Offer, will be deemed to have acknowledged, represented and warranted to and agreed with the Company, the Selling Shareholder and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser is purchasing the Equity Shares offered pursuant to the Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S;

4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated, and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

5. the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, it will only do so pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and in each case in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction;

7. the purchaser is not acquiring the Equity Shares as a result of any "directed selling efforts" (within the meaning of Rule 902(c) under the U.S. Securities Act);

8. the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

9. the purchaser acknowledges that the Company, the Selling Shareholder, the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company and the BRLMs, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has

sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares proposed to be issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Consents

Consents in writing of the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, Legal Counsel to the Company and the Selling Shareholder as to Indian Law, Legal Counsel to the BRLMs as to Indian Law, Bankers to our Company, the BRLMs, Registrar to the Offer, CRISIL Limited, Statutory Auditors and Independent Chartered Account, have been obtained; and consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Bank to act in their respective capacities, will be obtained as required under the Companies Act, 2013. All such consents have not been withdrawn until the date of this Draft Red Herring Prospectus.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated August 4, 2021, from B S R & Associates LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated August 4, 2021 on our Restated Financial Information; and (ii) their report dated August 4, 2021 on the statement of tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated August 4, 2021 from R.G.N. Price & Co., Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Independent Chartered Accountants, and in respect of their reports/certificates/letters included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last three years

Other than as disclosed in "*Capital Structure*" on page 62, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Our Company does not have any listed group company or any listed subsidiary or a listed associate entity.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public issue in the five years preceding the date of this Draft Red Herring Prospectus. Other than as disclosed in "*Capital Structure*" on page 62, our Company has not undertaken any rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

None of our Subsidiaries or Promoters are listed on any stock exchange.

Price information of past issues handled by the BRLMs

1) Axis Capital Limited

1. Price information of past issues handled by Axis Capital Company Limited

Sr. No.	Issue name	Issue size (₹ million)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Clean Science And Technology Limited	15,466.22	900.00	19-Jul-21	1,755.00	-	-	-
2	India Pesticides Limited	8,000.00	296.00	5-Jul-21	350.00	-	-	-
3	Krishna Institute Of Medical Sciences Limited[!]	21,437.44	825.00	28-Jun-21	1,009.00	-	-	-
4	Dodla Dairy Limited	5,201.77	428.00	28-Jun-21	550.00	-	-	-
5	Shyam Metalics And Energy Limited[@]	9,085.50	306.00	24-Jun-21	380.00	-	-	-
6	Macrotech Developers Limited	25,000.00	486.00	19-April-21	436.00	+30.22%, [+5.21%]	+75.43%, [+10.89%]	-
7	Barbeque – Nation Hospitality Limited	4,528.74	500.00	07-April-21	489.85	+18.77%, [-0.64%]	+76.97%, [+6.85%]	-
8	Suryoday Small Finance Bank Limited[$]	5,808.39	305.00	26-Mar-21	292.00	-18.38%, [-1.14%]	-26.87%, [+8.13%]	-
9	Kalyan Jewellers India Limited[#]	11,748.16	87.00	26-Mar-21	73.95	-24.60%, [-1.14%]	-7.07%, [+8.13%]	-
10	Craftsman Automation Limited	8,236.96	1,490.00	25-Mar-21	1,359.00	-13.82%, [+0.11%]	+16.81%, [+10.11%]	-

Source: www.nseindia.com
$ Offer Price was₹ 275.00 per equity share to Eligible Employees
 # Offer Price was₹ 79.00 per equity share to Eligible Employees
@ Offer Price was₹ 291.00 per equity share to Eligible Employees
! Offer Price was₹ 785.00 per equity share to Eligible Employees

Notes:

a. Issue Size derived from Prospectus/final post issue reports, as available.
b. The CNX NIFTY is considered as the Benchmark Index.
c. Price on NSE is considered for all of the above calculations.
d. In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.
e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues handled by Axis Capital Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ in million)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-2022*	7	88,719.67	-	-	-	-	1	1	-	-	-	-	-	-
2020-2021	11	93,028.90	-	-	6	2	1	2	-	-	-	2	1	2
2019-2020	5	161,776.03	-	1	2	-	-	2	1	1	-	-	-	3

