Landmark
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Date: June 03, 2026

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BSE Limited,	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers,	Exchange Plaza,
Dalal Street,	Bandra Kurla Complex,
Mumbai- 400001	Bandra (E), Mumbai- 400001
Scrip Code: 543714	**Symbol: LANDMARK**

Sub.: **Transcript of Analyst/ Investor Earnings Conference Call held on May 27, 2026**

Ref: **Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

Further to our communication dated May 22, 2026, please find enclosed the transcript of the Earning Conference Call held on Wednesday, May 27, 2026 at 10:00 A.M. (IST) to discuss the audited standalone & consolidated financial results for the quarter and year ended March 31, 2026.

The said Transcript is also available on the website of the Company at https://www.grouplandmark.in/investor-relation.html.

Request you to please take the same on your record.

Thanking You,

Yours faithfully,
For Landmark Cars Limited

AMOL ARVIND RAJE

Digitally signed by AMOL ARVIND RAJE
Date: 2026.06.03 17:09:46 +05'30'

Amol Arvind Raje
Company Secretary & Compliance Officer
Mem. No.: A19459

Encl. as above

“Landmark Cars Limited Q4 FY '26 Earnings Conference Call”

May 27, 2026

E&OE: This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on May 27th, 2026, will prevail

MANAGEMENT: **MR. SANJAY THAKKER – PROMOTER, CHAIRMAN & EXECUTIVE DIRECTOR, LANDMARK CARS LIMITED**
MR. ARYAMAN THAKKER – EXECUTIVE DIRECTOR, LANDMARK CARS LIMITED
MR. SURENDRA AGARWAL – CHIEF FINANCIAL OFFICER, LANDMARK CARS LIMITED

MODERATOR: **MR. RONAK MEHTA – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Landmark Cars Q4 & FY26 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

Should you need assistance during this conference call, please signal an operator by pressing "*" then "0" on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ronak Mehta. Thank you, and over to you, sir.

Ronak Mehta: Thanks, Avirat. Good morning, everyone. On behalf of ICICI Securities, we would like to welcome you all to Landmark Cars Q4 & FY26 Earnings Conference Call.

Today, we have with us from the Management Team, Mr. Sanjay Thakker – Promoter, Chairman, Executive Director, Mr. Aryaman Thakker – Executive Director, and Mr. Surendra Agarwal – Chief Financial Officer.

We will start the call with a brief opening remarks from the Management Team about the quarter gone by. Then we will proceed with the Q&A session.

Thank you, and over to you, sir.

Sanjay Thakker: Thanks a lot. Good morning, everyone, and thank you, ICICI Securities, for hosting us. On behalf of the company, I extend a sincere welcome to everyone who has joined this call today.

On this call, I am joined by Mr. Aryaman Thakker – Executive Director, and Surendra Agarwal – CFO, and as well as SGA, our Investor Relations Advisors. The Results and the Presentations are uploaded on the Stock Exchanges and the Company's Website. I hope everybody has had a chance to have a look at it.

Financial year 2026 has been a good year for us, marked by multiple milestones and encouraging performance across key segments. On an annual basis, we delivered 20% year-on-year top-line growth, ahead of the industry growth of 13%. One of the achievements we were particularly proud of is the performance of our after-sales business that crossed the milestone of INR 1,000 crores in annual revenue.

We believe this places us among the select group of Indian companies across industries who have achieved such a scale in after-sales.

After a slow first half, Financial Year 2026 closed with 47 lakh passenger vehicles that were sold. This marks a 13% year-on-year growth. The GST 2.0 rationalization played a critical role in stimulating the demand by reducing the ownership cost and attracting customers who were previously undecided. SUVs continue to dominate customer preferences and remain a standout category during this year.

India is the third-largest market for passenger cars globally, behind China and the United States, offering a long growth runway. Most of our partner OEMs, along with several global automotive players, are increasingly positioning India at the center of their growth strategy. The recent announcements by Honda, Renault and Jeep bode well for the future.

India's auto retail is entering Financial Year 2029 (error: to be read as Financial Year 2027) on a strong momentum. We are of the opinion that with current fuel prices, EV penetration will significantly rise. Landmarks bet on OEs focusing on EVs is playing off big time. India's EV penetration in passenger cars is more or less 5%.

For Landmark, EVs contribute to over 21% of its sales. BYD, Mahindra & Mahindra and MG Motors are leaders in their segments in EVs. Over the last two years, Landmark Cars have made significant investments towards expansions across brands and geographies.

