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Date: 03<sup>rd</sup> June, 2026

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KARNATAKA – **GSTIN** 29AABCP3805G1ZJ  
TELANGANA – **GSTIN** 36AABCP3805G1ZO

To,  
**BSE Limited (“BSE”),**  
Corporate Relationship Department,  
2<sup>nd</sup> Floor, New Trading Ring,  
P.J. Towers, Dalal Street,  
Mumbai – 400 001.

To,  
**National Stock Exchange of India  
Limited (“NSE”),**  
Exchange Plaza, Plot No. C-1,  
Block G, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051.

**Scrip Code: 544144**  
**ISIN: INE772T01024**

**NSE Code: PVSL**  
**ISIN: INE772T01024**

Dear Sir/Madam,

**Sub: Transcript of the Investor Conference Call – Audited Financial Results for the fourth quarter and year ended March 31, 2026.**

**Reference- Disclosure under Regulation 30- Schedule III- Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In continuation to our intimation dated 23<sup>rd</sup> May, 2026, and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Earnings Conference Call held on Wednesday, 27<sup>th</sup> May, 2026 on the Audited Financial Results for the fourth quarter and year ended 31<sup>st</sup> March, 2026 is enclosed herewith.

The same is available on the Company’s website at <https://popularvehicles.in/>

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,

**For Popular Vehicles and Services Limited**

**Varun T.V.**  
**Company Secretary & Compliance Officer**  
**Membership No: A22044**  
**Place: Kochi**



“Popular Vehicles and Services Limited  
Q4 & FY26 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 exchanges on 27<sup>th</sup> May 2026 will prevail.**



**MANAGEMENT: MR. NAVEEN PHILIP – MANAGING DIRECTOR AND PROMOTER – POPULAR VEHICLES AND SERVICES LIMITED  
MR. RAJ NARAYAN – CHIEF EXECUTIVE OFFICER – POPULAR VEHICLES AND SERVICES LIMITED  
MR. ABRAHAM MAMMEN – GROUP CHIEF FINANCIAL OFFICER – POPULAR VEHICLES AND SERVICES LIMITED**

**Moderator:**

Ladies and gentlemen, good day and welcome to Popular Vehicles and Services Limited a Q4 and 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. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

Before we begin, a brief disclaimer. 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 it may involve risks and uncertainties that are difficult to predict. I now hand the conference over to Mr. Naveen Philip, M.D and Promoter from Popular Vehicles and Services Limited. Thank you and over to you, sir.

**Naveen Philip:**

Thank you. Good morning, everyone, and thank you for joining us today for the Q4 and FY26 Earnings Call of Popular Vehicles and Services Limited. Joining me on the call today are Mr. Raj Narayan, our CEO and Mr. Abraham Mammen, our CFO and other members of our senior management team.

Before I begin, I would like to mention that Raj has tendered his resignation as he is looking to pursue an opportunity outside the industry. He has been one of the key contributors of the growth journey of the company. On behalf of the Board and the entire management team, I would like to sincerely thank Raj for his invaluable contribution to PVSL and wishing him the very best for his future journey.

Before moving to the business performance, I would like to sincerely apologize for the error in the business update published on April 17, 2026, for the quarter and the year ended March 31, 2026, and take this opportunity to clarify the same. I take full responsibility for the oversight and assure you that we are strengthening our processes to ensure such instances do not recur.

The revenue growth numbers reported for the full year FY '26 versus FY '25 comparison across various segments are broadly in line as was disclosed in the said business update. However, with respect to Q4 update, Q4 FY '26, we would like to clarify that the revenue growth numbers reported in the business update were inadvertently misstated due to an erroneous calculation during the data gathering and consolidation process.

This error occurred in the backdrop of multiple acquisitions undertaken during FY '26 coupled with system updates and consolidation exercises carried out during the year. A detailed clarification has been presented to the Board and forms part of the Board outcome as well as investor presentation. We regret the oversight and any inconvenience costs.

The updated and corrected figures have been reflected in the audited financial results for the quarter ended March 31, 2026. Please note, there has been no change in the new vehicle sales volume growth numbers for both Q4 FY '26 and FY '26. We fully acknowledge that this should have been avoided.

And I once again sincerely apologize to all our shareholders and other stakeholders for this oversight and any inconvenience it may have cost. Coming to our business performance. FY '26 was a year of recovery, execution and strategic repositioning for our company. After our difficult FY '25, we entered the year with a clear focus on strengthening our core businesses, diversifying our geographic presence and reallocating capital towards higher potential opportunities.

In Q4 FY '26, revenue from operations grew by around 28% Y-o-Y, while the full year FY '26 revenue from operations grew by around 15% Y-o-Y. New vehicle volumes for FY '26 grew by around 21% Y-o-Y, with growth witnessed across segments. This performance was driven by the improving demand conditions post GST, network expansion and the contribution from our recent strategic initiatives.

While the first half of the year remained relatively subdued, the second half of FY '26 was particularly significant for us. Customer sentiment improved meaningfully following the GST reforms announced in September 2025. These reforms enhanced affordability in the entry-level passenger vehicle segment, which had remained under pressure for more than 2 years.

We saw this translate into better inquiries, stronger showroom footfall, improved conversion rates and a healthy recovery in new vehicle volumes. The improved operating environment also helped convert inventory into retail sales, addressing a key overhang and reducing the associated carrying costs of the company and discounting levels also moderated during the period.