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2) DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*)

1. Price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*)

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Mazagon Dock Shipbuilders Limited	4,436.86	145.00	October 12, 2020	214.90	+18.90%, [+5.87%]	+52.90%, [+20.25%]	+45.79%, [+24.34%]
2	Indian Railway Finance Corporation Limited	46,333.79	26.00	January 29, 2021	24.90	-5.19%, [+6.56%]	-18.65%, [+9.02%]	-11.15%, [+15.49%]
3.	Laxmi Organic Industries Limited	6,000.00	130.00	March 25, 2021	155.50	+37.85%, [+0.11%]	+71.96%, [+10.11%]	Not applicable

Source: www.nseindia.com
Notes:
(a) Issue size derived from prospectus
(b) Price on NSE is considered for all of the above calculations
(c) % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.
(d) Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
(e) The Nifty 50 index is considered as the benchmark index
(f) Not applicable – Period not completed

2. Summary statement of price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*)

Financial Year	Total no. of IPOs	Total funds raised (₹ in million)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	3	56,770.65	-	-	1	-	1	1	-	-	1	-	1	-
2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com

Notes:

a. *The information is as on the date of this offer document.*

b. *The information for each of the financial years is based on issues listed during such financial year.*

c. *Since 180 calendar days from listing date has not elapsed for few issues, hence data for same is not available.*

3) Centrum Capital Limited

1. Price information of past issues handled by Centrum Capital Limited

S. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	-	-	-	-	-	-	-	-

2. Summary statement of price information of past issues handled by Centrum Capital Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (in ₹ million)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-22*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	--	-	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* *This data covers issues upto YTD*

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in the SEBI circular dated January 10, 2012, bearing reference number CIR/MIRSD/1/2012, please see the websites of the BRLMs, as provided in the table below.

S. No.	Name of the BRLM	Website
1.	Axis Capital Limited	www.axiscapital.co.in
2.	DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*)	www.damcapital.in
3.	Centrum Capital Limited	www.centrum.co.in

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount for the period of such delay.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of the Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus.

Neither our Group Company nor Subsidiaries are listed on any stock exchange.

Disposal of Investor Grievances by our Company

Our Company will obtain authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be five Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Varun T.V., Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see "*General Information*" and "*Our Management*" on pages 55 and 180.

Our Company has constituted a Stakeholders' Relationship Committee comprising of Naveen Philip, Preeti Reddy and Rahul G. Kurup as members. For details, see "*Our Management - Stakeholders' Relationship Committee*" on page 190.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of voting and the right to receive dividend. Further, in the case of Offer for Sale, the dividend for the entire year shall be payable to the Allottees. In addition, the Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 346.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For details, in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" beginning on pages 204 and 346, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹10 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size and the Employee Discount for the Offer will be decided by our Company and the Selling Shareholder in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Malayalam newspaper, Malayalam being the regional language of Kerala, where our Registered and Corporate Office is located, each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination for the Equity Shares.

The Offer

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholder.

Expenses for the Offer shall be shared amongst our Company and the Selling Shareholder in the manner specified in "*Objects of the Offer - Offer Expenses*" on page 87.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 346.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Link Intime India Private Limited:

- Tripartite agreement dated August 14, 2018 amongst our Company, NSDL and Link Intime India Private Limited.
- Tripartite agreement dated August 24, 2018 amongst our Company, CDSL and Link Intime India Private Limited.

Employee Discount

Employee Discount, if any, may be offered to Eligible Employees bidding in the Employee Reservation Portion. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment at Bid Amount, that is, Bid Amount net of Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/Offer Programme

BID/OFFER OPENS ON	[●][(1)]
BID/OFFER CLOSES ON	**[●]**[(2)]

(1) *Our Company and the Selling Shareholder in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations*

(2) *Our Company and the Selling Shareholder in consultation with the BRLMs may, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with the applicable law by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.*

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholder or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholder in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholder confirms that it shall extend such reasonable support and co-operation required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Separately, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and	From the date on which multiple amounts were blocked till the date of actual unblock

Scenario	Compensation amount	Compensation period
	2. ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹ 100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

* *UPI mandate end time and date shall be at 12.00 p.m. on [●]*

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees Bidding under the Employee Reservation Portion.

On Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted on the Stock Exchange platform only during Working Days, during the Bid/Offer Period.

Our Company and the Selling Shareholder, in consultation with the BRLMs reserves the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholder in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer equivalent to at least 10% post Offer paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Offer Closing Date on the date of closure of the Offer or; the minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Company shall forthwith refund the entire subscription amount received. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond the prescribed time, the Selling Shareholder, to the extent applicable, and our Company shall pay interest prescribed under the applicable law. In the event of an undersubscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Fresh Issue prior to the Equity Shares offered pursuant to the Offer for Sale.

The Selling Shareholder shall reimburse, in proportion to the portion of its Offered Shares, any expenses and interest incurred by our Company on behalf of such Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law, provided that such Selling Shareholder shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 62 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association"* beginning on page 346.

OFFER STRUCTURE

Offer of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹ [●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹1,500 million by our Company and an Offer for Sale of up to 4,266,666 Equity Shares aggregating up to ₹[●] million by the Selling Shareholder. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

The Offer comprises of a Net Offer of up to [●] Equity Shares and Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹[●] million (constituting up to [●]% of our post-Offer paid-up Equity Share capital). The Offer and the Net

Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company. The face value of the Equity Shares is ₹ 10 each.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation (2)	Not more than [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment/ allocation	The Employee Reservation Portion shall constitute up to [●]% of the Offer Size	Not more than 50% of the Offer shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation	Not less than 35% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate; unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion may be Allotted, on a proportionate basis, to Eligible Employees for value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount)	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Our Company and Selling Shareholders in consultation with the BRLMs, may	Proportionate	Proportionate, subject to the minimum Bid Lot. Allotment to each Retail Individual Bidder shall not be less than the maximum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, "*Offer Procedure*" on page 330

Particulars	Eligible Employees#	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
		allocate up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹500,000 (net of Employee Discount) [(5)]	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share			
Trading Lot	One Equity Share			
Who can apply[(3)] [(4)]	Eligible Employees (such that the Bid Amount does not exceed ₹500,000)	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India	Resident Indian individuals, Eligible NRIs on a non-repatriable basis, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
		and Systemically Important NBFCs.		
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids(4) **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) that is specified in the ASBA Form at the time of submission of the ASBA Form			
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).			

* *Assuming full subscription in the Offer*

\# *Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.*

(1) Our Company and the Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see "Offer Structure" on page 286.

(2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1) of the SEBI ICDR Regulations

(3) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

(5) Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 (net of Employee Discount) in value. Only in the event of an under-subscription in the Employee Reservation Portion, post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount) in value.

The Bids by FPIs with certain structures as described under "Offer Procedure - Bids by FPIs" on page 334 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion, the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For details, see "*Terms of the Offer*" on page 322.

Withdrawal of the Offer

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Selling Shareholder, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and the Selling Shareholder, in consultation with the BRLMs withdraws the Offer at any stage and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v)Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus.*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company, the Selling Shareholder and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholder, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional

Investors and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, up to [●] Equity Shares, aggregating to ₹[●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

Under-subscription, if any, in any category, including the Employee Reservation Portion, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer. In case of an undersubscription in the Offer, the Equity Shares proposed for sale by each Promoter Selling Shareholder shall be in proportion to the Offered Shares by such Promoter Selling Shareholder.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for RIBs using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available with the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism.

RIBs bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (except RIBs using the UPI Mechanism). ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees bidding in the Employee Reservation Portion	[●]

**Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For RIBs using UPI mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Participation by Promoters and members of the Promoter Group of the Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor (ii) any "person related to the Promoters/ Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters/ Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoters and members of the Promoter Group will not participate in the Offer.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (White in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 301. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Instruments Rules.

Bids by HUFs

Hindu Undivided Families or HUFs, should be made in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

(a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**") as amended, *inter alia* prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by Eligible Employees

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).