We are now entering a more consolidation phase where the emphasis is on optimizing operations and sweating our existing assets. The performance trajectory across key matrices gives us confidence that this strategy has started yielding meaningful outcomes. We are steadily reaching our historic profit matrices. The improvement is seen across various ratios as the newly opened outlets stabilize.

For Financial Year 2026, we have made the highest ever turnover, gross profit and EBITDA. There is a reduction in percentage-wise costs in both manpower as well as other costs.

I feel confident about the future of the company with solid foundation and a very well diversified portfolio now under our belt.

With this, I would like to handover to Aryaman for his comments.

Aryaman Thakker: Thank you.

The beginning of this financial year has seen the industry continue its strong momentum. With April showing a healthy volume growth, May has shown a similar trend so far. Due to foreign exchange fluctuations as well as global supply challenges, most OEMs have increased prices in April with another price increase expected in June.

This will help us with further improving our average selling price.

Let me now give you a brief update on our OEM partners:

Mercedes-Benz recently launched the all-new V-Class priced at approximately INR 1.4 crores and the new electric CLA priced at around INR 55 lakhs. Both these models have opened to strong demand with waiting periods stretching up to a few months each. Deliveries for both have started from this quarter, the current quarter.

In Q4 FY26, we increased the ASP of Mercedes to INR 73 lakhs, up from INR 69 lakhs in Q3 of FY26. This shows that the luxury segment continues to see a strong pull. Top-end vehicles continue to contribute approximately 20% of Mercedes-Benz sales. The launch of the new S-Class in June will further strengthen the portfolio and will be the first plug-in hybrid product of the brand in India.

At BYD, supplies for the cars have started arriving April onwards, positioning us well to cater to the strong customer interest in these models. Three models have now been homologated for the Indian market – the Sealion 7, the Atto 3 and the eMAX.

BYD has also announced that they will be launching hybrid vehicles in India which are expected to arrive later in this year. We expect BYD to continue its strong performance this year and substantially grow its volumes. Our Pune Sales and Service outlets will be operational in July which will further increase our market share for BYD in the country.

Kia's recently launched New Generation Seltos has further strengthened demand momentum for the brand and is seeing an approximate two-month wait time. The brand has plans to launch a few more products this year which will further accelerate the volumes. Our workshop in Hyderabad, which got operationalized in March has stabilized and is ramping up as expected.

Deliveries of the Renault Duster commenced from mid-April and have garnered a positive response. A hybrid variant is expected during the festive period which should further add to the demand. Under Renault's India strategy, this is the first of multiple new launches expected in India in the near future.

Honda has announced its India strategy where it is expected to stage a strong comeback backed by its 10 upcoming product launches which will revamp its entire line-up. This year, the OEM has recently launched the new City and announced the launch of the ZR-V Hybrid SUV and the Alpha Electric SUV which is also expected. Landmark continues to be Honda's largest partner in India.

Stellantis has recently announced that they will be developing a new Jeep SUV in collaboration with Tata Motors which will be developed in India and also exported. Going forward, India will become a key hub for developing and producing vehicles for the domestic markets as well as for international markets. JSW MG Motors has had a very strong year with the MG Windsor becoming the highest selling EV model in India. This year too, the OEM will build on this volume by introducing three new models across EV hybrid as well as ICE platforms. The first of this, the Majestor, will start delivery this month. MG Select, the premium brand of MG, has also had a positive first year and they are also planning to launch one more model this year to further build on the volumes.

Mahindra & Mahindra continues its strong momentum. The sales and service outlets have stabilized and due to the strong after-sales momentum that we are seeing, we are opening a new after-sales facility in Hyderabad which is likely to start operations in July. We believe that with BYD, MG and Mahindra as important pillars of our portfolio, we have a very good exposure to new energy vehicles.

In light of recent macro events and the consequent price increases undertaken by various OEMs, Landmark has proactively maintained a higher inventory of new cars. This enables us to leverage the pricing advantage, ensure better availability for customers and continue gaining from the healthy retail demand. We continue to leverage technology and have made inroads into AI-driven solutions in our operations to further improve efficiency, optimize costs and enhance the customer experience.

We have started with utilizing AI-based calling in our call centres and will expand to more use cases over time.

I will now hand it over to our CFO – Surendra Agarwal.

