



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 219 of the Red Herring Prospectus dated March 04, 2024 (“RHP” or “Red Herring Prospectus”) filed with the RoC. **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



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THE PROMOTERS OF OUR COMPANY ARE JOHN K. PAUL, FRANCIS K. PAUL AND NAVEEN PHILIP

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH (“EQUITY SHARES”) OF POPULAR VEHICLES AND SERVICES LIMITED (“COMPANY”) FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (“OFFER PRICE”) AGGREGATING UP TO ₹[●] MILLION COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹2,500.00 MILLION BY OUR COMPANY (“FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO 11,917,075 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY BANYANTREE GROWTH CAPITAL II, LLC (THE “SELLING SHAREHOLDER”) AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDER (“OFFER FOR SALE”, AND TOGETHER WITH THE FRESH ISSUE, THE “OFFER”). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹10.00 MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (“EMPLOYEE RESERVATION PORTION”). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE

Name of Selling Shareholder	Type	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)^
BanyanTree Growth Capital II, LLC	Selling Shareholder	Up to 11,917,075 Equity Shares of face value of ₹ 2 each aggregating to ₹[●] million	27.28

^As certified by R.G.N. Price & Co., Chartered Accountants, by way of their certificate dated March 04, 2024.

Our Company caters to the complete life cycle of vehicle ownership, right from the sale of new vehicles, servicing and repairing vehicles, distributing spare parts and accessories, to facilitating sale and exchange of pre-owned vehicles, operating driving schools and facilitating the sale of third-party financial and insurance products.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations

QIB Portion: Not more than 50% of the Net Offer | Non-Institutional Portion: Not less than 15% of the Net Offer | Retail Portion: Not less than 35% of the Net Offer

Employee Reservation Portion: Up to [●] Equity Shares aggregating up to ₹ 10.00 Million

PRICE BAND: ₹280 TO ₹295 PER EQUITY SHARE OF FACE VALUE OF ₹2 EACH.

THE FLOOR PRICE AND THE CAP PRICE ARE 140.00 TIMES AND 147.50 TIMES THE FACE VALUE OF THE EQUITY SHARES RESPECTIVELY

THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FISCAL 2023 FOR OUR COMPANY AT THE UPPER END OF THE PRICE BAND IS AS HIGH AS 28.86 AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP PE RATIO OF 34.84, THE MARKET CAP AT OFFER PRICE TO TOTAL TURNOVER IS 0.43 TIMES AND P/E RATIO AT OFFER PRICE IS [●] TIMES

WEIGHTED AVERAGE RETURN ON NET WORTH FOR FISCAL 2023, 2022 AND 2021 IS 15.55%

BIDS CAN BE MADE FOR A MINIMUM OF 50 EQUITY SHARES AND IN MULTIPLES OF 50 EQUITY SHARES THEREAFTER.

A DISCOUNT OF ₹ 28 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION

Potential Bidders may note the following:

This is in furtherance to the draft red herring prospectus of the Company dated September 28, 2023 (“DRHP”), filed with the Securities and Exchange Board of India, additionally with reference to the directive dated July 4, 2023, issued through an e-mail from the Securities and Exchange Board of India (“SEBI”, and such directive, the “SEBI Directive”) pursuant to which, the Company is required to intimate the National Stock Exchange of India Limited (“NSE”) and the BSE Limited (“BSE” and along with the NSE, the “Stock Exchanges”) in the event of transaction of shares aggregating up to 1% or more of the paid-up equity share capital of the Company by the Promoters and members of our Promoter Group. Pursuant to the letters dated September 28, 2023 and February 5, 2024, our Company, BanyanTree Growth Capital II, LLC and the Promoters of our Company, namely, John K. Paul, Francis K. Paul and Naveen Philip have entered into a share purchase agreement dated February 6, 2024 read with amendment agreement dated February 14, 2024 (“SPA”). We would like to inform you that, in accordance with the SPA, BanyanTree Growth Capital II, LLC has undertaken a transfer of 2,291,211 Equity Shares to the Promoters of our Company, aggregating to 3.66% of the pre-Offer Equity Share capital of our Company, in the following manner:

Sr. No.	Date of transfer	Name of the transferor	Name of the transferee	Nature of transfer	Number of Equity Shares	Percentage of pre-Offer share capital of the Company (in %)	Transfer price per Equity Shares (in ₹)	Total consideration (in ₹)
1	February 21, 2024	BanyanTree Growth Capital II, LLC	John K. Paul	Pursuant to SPA	763,737	1.22	57	43,533,009
2	February 21, 2024	BanyanTree Growth Capital II, LLC	Francis K. Paul		763,737	1.22	57	43,533,009
3	February 21, 2024	BanyanTree Growth Capital II, LLC	Naveen Philip		763,737	1.22	57	43,533,009

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated March 4, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the ‘Basis for Offer Price’ section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in ‘Basis for Offer Price’ section on page 119 of the RHP and provided below in the advertisement

In making an investment decision, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISKS TO INVESTORS

1.

A large portion of our business revenue, approximately 77.03%, is derived from our dealership of Maruti, Tata Motors (Commercial) and Honda. Any adverse developments in the growth, demand or sales for these OEMs could have an adverse effect on our business, results of operations and financial condition.
5.

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

OEM	Total consolidated revenue from vehicle sales in %			
	Six months period ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Maruti	48.15	51.32	53.57	58.06
Tata Motors (Commercial)	24.13	29.35	27.52	23.87
Honda	4.75	6.59	9.09	8.15
Total	77.03	87.26	90.18	90.08

2.

Non-renewal, termination or any adverse material modifications made by our OEMs to the dealership agreements, will have a material and adverse impact on our business prospects and results of operations.
3.

We have had negative cash flows from operating activities for the period ended September 30, 2023, and it is possible that we may experience negative cash flows in the future which could adversely affect our cash flow requirements, our ability to operate our business and implement our growth plans, thereby affecting our financial performance.

(in ₹ million)

Particulars	Six months period ended September 30, 2023
Net cash generated from/(used in) operating activities	(1,611.02)
Net cash generated from/(used in) investing activities	(296.70)
Net cash (used in)/generated from financing activities	1,971.67
Net increase/(decrease) in cash and cash equivalents	63.95
Cash and cash equivalents at the beginning of the period/ year	238.25
Cash and cash equivalents at the end of the period/ year	302.20

4.

A large portion of our business operations, which is approximately 96.91% of our Company’s consolidated revenue for the six months period ended September 30, 2023, are concentrated in the states of Kerala, Tamil Nadu and Karnataka. Any adverse developments (including any natural calamities) in these states could have an adverse effect on our business, results of operations and financial condition.

State	Total consolidated revenue in %			
	Six months period ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Kerala	70.31	71.45	73.38	73.83
Tamil Nadu	18.08	22.41	20.56	19.61
Karnataka	8.52	5.49	6.06	6.55
Total	96.91	99.35	100.00	100.00

Particulars	Six months period ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
PAT Margin (in %)	1.41	1.31	0.97	1.11

6.

Weighted average cost of acquisition of (i) all shares issued by our Company; and (ii) all shares acquired by our Promoters and Promoter Group, in the 3 years, 18 months and 1 year preceding the date of the Red Herring Prospectus is set out below:

Particulars	Weighted Average Cost of Acquisition (in ₹)	Cap Price (i.e., ₹ 295) is ‘X’ times the Weighted Average Cost of Acquisition*	Range of acquisition price: Lowest price – highest price* (in ₹)
Last 3 years	57	5.18	Lowest and Highest price ₹57
Last 18 months	57	5.18	Lowest and Highest price ₹57
Last 1 year	57	5.18	Lowest and Highest price ₹57

*As certified by R.G.N. Price & Co., Chartered Accountants, by way of their certificate dated March 05, 2024.

7.

Set out below are the details of the weighted average cost of acquisition of the transactions undertaken during the 18 months preceding the date of the Red Herring Prospectus, as compared to the Floor Price and the Cap Price:

Particulars	Weighted Average cost of Acquisition (in ₹)	Floor Price (i.e., ₹280)*	Cap Price (i.e., ₹295)*
WACA of Primary Transactions	Not Applicable	-	-
WACA of Secondary Transactions	57	4.91 times	5.18 times

*As certified by R.G.N. Price & Co., Chartered Accountants, by way of their certificate dated March 05, 2024.