(b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000 (net of Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid amounting up to ₹200,000 (net of Employee Discount). In the event of any under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees, who have bid in excess of ₹200,000 (net of Employee Discount), provided however that the maximum Bid in this category by an Eligible Employee cannot exceed ₹500,000 (net of Employee Discount).

(c) The Bidder should be an Eligible Employee as defined above in this Draft Red Herring Prospectus. In case of joint bids, the first Bidder shall be an Eligible Employee.

(d) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.

(e) Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this category.

(f) Eligible Employees can apply at Cut-off Price.

(g) Bids by Eligible Employees can be made also in the "Net Offer to the Public" and such Bids shall not be treated as multiple Bids.

(h) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(i) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer.

(j) Eligible Employees shall not Bid through the UPI Mechanism in the Employee Reservation Portion.

In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting [●]% of the post-Offer share capital of our Company. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

(i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

(iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(iv) Bidding for Anchor Investors will open one Working Day before the Bid / Offer Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.

(v) Our Company, in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

   (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

   (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and

   (c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid / Offer Opening Date, through intimation to the Stock Exchange.

(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price shall still be the Anchor Investor Office Price.

(ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(x) Neither the BRLMs or any associate of the BRLMs ((except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies or family offices sponsored by the entities which are associate of the BRLMs) nor any "person related to the Promoters or Promoter Group" shall apply in the Offer under the Anchor Investor Portion. For further details, see "*– Participation by associates and affiliates of the BRLMs and the Syndicate Members, Promoters, Promoter Group and persons related to Promoters / Promoter Group*" beginning on page 333.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

(xii) For more information, see the General Information Document.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

* *The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholder in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company and the Selling Shareholder in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

8. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should

contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

12. RIBs Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

14. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

16. Ensure that the Demographic Details are updated, true and correct in all respects;

17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

18. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

21. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

22. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

24. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

25. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

26. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment

managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

27. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and

28. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
11. Anchor Investors should not Bid through the ASBA process;
12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
14. Do not submit the General Index Register (GIR) number instead of the PAN;
15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
19. Do not submit a Bid using UPI ID, if you are not a RIB;
20. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

21. Do not Bid for Equity Shares in excess of what is specified for each category;

22. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

25. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID; and

26. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see "*General Information*" on page 55.

Further, helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 , see *"General Information – Book Running Lead Managers"* on page 56.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Selling Shareholder in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], an English national daily newspaper, (ii) [●] editions of [●], a Hindi national daily newspaper, and (iii) [●] editions of [●], a Malayalam newspaper, Malayalam being the regional language of Kerala, where our Registered and Corporate Office is located, each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholder and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholder and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;

- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;

- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- No further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

- Our Company and the Selling Shareholder, in consultation with the BRLMs, reserves the right not to proceed with the Offer, in whole or in part thereof, to the extent of the Fresh Issue or Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed.

- If our Company and the Selling Shareholder, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Undertakings by the Selling Shareholder

The Selling Shareholder undertakes in respect of itself as a selling shareholder and its portion of the Equity Shares offered by it in the Offer for Sale that:

- the Equity Shares offered for sale by the Selling Shareholder in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- the Equity Shares being offered for sale by the Selling Shareholder pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;
- it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;
- it shall provide such reasonable cooperation to our Company in relation to the Equity Shares offered by it in the Offer for Sale for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges; and
- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by our Company and the Selling Shareholder in consultation with the BRLMs.

Utilisation of Offer Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

The Company and the Selling Shareholder, specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"*Any person who—*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. Under the FDI Policy, effective from October 15, 2020, issued by the DPIIT including any modifications thereto or substitutions thereof, issued from time to time, 100% FDI up to 100% is permitted in the services sector, under the automatic route, subject to compliance with the specified conditions. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

Foreign Exchange Laws

The foreign investment in our Company is governed by *inter alia* the FEMA, the FEMA Non-debt Instruments Rules, the FDI Policy issued and amended by way of press notes, and the SEBI FPI Regulations.