Surendra Agarwal: Thank you, Aryaman and good morning, everyone. I would like to share key performance metrics to illustrate our performance in this Quarter and the Financial Year.

Talking about our Q4-FY26 performance:

I would like to highlight that our strong market presence and execution capabilities continue to position us as one of the largest volume contributors for multiple OEMs.

During the quarter, the total proforma revenue stood at INR 1,795 crore, representing a year-on-year growth of 18%. Reported revenue for the quarter came in at INR 1,279 crore, representing a year-on-year growth of 17%. Gross profit for the quarter stood at INR 219 crore, with gross margin of 17.1%.

Employee costs and other operating expenses were within the set internal benchmark at 4% of proforma revenue.

EBITDA for the quarter stood at INR 79 crore, reflecting year-on-year growth of 30%, with an EBITDA margin of 6.2% on reported revenue. The growth of EBITDA outpaced the revenue growth. This reflects the continuous cost optimization and efficiency measures undertaken.

For the quarter, depreciation expenses amounted to INR 37 crore and finance costs stood at INR 20 crore. The exceptional item for the quarter includes expenses written-off in relation to outlet closures and relocations. Profit after tax was INR 15 crore, a 758% growth year-on-year.

The Q4 FY26 cash PAT stood at INR 33 crore, with a margin of 2.6%.

The average selling price of new vehicles stood at INR 23 lakh. The ASP has increased on the sequential as well as year-on-year basis, mainly due to the increased sales of high-variant models for the majority of OEMs. The average revenue per vehicle service stood at INR 30,072 versus INR 27,420 in Q4 FY25.

Now moving on to the annual performance:

In FY26, the proforma revenues grew by 19% year-on-year, translating to INR 6,719 crore. Within this, new car sales revenues stood at INR 5,668 crore, registering a growth of 21%. Reported revenues stood at INR 4,896 crore, growing by 22% year-on-year. After sales, revenue stood at INR 1,051 crore, growing 12% year-on-year. This marked the after-sales revenue, crossing INR 1,000 crore mark on an annual basis.

Gross profit for the period stood at INR 819 crore, translating into gross margin of 16.7%. The company reported its highest-ever annual EBITDA of INR 283 crore, with an EBITDA margin of 5.8% and continues to maintain cost discipline.

The exceptional item for the year includes a gratuity provision due to the new Labor Code and expenses written-off in relation to outlet closure and relocation.

Profit after tax stood at INR 38 crore, marking 120% year-on-year growth. Annual average selling price for new cars stood at INR 21.96 lakh versus INR 20.79 lakh in FY25. The average revenue per vehicle service stood at INR 27,148.

In Financial Year ‘26, the company generated net operating cash flow of INR 267 crore (This is an approximate number, actual number is INR 267.5 crores). The operating cash flow to EBITDA ratio is 0.94 (This is an approximate number, actual number is 0.95) We continue to prioritize cash generation in our operations.

Additionally, the Board of Directors approved a dividend of INR 1.5 per share for FY26 subject to shareholder approval as against INR 0.50 paid out last year.

We now open the floor for question-and-answer session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Rahul Dhani from Monarch Net Worth Capital.

Rahul Dani: Yes, thank you so much. Sir, congratulations on a great set of numbers. Sir, just a couple of questions from my end. Just wanted to get your sense now how do we see profitability going forward? You know, we set out to achieve close to 6% margin this quarter. We have almost reached there. In terms of gross margin, also, we have seen good improvement. So, what is your overall sense as to how do we see gross margins and EBITDA margins going forward? And also, just wanted to understand, how do we see expansion of stores now? Do we see the pace coming off drastically over the next two, three years?

Sanjay Thakker: Yes, thanks, Rahul. The way the world is today, as we see it, and as I mentioned in my speech, we have built good amount of capacity in the last 18 months. We now need to sweat these assets. So, the expansion that we see for the current year, two, three years is a very long time. We want to kind of templatize what we have done so far. We rapidly grew and now we have to demonstrate to everybody, including us, that we are able to get the profit back in the way we always did. So, this is the year of consolidation. We will grow this year with one or the other things that are already there. Aryaman mentioned about Pune, BYD happening, Mahindra workshop happening. One or two other things are in the pipeline. So, growth is a continuous thing that will happen. But the extra rapid growth that we saw 18 months back in one shot, I don't think that we are looking at this year. Now, two-three years is a long time. The idea is to make and grow this company to a significantly larger scale than where it is today and to make it profitably. So, this is the year where we want to get the profits back and we have been continuously working on all the metrics very diligently. In fact, the teams are so much focused on cost, you will not believe. So, this is something that has gotten into our DNA. So, we will have profitable growth continue to happen and you will see it this year. I hope I have answered your question, Rahul.