8.

Margins earned from our services and repair vertical and our spare parts and accessories distribution vertical may be impacted by pricing guidelines set by our OEMs which may adversely affect our financial condition and results of operations.

Particulars	Six months period ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Authorised service centres				
Total Revenue (in %)	14.83	14.60	15.29	14.82
EBIDTA (in %)	46.60	55.48	54.10	53.44
Spare parts and accessories distribution				
Total Revenue (in %)	5.10	5.19	5.06	4.87
EBIDTA (in %)	7.11	7.39	7.70	6.24
PAT margin (in %)	11.88	11.98	16.85	15.78

...continued from previous page.

9. We have certain unresolved customer complaints which may result in future litigation against our Company

Sr. No.	Details	FY 2023	FY 2022	FY 2021
1.	Customers complaints received	76,607	108,332	60,266
2.	Customers complaints resolved	43,925	55,138	31,827

10. 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

11. 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.

12. We may be required to make significant capital investments to our existing showrooms, sales outlets, service centers and other premises, the cost of which we may be unable to recoup. Further, we may be required to make significant capital investment to maintain the quality of post sales service and spare parts availability.

The table below shows the amount of capital investments made by us along with the percentage contribution of such capital expenditure to our total expenses, frequency of such capital expenditures and costs incurred by us, in the six months period ended September 30, 2023 and Fiscals 2023, 2022 and 2021, respectively:

Particulars	Amount of capital expenditure (in ₹ million)	% contribution of capital expenditure towards total expenses
Six months period ended September 30, 2023	314.62	1.13
Fiscal 2023	852.90	1.77
Fiscal 2022	481.04	1.40
Fiscal 2021	294.28	1.02

13. The automotive industry is sensitive to changing economic conditions and various other factors. Any decline in demand for vehicles by individuals or entities may adversely impact our business prospects and results of operations.

14. We may fail to successfully implement our growth strategy, which includes acquiring existing dealerships, diversifying our portfolio and penetrating deeper into existing geographic locations which may adversely affect our financial condition and results of operations.

15. The 3 BRLMs associated with the Issue have handled 72 public issues in the past 3 years, out of which 23 issues have closed below the offer price on the listing date

Name of the BRLMs	Total issues	Issues closed below IPO price on listing date
ICICI Securities Limited*	53	18
Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)*	10	3
Centrum Capital Limited*	0	0
Common Issues handled by the BRLMs	9	2
Total	72	23

*Issues handled where there were no common BRLMs

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE : MONDAY, MARCH 11, 2024⁽¹⁾

BID/OFFER OPENS ON : TUESDAY, MARCH 12, 2024

BID/OFFER CLOSES ON : THURSDAY, MARCH 14, 2024⁽²⁾

⁽¹⁾ Our Company, 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⁾ The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, 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 ₹2 each and the Offer Price is [●] times the face value, Floor Price is 140.00 times the face value and the Cap Price is 147.50 times the face value. Investors should also see "Risk Factors", "Summary of Restated Financial Information", "Summary of Pro Forma Financial Information", "Our Business", "Restated Financial Information", "Pro Forma Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 26, 62, 66, 170, 255, 323 and 338, of the RHP, 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 as follows: 1. Long standing presence in the automobile industry and well-established relationships with leading OEMs; 2. Penetration in markets in which we operate complemented by innovative marketing strategies; 3. Fully integrated business model leading to business stability and higher margin; 4. Proven ability to identify and capture inorganic as well as organic growth opportunities; 5. Consistent track record of profitable financial performance and increasing growth; and 6. Experienced promoters and management team. For details, see "Our Business – Strengths" on page 176 of the RHP.

Quantitative Factors: Some of the information presented below relating to our Company is derived from the Restated Financial Information. For details, see "Restated Financial Information" and "Other Financial Information" on pages 255 and 333, of the RHP, respectively.

Pursuant to a resolution passed by our Board on August 31, 2023 and a resolution passed by the Shareholders on September 8, 2023, each equity share of face value of ₹10 each has been sub-divided into 5 Equity Shares of face value of ₹2 each. Accordingly, the authorised share capital of our Company was sub-divided from 15,000,000 equity shares of face value of ₹10 each to 75,000,000 Equity Shares of face value of ₹2 each. Further, issued, subscribed and paid-up capital of our Company was sub-divided from 12,544,289 equity shares of face value of ₹10 each to 62,721,445 Equity Shares of face value of ₹2 each.