In terms of the FEMA Non-debt Instruments Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Non-debt Instruments Rules, the total holding by any individual NRI, on a non-repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

The Equity Shares offered in the Offer have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. The Articles of Association of the Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. Part B contains the provisions of the Shareholders Agreement. In case of inconsistency between Part A and Part B, the provisions of Part B shall be applicable. However, Part B, shall automatically stand terminated and cease to have any force and effect from the date of listing of shares of the Company on a stock exchange in India pursuant to the Offer, without any further action by the Company or by the Shareholders.

PART A

Authorised Share Capital

The authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

Alteration of Capital

Subject to the provisions of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

a. increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

b. divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;

c. cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

d. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act;

e. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; and

f. classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted under legislative provisions for the time being in force in that behalf.

Allotment of Shares

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of all or any of such shares to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting give to any person the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Board of Directors think fit.

Further Issue of Shares

(1) Where at any time the Board or the Company, as the case may be, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:

 (i) to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below;

 (ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined.

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (ii) shall contain a statement of this right;

(iv) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;

(A) to employees under any scheme of employees' stock option subject to Special Resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under applicable law; or

(B) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to compliance with the applicable conditions of Chapter III of the Act and any other conditions as may be prescribed under the Act and the rules made thereunder;

(2) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such loans into shares in the Company or to subscribe for shares of the Company:

Provided that the terms of issue of such loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a Special Resolution passed by the Company in a General Meeting, and the Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.

Company's Lien on Shares/ Debentures

The Company shall subject to applicable law have a first and paramount lien on every share / debenture (not being a fully paid share / debenture) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect. Unless otherwise agreed, the registration of transfer of shares / debentures shall operate as a waiver of the Company's lien, if any, on such shares / debentures.

Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

Company's lien, on the Debentures, shall extend to all interests and premium payable in respect of such Debentures.

Certificates

Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe or within a period of six (6) months from the date of allotment in the case of any allotment of debenture. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary and the common seal it shall be affixed in the presence of the persons required to sign the certificate.

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued upon payment of such fees for each certificate as may be specified by the Board (which fees shall not exceed the maximum amount permitted under the applicable law). Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf. The provision of this Article shall *mutatis mutandis* apply to debentures of the Company.

Transfer of Shares

(a) The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

(b) The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

Transmission of Shares

Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

Rights on Transmission

A person becoming entitled to a share by reason of the death or insolvency of the holder shall, subject to the Directors' right to retain such dividends or money, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

Borrowing Powers

(a) Subject to the provisions of the Act and these Articles, the Board may from time to time, by resolution passed in the meeting of the Board, raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this Company or any other company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans (as defined under Section 180(1) of the Act) obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company, its free reserves and securities premium. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

(b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.

(c) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and he same shall be in the interests of the Company.

(d) Any bonds, debentures, debenture-stock or other securities may if permissible under applicable law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, attending (but not voting) in the General Meeting, appointment of Directors or otherwise. Provided that debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

General Meetings

Annual General Meetings

(a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year.

(b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

Extraordinary General Meetings

All General Meetings other than the Annual General Meeting shall be called “Extraordinary General Meeting”. Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

Extraordinary Meetings on Requisition

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

Notice for General Meetings

All General Meetings shall be convened by giving not less than clear twenty one (21) days’ notice, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Act. Notice shall be given to all the Members and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member or other person to whom it should be given shall not invalidate the proceedings of any General Meetings.

The Members may participate in General Meetings through such modes as permitted by applicable laws.

Shorter Notice Admissible

Upon compliance with the relevant provisions of the Act, an Annual General Meeting or any General Meeting may be convened by giving a shorter notice than twenty one (21) days.

Meetings of the Board

(a) The Board of Directors shall meet at least once in every three (3) months with a maximum gap of four (4) months between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four (4) such meetings shall be held in every year. Place of meetings of the Board shall be at a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the chairman of the Board.

(b) The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

(c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.

(d) To the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

Managing Director(s) and/ or Whole Time Directors

(a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the managing director and/ or whole time directors for such term and subject to such remuneration, terms and conditions as they may think fit.

(b) The Directors may from time to time resolve that there shall be either one or more managing directors and/ or whole-time directors.

(c) In the event of any vacancy arising in the office of a managing director and/or whole time director, the vacancy shall be filled by the Board of Directors subject to the approval of the Members.