Rahul Dani: Sure, sir. And so, just wanted to get some sense on after-sales service. We have had a great quarter with record margins. The volume growth was just about 5%. So, how do we see the after-sales business? Do you see this margin of 20%? Is it sustainable going forward?

Sanjay Thakker: See, what we have kind of said is that, and this question I was answering in a couple of calls back where the margins had fallen below 18% in one of the quarters, which has been our 10-year average. And I was at that time saying that there is really nothing to worry, and when the workshops ramp up and things happen, it will come back. I believe that what we have done on a consistent basis is what one should look at and not overtly look at this margin continuing. We will strive to do that, but we have a 10-year track record of where we are now for growth as well as margin. And you also spoke about the number of services. So, our focus has been to sweat the assets more and get the ASP higher. That has been the philosophy of the company, whether it is car sales or car service, because that is where the maximum profit can come.

Rahul Dani: Sure. And just last bit, sir, what would be the CAPEX guidance for FY27, if you could call out that number?

Sanjay Thakker: So, we do not have a very large CAPEX in mind for this year. Historically, before we got into this rapid expansion 18-20 months back, where we spent more, I think our historic average is around INR 50 crores. That could be taken as a ballpark, but I am not trying to stick my neck out with numbers, but it should be in and around.

Rahul Dani: Sure, sir. Thank you so much and all the best.

Moderator: Thank you. The next question is from the line of Hardi Jain from Investec. Please go ahead.

Hardi Jain: Hello, sir. Thank you for the opportunity and congratulations for your great set of numbers. Actually, I have two interrelated questions. So, it is I want to know that how is the car servicing frequency and cost for EV versus ICE? And if the frequency and cost is low, then how do you see servicing revenues scaling with rising penetration of EVs in your portfolio?

Sanjay Thakker: I hear you. Is there a second question or should I answer this?

Hardi Jain: No, it was interrelated, sir. Actually, the question is how is the car servicing frequency and cost for EV versus ICE? And if that frequency and cost is low, then how do you see servicing revenues scaling with rising penetration of EVs in your portfolio?

Sanjay Thakker: Yes, sure. So, what is important to note is that the servicing income currently as well as in the future, it includes the accident repair work. Currently, around 47% of our service income comes from accident repairs. Now, the global studies have shown that in the EVs, the cost of repair as far as the accidents are concerned, which is paid for fully in most cases by the insurance companies, is higher than the ICE engines. The reason is that the battery, if damaged, needs to be replaced and is unlikely to be repaired. And the parts are more expensive. So, typically, globally, the after-sales business is not impacted that materially. There is an impact in after-sales business for EVs, but that is marginal. And I had referred to the Goldman Sachs report, which was published a few years back, and that had tried to see the impact of after-sales revenue on EVs versus ICE. And I think it was in the rangeof maybe 12%, 13%, 14% revenue drop. That was something which was seen because the accident repair remains constant. The value-added services that we do, polishing and interior cleaning, the tires, the seats, the brakes, all are constant. So, this is the global study, and we will have to see how things pan out in India.

Hardi Jain: Okay, understood, sir. Thank you.

Moderator: Thank you. The next question is from the line of Ajox Frederick from Sundaram Mutual Fund.

Ajox Frederick: Hi, sir. Thanks for the opportunity. Primarily on the demand outlook, do you expect demand to kind of weaken a bit as all the OEs are taking a price hike? You can give a broad stroke of the premium and mid-end and the EVs. So, some color on the outlook on pricing impact.

Sanjay Thakker: So, if we were not reading the newspapers, we wouldn't have realized that there is a war on. So, we are also positively surprised by the resilience of the demand so far, except for commercial vehicles where we have seen some kind of hesitancy in the last 8-10 days, and some supply challenges in one or the other OEs. The demand remains to be fair so far. So, I hope that this is how it pans out.

Ajox Frederick: Okay. And among your customers, can you highlight like who have taken the most price increase and who was there to take it?

Sanjay Thakker: You are talking about the OEs that have increased?