Sub-division of shares are retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all periods presented and for the computation of Net asset value per share for all periods presented.

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

A. Basic and Diluted Earnings Per Equity Share ("EPS") (face value of each Equity Share is ₹2):

Fiscal/Period Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2023	10.22	10.22	3
March 31, 2022	5.37	5.37	2
March 31, 2021	5.17	5.17	1
Weighted Average	7.76	7.76	-
Six-month period ended September 30, 2023*	6.38	6.38	-

*Not annualized.

Please refer to the section "Basis for Offer Price" on page 119 of the Red Herring Prospectus for further details

B. Price/Earning ("P/E") ratio in relation to Price Band of ₹280 to ₹295 per Equity Share:

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic EPS for year ended March 31, 2023	27.40	28.86
Based on diluted EPS for year ended March 31, 2023	27.40	28.86

C. Industry Peer Group P/E ratio

Particulars	P/E Ratio
Highest	34.84
Lowest	34.84
Industry Composite	34.84

Notes:

- The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below.
- P/E figures for the peer are computed based on closing market price as on March 1, 2024 on BSE, divided by Diluted EPS based on the financial results declared by the peers available on website of www.bseindia.com for the Financial Year March 31, 2023.

D. Return on Net worth

Fiscal/Period Ended	Return on Net worth (%)	Weight
March 31, 2023	18.68%	3
March 31, 2022	12.03%	2
March 31, 2021	13.19%	1
Weighted Average	15.55%	-
Six-month period ended September 30, 2023*	10.42%	-

*Not annualized.

Please refer to the section "Basis for Offer Price" on page 119 of the Red Herring Prospectus for further details

E. Net Asset Value ("NAV") per Share

Particulars	Amount (₹)
As on March 31, 2023	54.69 [#]
As on September 30, 2023	61.26 [#]
After the completion of the Offer	
- At the Floor Price	82.77
- At the Cap Price	83.30
Offer Price	[●]

After taking into account stock split of the Equity Shares post March 31, 2023

Please refer to the section "Basis for Offer Price" on page 119 of the Red Herring Prospectus for further details

F. Comparison with Listed Industry Peers

Following is the comparison with our peer group companies listed in India and in the same line of business as our Company:

Name of Company	Face Value (₹ Per Share)	Revenue from Operations (in ₹ million)	EPS (₹ per share)		NAV (₹ per share)	P/E as on March 1, 2024	Return on Net worth (%)
			Basic	Diluted			
Popular Vehicles and Services Limited	2	48,750.02	10.22	10.22	54.69*	NA	18.68%
Landmark Cars Limited	5	33,823.51	22.56	21.74	118.55	34.84	18.04%

*After taking into account stock split of the Equity Shares post March 31, 2023

Please refer to the section "Basis for Offer Price" on page 119 of the Red Herring Prospectus for further details

G. Key Performance Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. Our Audit Committee through its resolution dated March 4, 2024 approved the list of KPIs for disclosure in the Red Herring Prospectus. Further, the Audit Committee has confirmed that the KPIs pertaining to our Company that have been disclosed to investors for raising funds at any point of time during the three years' period prior to the date of filing of the Red Herring Prospectus and which are required to be disclosed in the "Basis for Offer Price" section, have been verified and audited by R.G.N Price & Co., Chartered Accountant (who holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India) in accordance with SEBI ICDR Regulations and have been disclosed in this section. Further, the KPIs herein have been certified by R.G.N Price & Co., Chartered Accountant pursuant to certificate dated March 4, 2024, which has been included in "Material Contracts and Documents for Inspection" on page 441 of the RHP.