(d) If a managing director and/or whole time director ceases to hold office as Director, he shall ipso facto and immediately cease to be managing director/whole time director.

Number of Directors

The Investor shall be entitled to appoint one Director on the board of the Company (for so long as it holds at least 10% of the issued and paid up share capital of the Company calculated on a fully diluted basis) subject to the receipt of shareholders' approval through a special resolution, in the first general meeting of the Company held after date on which the Equity Shares are listed on the stock exchanges, pursuant to pursuant to completion of an initial public offering of the Equity Shares of the Company.

Appointment of Directors

Additional Directors

Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

Alternate Directors

(a) The Board may, appoint a person, not being a person holding any alternate directorship for any other director in the Company or holding directorship in the Company, to act as an alternate director for a director during his absence for a period of not less than 3 (three) months from India (hereinafter in this Article called the "Original Director").

(b) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

Appointment Of Director To Fill A Casual Vacancy

If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by members in the immediate next general meeting. The director so appointed shall hold office only up to the date which the director in whose place he is appointed would have held office if it had not been vacated.

Vote of Members

Voting Rights of Members

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) On a show of hands every Member holding Equity Shares and present in person shall have one vote.

(b) On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid up equity share capital.

(c) A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Proxy

Any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

Instrument of Proxy

An instrument appointing a proxy shall be in the form as prescribed under the Act for this purpose. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a body corporate either under its common seal or under the hand of its officer or attorney duly authorized in writing by it. Any person whether or not he is a Member of the Company may be appointed as a proxy.

The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed or a notarized copy of that power or authority must be deposited at the Office of the Company not less than forty eight (48) hours prior to the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Dividend

Company in General Meeting may Declare Dividend

The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Interim Dividends

Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit and as appear to it to be justified by the profits of the company.

Dividends to be Apportioned

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

Dividends not to bear interest

No dividends shall bear interest against the Company.

Right to Dividend and Unpaid or Unclaimed Dividend

(a) Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits.

(b) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account of India Pesticides Limited".

(c) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the Act.

(d) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

(e) All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

Winding Up

Subject to the applicable provisions of the Act–

(a) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

(d) Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Act.

Indemnity

Director's and Others' Right to Indemnity

Subject to the provisions of the Act, every Director and Officer of the Company shall be indemnified by the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director.

Insurance

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

PART B

Part B of the Articles of Association of the Company provides for the rights and obligation of the parties to the Shareholders Agreement.

In case of inconsistency between Part A and Part B, the provisions of Part B shall be applicable. However, Part B, shall automatically stand terminated and cease to have any force and effect from the date of listing of shares of the Company on a stock exchange in India pursuant to the Offer, without any further action by the Company or by the Shareholders.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

A. Material Contracts for the Offer

a) Offer Agreement dated August 4, 2021 amongst our Company, the Selling Shareholder and the BRLMs.

b) Registrar Agreement dated July 23, 2021 amongst our Company, the Selling Shareholder and the Registrar to the Offer.

c) Cash Escrow and Sponsor Bank Agreement dated [●] amongst our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Account Bank and the Refund Bank(s).

d) Share Escrow Agreement dated [●] amongst the Selling Shareholder our Company and the Share Escrow Agent.

e) Syndicate Agreement dated [●] amongst our Company, the Selling Shareholder, the BRLMs, and Syndicate Members.

f) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholder and the Underwriters.

B. Material Documents

a) Certified copies of updated MoA and AoA, updated from time to time.

b) Certificate of incorporation dated July 5, 1983 issued to our Company, under the name Popular Vehicles and Services Limited by the RoC.

c) Certificate of commencement of business dated July 14, 1983.

d) Fresh certificate of incorporation dated March 24, 2015 issued by the RoC, consequent upon change from Popular Vehicles and Services Limited to Popular Vehicles and Services Private Limited, pursuant to conversion to a public limited company.

e) Fresh certificate of incorporation dated July 10, 2018 issued by the RoC, consequent upon change from Popular Vehicles and Services Private Limited to Popular Vehicles and Services Limited, pursuant to conversion to a private limited company.

f) Resolutions of the Board of Directors dated June 10, 2021, authorising the Offer and other related matters.