Sanjay Thakker: Yes. So, this is continuous, my friend. Mahindra has announced that they are taking a price hike. Honda already did. We had MG and MG Select increase the prices. Mercedes has increased the prices because of the FOREX. So, this is something which is ongoing. So, it will be difficult to quantify. I don't think anybody who has not taken it.

Ajox Frederick: Oh, great, sir. My second question is on your inventory buildup. Sir, how do we intend to like benefit out of this? It's just a supply chain management or can we make like the gap or can we like get some benefit out of this inventory due to price hikes?

Sanjay Thakker: So, it is not a "buildup-buildup". In fact, the 36 days is what we were two quarters back. Yes. So, we had kind of consciously decided to go down and down. But in March, we realized once the war had started that the price hikes were imminent and there could be some supply chain disruption. That's what the fear was at that time. So, we kind of did not want to go down below that 30 day-mark where we were and we built up slightly. I wouldn't say that we are in the process of building more inventory anymore. We will be there in and around. This statement is more to say that how do we benefit? The answer is that when the price increase happens, we are able to sell it at the new price. So, that's the benefit that we get on holding the inventory.

Ajox Frederick: Okay. Okay. That's a good positive. Finally, on BYD, you mentioned about a few models being homologated. So, will these be in the CKD route which will be coming in?

Sanjay Thakker: So, currently, they are in the CBU route and that's how the products are. We are hoping and waiting for the CKD to happen over a period of time.

Ajox Frederick: Oh, okay. Even Atto-2 will be through CBU is your expectation?

Sanjay Thakker: Right now, everything is under CBU. But the number cap goes away. So, after paying the duty, there is otherwise a cap of 2,500 which doesn't apply if you get it homologated.

Ajox Frederick: Got it, sir. That's very helpful. Thank you. That's it for me.

Moderator: Thank you. The next question is from the line of Bhargav Buddhadev from Ambit Asset Management. Please go ahead.

Bhargav Buddhadev: Yes. Good morning, team and congratulations on a good set of numbers. Sir, my first question is that if you look at your revenue in after sales per vehicle, the realization has increased to about 30,000 and that's a substantial increase Q-on-Q as well as Y-on-Y. Any particular reason why we have seen such a sharp increase over there?

Sanjay Thakker: It is also, Bhargav, due to the bonuses that we get from OEs if we were to meet our quarterly or annual targets. So, that also is accounting for it. But as you will see, we are continuously trending upwards. There is also an increase in spare part prices which the OEs have been taking because of the metal prices and the FOREX which has happened. So, that also plays out and will continue to play out. So, just like car prices, spare part prices also increase.

Bhargav Buddhadev: Secondly, sir, is it possible to know what is the capital employed deployed in this after sales because ROC here will be substantially higher and given the fact that a large part of your expansion in your garages was relatively recent. Obviously, the revenue in after sales was subdued. But now that ramp up happens, is it fair to say ROC can come back into double-digit trajectory?

Sanjay Thakker: Yes. So, Bhargav, that's the endeavor. That's what I said at the beginning of the call, that this year is where we are trying to strive to get all of our metrices to where they belong. Now, again, I would kind of urge everybody over here to not look at it only quarter-to-quarter, look at the trajectory. And this is a business which if it is looked at over a year or a longer period than quarter, it will always be more helpful.

Bhargav Buddhadev: No, no, sir. Lastly, I was reading somewhere that Mercedes is likely to come up with record new launches very, very soon, maybe this year or maybe over the next two years. Is that information correct for India?

Aryaman Thakker: Yes, this is Aryaman here. Yes, that information is correct. Globally, they are in the process of completely revamping and launching products. They have announced that this year onwards globally there will be 40, which is 4-0, new products that they will be launching over the next few years. And India will also I think the product onslaught for them in India will begin possibly from next year. And we should also see some benefits of many of those products coming here.

Bhargav Buddhadev: And is this mainly because they have lost some market share to the likes of, say, BMW and all? Is that the reason?

Aryaman Thakker: No, I think it was anyway. So, most of these OEMs follow a product life cycle. And right now, Mercedes is in the beginning of their new product life cycle, which is why they have a large number of cars coming up in quick succession.

Bhargav Buddhadev: Okay. And does that also mean that they will increase the pricing range, meaning they will also reduce the pricing range to accommodate more customers or increase the TAM?