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

Sr. No.	Metric	Unit	Six-month period ended September 30, 2023	Financial Year ended 2023	Financial Year ended 2022	Financial Year ended 2021
1.	Sales Volumes					
	-Number of new vehicles sold	#	23,993	47,820	37,871	35,105
	-Number of pre-owned vehicles sold	#	5,611	11,806	10,594	10,098
	-Number of vehicles serviced	#	5,27,846	957,148	721,400	646,280
2.	Revenue from Operations	₹ million	28,349.97	48,750.02	34,658.79	28,935.25
	-Sales of new vehicles	₹ million	19,411.07	33,305.06	23,222.61	19,395.41
	-Sale of spare parts and accessories	₹ million	4,115.54	6,820.19	4,687.13	3,783.64
	-Sale of pre-owned vehicles	₹ million	1,938.74	3,705.97	2,872.81	2,473.08
	-Sale of services	₹ million	1,805.84	2,872.91	2,183.97	1,803.63
	-Other Operating income	₹ million	1,278.78	2,045.89	1,692.27	1,479.49
3.	Total Income	₹ million	28,482.08	48,926.28	34,841.99	29,192.52
4.	Profit for the period/ year	₹ million	400.44	640.74	336.69	324.55
5.	Earnings Per Share					
	- Basic	₹	6.38**	10.22	5.37	5.17
	- Diluted	₹	6.38**	10.22	5.37	5.17
6.	Inventory turnover days	days	103**	38	45	47
7.	Working capital days	days	95**	34	37	35
8.	Net cash generated from operating activities	₹ million	(1,611.02)	1,088.93	696.92	951.74
9.	Gross Profit	₹ million	4,334.04	7,324.03	5,491.10	4,604.97

Sr. No.	Metric	Unit	Six-month period ended September 30, 2023	Financial Year ended 2023	Financial Year ended 2022	Financial Year ended 2021
10.	Gross Margin	%	15.29%	15.02%	15.84%	15.91%
11.	EBITDA	₹ million	1459.09	2,348.46	1,786.63	1,748.53
12.	Adjusted EBITDA	₹ million	1,443.04	2,348.46	1,786.63	1,748.53
13.	EBITDA Margin	%	5.12%	4.80%	5.13%	5.99%
14.	PAT Margin	%	1.41%	1.31%	0.97%	1.11%
15.	RoE	%	10.42%**	18.68%	12.03%	13.19%
16.	RoCE	%	8.83%**	18.32%	16.79%	17.09%
17.	Net Debt / EBITDA	times	5.00**	2.03	1.97	1.68
18.	Debt to Equity	times	1.99	1.47	1.33	1.44
19.	Net worth	₹ million	3,842.11	3,430.44	2,798.86	2,460.02

** Not Annualised

Please refer to the section "Basis for Offer Price" on page 119 of the Red Herring Prospectus for further details

Please see below the bifurcation of "Other Operating income" for the six-month period ended September 30, 2023 and for the Financial Years ended 2023, 2022 and 2021:

Particulars	Six-month period ended September 30, 2023	Financial Year ended 2023	Financial Year ended 2022	Financial Year ended 2021
Income from schemes and incentives	873.87	1,358.23	1,177.95	991.02
Finance and insurance commission	359.62	613.84	466.88	455.99
Income from driving school	19.27	30.50	18.04	13.14
Other operating income	26.02	43.32	29.40	19.34
Other Operating income	1,278.78	2,045.89	1,692.27	1,479.49

Explanation for the KPI metrics

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

For details of our other operating metrics disclosed elsewhere in the Red Herring Prospectus, see "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 170 and 338, of the RHP, respectively.

Above mentioned KPIs includes impact of material acquisition or/and dispositions made by our Company during the Financial Year ending March 31, 2021, 2022 and 2023, details of which are mentioned below:

In FY 2023, we acquired 100% equity shares of KEPL. KEPL has a 100% subsidiary, PMPL which is in the business of trading and servicing of commercial vehicles (BharatBenz). KEPL was a non-operating company during FY 2023 and hence KEPL generated no revenue from operations for year ended FY 2023. Consequent to this acquisition, KEPL and PMPL have become our wholly-owned and step-down subsidiaries respectively, with effect from February 1, 2023.

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

Note: The above table represents the figures of PMPL only.

H. Comparison of our KPIs with our listed industry peers

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

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

NA – Not Available in public domain

** Not Annualised

Continued on next page...