g) Resolution of Board of Directors dated August 4, 2021, taking on record the approval for the Offer for Sale by the Selling Shareholder

h) Shareholders' resolution dated July 8, 2021, in relation to the Fresh Issue and other related matters.

i) Resolution of the Board of Directors dated August 4, 2021, approving the DRHP.

j) Consent letter from Selling Shareholder for participation in the Offer for Sale.

k) Resolution of the board of directors of the Selling Shareholder dated July 26, 2021, authorizing participation in the Offer for Sale.

l) Scheme of Arrangement between Prabal Motors Private Limited and Popular Kuttukaran Cars Private Limited as approved by the National Company Law Tribunal, Chennai.

m) Shareholders agreement dated October 13, 2015 entered into amongst our Company, Promoters and BanyanTree, as amended by the deed of amendment executed on November 30, 2015 and letter dated September 5, 2018, between our Company, John K. Paul, Francis K. Paul, Naveen Philip and BanyanTree.

n) Waiver and Termination agreement dated July 29, 2021 entered into amongst our Company, John K. Paul, Francis K. Paul, Naveen Philip and BanyanTree.

o) Upside sharing letter dated August 3, 2021 between John K. Paul, Francis K. Paul, Naveen Philip and BanyanTree.

p) The examination reports of the Statutory Auditor, on our Company's restated standalone financial statements dated August 4, 2021 and restated financial statements dated August 4, 2021 included in this Draft Red Herring Prospectus

q) Copies of annual reports of our Company for FYs 2021, 2020 and 2019

r) The statement of special tax benefits dated August 4, 2021 from the Statutory Auditors.

s) Brand license agreement dated November 1, 2015, entered into between Kuttukaran Trading Ventures and our Company

t) Consent of the Selling Shareholder, the Directors, the BRLMs, the Syndicate Members, Indian Legal Counsel to our Company and Selling Shareholder, Indian Legal Counsel to the BRLMs, Registrar to the Offer, Statutory Auditors, Escrow Collection Bank(s), Bankers to the Offer, Bankers to our Company, Statutory Auditors, Independent Chartered Accountant, CRISIL Limited, Company Secretary and Compliance Officer, Chief Financial Officer as referred to in their specific capacities.

u) CRISIL Report titled "Industry Assessment of Automobile Dealerships Industry in India" dated July, 2021.

v) Consent letter dated July 20, 2021 of CRISIL Limited in respect of the CRISIL Report

w) Due Diligence Certificate dated August 4, 2021 addressed to SEBI from the BRLMs

x) In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively

y) Tripartite agreement dated August 14, 2018 amongst our Company, NSDL and the Registrar to the Offer

z) Tripartite agreement dated August 24, 2018 amongst our Company, CDSL and the Registrar to the Offer

aa) Certificate from the Statutory Auditor in relation to utilisation of loans availed by our Company dated August 4, 2021

bb) Certificate from respective statutory auditors in relation to utilization of loans availed by our Subsidiaries dated August 4, 2021

cc) SEBI final observation letter dated [●]

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Jacob Kurian
Chairman and Non-Executive Independent Director

Place: Bangalore

Date: August 4, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

John K. Paul
Managing Director

Place: Kochi

Date: August 4, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Francis K. Paul
Whole-time Director

Place: Kochi

Date: August 4, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Naveen Philip
Non- Executive Director

Place: Kochi

Date: August 4, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Preeti Reddy
Non-Executive Independent Director

Place: Delhi

Date: August 4, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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George Joseph
Non-Executive Independent Director

Place: Kochi

Date: August 4, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Rahul G. Kurup
Non- Executive Nominee Director

Place: Mumbai

Date: August 4, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Chief Financial Officer of our Company

John Verghese
Chief Financial Officer

Place: Kochi

Date: August 4, 2021

DECLARATION

The undersigned Selling Shareholder confirms and certifies that all statements and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. The undersigned assumes no responsibility as a Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

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Signed for and on behalf of **BanyanTree Growth Capital II, LLC**

Name: M G Rajiv Kumar

Designation: Authorised Signatory

Date: August 4, 2021

Place: Mauritius