Aryaman Thakker: I won't necessarily say that. I think there will be, apart from revamping the existing lineup, there will possibly be other products also, which will come across the price point. I think Mercedes has been focused on selling higher value cars. So, number is, of course, one way where they have retained and maintained their number one position for 11 years. But at the same time, they have been consistently increasing their top-end vehicle penetration. So, value-wise also, the car sales are going up.

Bhargav Buddhadev: Sure. Great, sir. Thank you very much and all the very best.

Moderator: Thank you. The next question is from the line of Vijay Pandey from Axis Capital. Please go ahead.

Vijay Pandey: Hi, sir. Thank you for taking my question. So, a couple of questions I had. So, given the macro dynamics going on and OEMs feeling the pressure of raw material events and other things and margin pressure, how do you see the dynamics between you and OEMs being played also? Are we able to manage the margins which we have with OEMs? Is that a little bit of negotiation going on? How should we look at it? I just wanted to get your idea on that.

Sanjay Thakker: Yes, Vijay. So, this is an interesting question. So far, we have had no discussion with any OEM about renegotiating our margins as such. So, if the prices go up, we tend to make more money per unit. That's what it is. But one will have to wait and watch how that kind of pans out.

Vijay Pandey: Secondly, sir, you said that the ASP per unit that has gone up because of some benefit from the OEM for the target achievement. So, do you expect the ASP to increase going forward?

Sanjay Thakker: Can you repeat? Your voice has been a little faint. I am not able to exactly understand what you are saying.

Vijay Pandey: I wanted to just check whether your expectation on the ASP for the vehicle. So, do you expect it to count? So, it's currently at around 30,000 to 33,000 so just wanted to check how do you see that EBITDA per--

Sanjay Thakker: So, over a period of time, it will keep on increasing. I cannot comment on the pace or the timing of this increase. Over a period of time, because of where our currency is and the inflation is, things will keep on increasing. And that's what you would have seen in the last several years that we have been publishing this number.

Vijay Pandey: Okay. Lastly, sir, there was some news that Volkswagen has kind of stopped some stores from Landmark. Is that true or just that was more of a rumor news?

Sanjay Thakker: So, what is happening, Vijay, is that we continuously evaluate our portfolio and the store level profitability. So, of a particular Volkswagen location that you may be mentioning to was not profitable for us for some time now. And we did not see that happening anytime soon. So, there was no point burning money. And so, that call has been taken. Now, on the same breath, I can say that we are with Volkswagen in the state of Gujarat, where we continue to be their only dealers. And those are profitable locations that we have continued. We may decide based on the demand and supply as to the number of outlets that may be required. But we are also mindful of the investments that have been made and the written-down value of that.

Vijay Pandey: Okay. So, thank you, sir, for taking my questions and all the best for coming quarters.

Sanjay Thakker: Thanks, Vijay.

Moderator: Thank you. The next question is from the line of Dheeraj Kaswan from Incred Capital. Please go ahead.

Dhiraj Kaswan: Hello, Management Team and many congratulations for a fantastic set of numbers. So, let's come to the first question. I would like to ask that the current quarter has been quite transformational for us. We had a very high growth. It was the highest EBITDA that the company achieved and also a very good margin if we see in the past eight to nine quarters. And we also saw that the PAT has also been the highest in the past nine quarters, which was our best year in FY23 and FY24. So, are we expecting that this next year to be on the same path because structurally we are very well positioned right now. Like all the outlets that we have opened in FY23 and '24 yielding results for us and we don't expect any kind of cost or any surprises next year onwards. Is that correct?

Sanjay Thakker: I mean, this is my hope also, Kaswan. We have done what we had to do and this is the time to reap the benefits. So, unless something happens on a macro basis, which is beyond our control, we are well poised for better results. The seasonality factor, of course, needs to be kept in mind where the auto industry is in the last two quarters, that's generally the better quarters. Though we have set a base for now what we can do. We are keeping our fingers crossed for a much better year.

Dhiraj Kaswan: Okay. Yes. I mean, just like in this year, there were some issues due to inventory pileup due to the new GST rationalization. We had to clear out some inventories. There was some pressure on the margins. But next year, I don't think any such thing is a possibility. Mostly, it should be quite predictable. And also, I think there's quite a lot of headroom for just organic growth from a lot of our outlets, which are not very highly utilized right now.