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AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the section titled “Risk Factors” on page 26 of the RHP, before applying in the Offer. A copy of the RHP shall be available on website of SEBI at www.sebi.gov.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of the Company at www.popularmaruti.com and on the websites of the BRLMs, i.e. ICICI Securities Limited, Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*) and Centrum Capital Limited at www.icicisecurities.com, www.nuvama.com and www.centrum.co.in, respectively.

Availability of the Abridged Prospectus: A copy of the abridged prospectus shall be available on the website of the Company, the BRLMs and the Registrar to the offer at www.popularmaruti.com, www.icicisecurities.com, www.nuvama.com and www.centrum.co.in and www.linkintime.co.in, respectively

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid cum Application Forms can be obtained from the Registered Office of the Company **POPULAR VEHICLES AND SERVICES LIMITED, Tel: +91 484 2341 134; The BRLMs :ICICI Securities Limited, Tel: +91 22 6807 7100; Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited), Tel: +91 22 4009 4400 and Centrum Capital Limited, Tel: +91 22 4215 9000; Syndicate Members: Nuvama Wealth Management Limited, (formerly known as Edelweiss Securities Limited), Tel: +91 22 4009 4400 and Centrum Broking Limited, Tel: +91 22 4215 9000** and at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Sub-Syndicate Members: Almondz Global Securities Limited, Anand Rath Share & Stock Brokers Ltd., ANS Pvt Limited, Axis Capital Limited., Axis Capital Services Ltd., Centrum Broking Limited, Choice Equity Broking Private Limited, Dalal & Broacha Stock Broking Pvt Ltd., DB(International) Stock Brokers Ltd., Eureka Stock & Share Broking Services Ltd., Finwizard Technology Private Limited, HDFC Securities Limited, IDBI Capital Markets & Securities Limited, IFCI Financial Services Ltd., IIFL Securities Ltd., Jhaveri Securities, JM Financial Services Limited, Jobanputra Fiscal Services Pvt. Ltd., Keynote Capitals Limited, KJMC Capital Market Services Limited, Kotak Securities Limited, LKP Securities Limited, Inventure Growth & Securities Ltd., Marwadi Shares & Finance, Motilal Oswal Financial Services Ltd., Motilal Oswal Securities Limited, Nirmal Bang Securities Pvt. Ltd., Prabhudas Lilladher Pvt Limited, Pravin Ratilal Share & Stock Brokers Limited, Religare Securities Ltd, RR Equity Brokers Pvt. Limited, SBICAP Securities Limited, Sharekhan Ltd., SMC Global Securities Limited, SS Corporate Securities Limited, Systematix Shares and Stocks (India) Limited, Trade Bulls Securities (P) Ltd, Way2wealth brokers Pvt Ltd and YES Securities (India) Limited

Escrow Collection Bank and Refund Bank : Axis Bank Limited

Public Offer Account Bank : ICICI Bank Limited • **Sponsor Banks:** Axis Bank Limited and ICICI Bank Limited

UPI: UPI Bidders can also bid through UPI Mechanism.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For **POPULAR VEHICLES AND SERVICES LIMITED**

On behalf of the Board of Directors

Sd/-

Varun T.V.

Company Secretary and Compliance Officer

Place: Ernakulam, Kerala

Date: March 05, 2024

POPULAR VEHICLES AND SERVICES LIMITED is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its Equity Shares and has filed the RHP dated March 4, 2024 with RoC on March 05, 2024. The RHP shall be available on the website of SEBI at www.sebi.gov.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, on the website of the Company at www.popularmaruti.com and on the websites of the BRLMs, i.e. ICICI Securities Limited, Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*) and Centrum Capital Limited at www.icicisecurities.com, www.nuvama.com and www.centrum.co.in, respectively. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see ‘Risk Factors’ on page 26 of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision. Investors should instead rely on the information disclosed in the RHP.

This announcement has been prepared for publication in India and may not be released in the United States. This announcement does not constitute an offer of Equity Shares for sale in any jurisdiction, including the United States, and the Equity Shares offered in the Offer may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933 or an exemption from registration. Any public offering of the Equity Shares to be made in the United States will be made by means of a prospectus that may be obtained from the Company and that will contain detailed information about the Company and management, as well as financial statements. However, the Equity Shares offered in the Offer are not being offered or sold in the United States.