Sanjay Thakker: Yes. So, the opportunity that we are kind of fortunate to look at is immense. And some of the earlier presentations, we had mentioned that the largest auto dealerships across the world, in China and US and all can contribute maybe 2% and 2.5% of the entire auto sales. And we are not even halfway there. So, while the industry will grow, the opportunity to set up, acquire dealerships is not going anywhere. So, what we have been able to demonstrate in the last maybe two years is that we are at will able to get the growth. What we will now demonstrate is that we are able to have that growth and do it profitably. Now, that is the template that we want to kind of set.

Dhiraj Kaswan: Okay, great. And I just have two last questions. One of them is that in BYD, we saw that there were some issues regarding inventory. And even if someone is checking VAHAN, they can see that BYD was struggling with sales in the 4th Quarter. But in 5th Quarter, we are seeing that maybe the inventory has come up now and they are doing very good sales and maybe this May month will be their best ever monthly sales. So, are we like seeing that from here on there won't be any inventory issues and we will be able to service all our clients?

Sanjay Thakker: Yes. So, in the last quarter, what has also happened is that they had run out of their quota of cars which were not homologated, so could not be imported. Now, we have a new year which has happened with new quotas. But the good part as Aryaman mentioned is that most of the cars which we sell are out of that quota system. So, this should be a much better year for BYD.

Dhiraj Kaswan: Okay, great. Thank you so much for answering all the questions and good luck to you. Thank you.

Moderator: Thank you. The next question is from the line of Jaiprakash Kumhar from Korman Capital. Please go ahead.

Jaiprakash Kumhar: Hello sir. You just talked about your ASP increasing and I think you talked about per unit profit increase.

Sanjay Thakker: I am not able to hear Jaiprakash. If you can please say it again.

Jaiprakash Kumhar: Yes. Can you hear me, sir, now?

Sanjay Thakker: Yes, it's better.

Jaiprakash Kumhar: Yes, actually you just alluded to ASP going up and you will be benefiting more. So, if you can just give an example like how do you really benefit from it? Is it a cost loss or margin, what is it? And another question related to it is because there was a GST reduction, right? So, does it mean that your margin got impacted because of GST reduction and ASP was lower in the last couple of quarters? And basically whatever the ASP increase will happen will make up for the GST reduction also. If you can just help on that, sir.

Sanjay Thakker: Yes. So, Jaiprakash, as far as the GST reduction is concerned, there was no impact on the stock of cars because then it is the question of input and output. What we had mentioned in our 2nd Quarter Presentation that the challenge was in the cess, which matter is now with the Supreme Court. So, the GST, the way it was designed was that on top of 28% GST, there were various compensation cess. Now, that is a little complex matter, but there is no cess on vehicles anymore. So, reduction in GST per se, except for say a test drive or a demo car that we had, we did not have much problem, but we had to liquidate cars which had a cess in that quarter. Now, how do we benefit from a price hike is that the manufacturer, for example, has a selling price to us at INR 100 and we are selling to the customer MRP at say INR 106 just as an example. By a price hike, what it means is that the OE will supply to us at say INR 102 and the MRP goes to INR 108. So, the stock that I am holding at INR 100, I am able to sell it at INR 108 instead of INR 106 that I would have done otherwise. That is how we benefit.

Jaiprakash Kumhar: Okay, but that is just when the previous cheaper stock gets sold, right?

Sanjay Thakker: So, it is a one-time gain for the stock that we are holding, not otherwise. It is a one-time gain. For only the inventory that we would be holding.

Jaiprakash Kumhar: Got it, sir. I thought you are a margin kind of a business where you will retain a 6% margin.

Sanjay Thakker: The margin would also increase if the margin is on INR 100, say INR 6 and INR 102, it would be a little more that way. But that is a marginal increase, not material.

Jaiprakash Kumhar: Got it, sir. But this is just for the stock you are holding, not for the new ones, right?

Sanjay Thakker: Yes. So, once this is done, we will be back to the earlier 30 days or lower.

Jaiprakash Kumhar: Okay, got it, sir. Thank you.

Moderator: Thank you. The next question is from the line of Nilesh Doshi from Prospero Tree AMC. Please go ahead.

Nilesh Doshi: Thank you. Good morning, sir. Thank you for the opportunity. Sir, my question is related that the VAHAN Portal shows that the BYD sale is growing month-on-month, but the Mercedes sale is either constant or reducing. So, how is our performance related to these two OEMs, sir?

Sanjay Thakker: Yes, so BYD, there is nothing to answer. It is basically a supply issue and once you have the vehicles, then we are able to sell. Mercedes, the ASP has continued to rise. So, one can measure the business growth in either numbers or in units sold. So, Mercedes has been focusing on per car realization rather than pure numbers, but they have announced and the VAHAN would have a lag. One or two states which were not on VAHAN, I think they are getting in Telangana and one other. So, this is something which is in everybody's sight and we believe it is in a good zone. Whatever was announced that were here for March end.

Nilesh Doshi: But do we maintain our market share for these two OEMs, sir?

Sanjay Thakker: Yes, our sales team for all the brands look at it because now VAHAN is so widely available and used. So, we also track what happens.

Nilesh Doshi: And sir, last question, one of the promoter has indicated that…

Sanjay Thakker: Sorry, what? Can you please repeat?

Moderator: Sorry to interrupt, Mr. Nilesh, may we request you to use your handset to ask a question? Hello? Please go ahead with your question, Mr. Nilesh.

Nilesh Doshi: Yes, so one of the promoters has indicated that he wants to identify himself as a non-promoter category. So, can you inform who is that promoter and how many number of shares he is holding?

Sanjay Thakker: So, there is no promoter holding over there. There was a kind of a family separation which had happened and that's why it is that. The promoter was not holding any shares.

Nilesh Doshi: Okay, thank you, sir. All the best, sir.

Moderator: Yes, thank you. The next question is from the line of Harish Singh from Shubh Labh Research Private Limited. Please go ahead.

Harish Singh: Hi, Mr. Thakker, Greetings. Thank you for the opportunity. Mr. Thakker, most of my questions are answered. I hope I am audible. Most of my questions are answered. I have one question on our standalone numbers which is a major chunk of our profits, probably driven by our Mercedes business. Now, if I look at past few quarters, unfortunately, the profits there were declining. You know, we reached up to INR 7 crore of PAT there. But this quarter, again, we are seeing a substantial jump from INR 7 crore to INR 12 crore. So, the best of the quarters was actually having a lower profit, whereas now we have revived it back. So, I just wanted to get your opinion on how this number will trend going ahead, given the kind of launches Mercedes is planning.

Sanjay Thakker: I think, as I mentioned, maybe around 20 minutes back, it's best to look at the business on an annual basis rather than a quarterly basis, because our targets bonuses sometimes get kind of pushed to one or the other quarter, whether it is sales or after sales. So, we are, as of now, confident of practically all of our portfolio that we hold and the profitability will be good across.

Harish Singh: Understood. And in these 40 model launches planned by Mercedes, will India get all the 40 or will get a lesser number there?

Aryaman Thakker: Yes, this is Aryaman. No, we are unlikely to get all the 40, because there are certain models which may be specific to international markets. But we do expect that the large number of them will make their way to India.

Harish Singh: Got it, got it. But it's still at least 20 or they have not disclosed that to us?

Aryaman Thakker: No, it will be difficult to put an exact number to it, but we do expect a large number will come here.

Harish Singh: Got it, got it. So, this is helpful. Thank you, Mr. Thakker. Thank you, Aryaman, good luck.

Moderator: Thank you. Thank you. The next question is from the line of Vijay Pandey from Axis Capital. Please go ahead.

Vijay Pandey: Sir, thank you for the follow-up. Just wanted to check about how do we plan to reduce our debt? I see that we have lowered our debt.

Sanjay Thakker: You are sounding very faint. If you come a little closer.

Vijay Pandey: Is it okay now?

Sanjay Thakker: Better, a little better, yes.

Vijay Pandey: Sir, wanted to check if we want to continue to lower our debt. This year, we have reduced our debt. So, just wanted to get your sense on the same.

Sanjay Thakker: So, let us have a Surendra come in now.

Surendra Agarwal: So, this year, our interest-bearing debt is reduced by INR 27 crore, Vijay. And we are expecting and we generated INR 267 crore operating cash flow as you see in our presentation. So, we are likely to generate good cash flow in the coming year as well. So, our debt is going to reduce. Only thing is if we expand, then there might be some uses of the debt then we might require additional long-terms capital debt.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Sanjay Thakker: Yes, thanks to the team of ICICI Securities for hosting us. At the closing, I would only reiterate that this year is the year of consolidation, where we will reap the benefits of whatever hard work that has been put in for the last one and a half years. The company will continue to focus on cost. The company will continue to generate good profits and go for all the matrices that are important to run the business. And we hope and believe that the Indian growth story is intact and is kicking. Thank you.

Moderator: Thank you. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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