FY '26 was not only a year of recovery & consolidation, but also a defining year in terms of strategic acquisitions and portfolio repositioning to build the foundation for the company's next phase approach. Over the last few years, we remain disciplined and patient in pursuing opportunities that are aligned with our long-term strategy, focusing on acquiring quality business at the right valuation and in markets where we see sustainable growth potential.

I'm pleased to share that this patient and calibrated approach has started yielding meaningful results. Throughout the year, our focus remains on strengthening the existing business, improving operational efficiencies and simultaneously preparing the company for its next leap of growth through several strategic initiatives.

We undertook decisive actions to sharpen our business model, improve capital allocation and enhance overall growth visibility. We had mentioned earlier that we have tied up with Accenture to identify, one in terms of high growth sales and future growth and also in terms of the service potential.

As part of this strategy, we completed the divestment of Honda and Piaggio business and also entered into states like Andhra, Telangana, Punjab, Maharashtra. This decision enabled us to streamline our portfolio and redirect both capital and management bandwidth towards business and segments where we see stronger long-term opportunities, better scalability and superior profitability potential.

We completed three important strategic acquisitions during FY '26. The BharatBenz dealership in Punjab, the Maruti Suzuki dealership in Telangana and the Audi dealership operations across

Telangana and Andhra Pradesh. These acquisitions significantly strengthened our platform by expanding our presence across multiple OEMs, geographies and customer segments.

More importantly, these acquisitions provide us with a stronger entry into high-growth markets, improve our premium and commercial vehicle exposure, deepen our customer reach and create opportunities for meaningful operating leverage and cross-business synergies over the coming years.

We believe these strategic additions have positioned the company much better for a sustainable growth and value creation in the years ahead. Alongside strengthening our OEM partnerships and expanding our state presence, we also made significant progress on one of the key strategic objectives outlined during our IPO, increasing the contribution of non-Keralam revenues to create a more geographically diversified business model.

I'm pleased to share that we have achieved meaningful progress on this front with non-Keralam revenue contribution, increasing to approximately 47% in FY '26 from around 28% in FY '23. With the recent acquisitions and expansion initiatives already undertaken, we believe this contribution should further increase to over 50% in the coming year, thereby significantly improving the geographic balance of our business.

Simultaneously, our focus has also remained on expanding our offerings and increasing the share of higher-margin business particularly by strengthening the service and aftermarket ecosystem. While the contribution from service revenues has not expanded materially over the last 2 years. We believe the foundation for future growth has now been firmly established through network expansion, capacity additions and acquisitions.

During the quarter, we commenced operations with multiple new touch points both in Maruti Suzuki and multiple Ather touch points across various states. Further, our Jaguar Land Rover operations in Nagpur commenced from April 1, 2026. These initiatives are fully aligned with our broader strategy of building a more diversified, multi-OEM, multistate and higher-margin business platform.

We believe the benefit of these investments and expansions will gradually reflect over the coming years as utilization improves, customer base scales up and operating leverage starts playing across the network. Beyond the core automotive retail business, we also made a meaningful progress in strengthening other high-margin adjacencies during the year, particularly in spare parts and aftermarket segment in Q4.

We commenced the BKT distribution business in Kerala and Tamil Nadu for 2-wheeler and passenger car radial (PCR) tyre segments. In addition, we launched Yanik under ZPAREX Digisolutions, our dedicated e-commerce platforms for spare parts and accessories. This marks an important strategic step towards building an integrated omnichannel spare parts and accessories ecosystem.

Allowing us to expand customer reach, improve engagement and create a scalable, high-margin opportunity over the long term. On the operating profitability front, reported EBITDA for FY '26 stood at INR203.4 crores, up 16% year-on-year. While the volumes and revenue improved,

the full revenue flow-through was not completely visible in the reported profitability as the recent acquisitions added to the cost base during the year.

For a like-to-like comparison after adjusting for Honda and Piaggio divestments, acquisition-related EBITDA impact and the one-off such provision, adjusted EBITDA stood at INR200.9 crores, up 28% year-on-year. At a PBT level, reported PBT before exceptional items was a loss of INR27 crores after adjusting for acquisition and divestment related depreciation and finance costs.

Adjusted PBT before exceptional items turned to positive INR8.8 crores. Reported PBT stood at a loss of INR13 crores, after adjusting of onetime items, including the labor code impact and the divestment gains, adjusted PBT loss reduced by around 60% to INR5 crores approximately.

Moving now to the performance across our key business segments, New Vehicles. In passenger vehicles, Q4 saw a visible recovery in demand, particularly in the entry-level category. Unfortunately, there was a shortage of most of the vehicles across the entry-level category.

Premium vehicles also continued to see healthy traction supported by improving customer sentiment and new product offerings from OEM partners. That said, revenue growth was moderated by product mix and supply constraints from key OEM in Kerala during the quarter.

In the Luxury segment, volumes were impacted by temporary factors during the year, However, we remain positive on the long-term opportunity in this category. The addition of Audi to our portfolio through the acquisition of the dealership operations in Telangana and Andhra Pradesh gives us a new platform to participate in the premium and luxury automobile market.

The Commercial Vehicle business delivered a strong performance in Q4 and FY '26. Volumes grew significantly supported by improving demand, better market activity and contribution from expanded operations. Our BharatBenz acquisition in Punjab has also helped us deepen our CV presence in a new geography.

With government's continued focus on infrastructure logistics and construction activities, we believe the medium-term outlook for CV business remains encouraging. The EV 2-wheeler business continued to scale well. Ather's increasing market acceptance, rising EV penetration and a wider touch point base supported strong growth in both volumes and revenues.

As the installed base grows, this business should also create a larger recurring opportunity in after sales over time. Service. Aftersales continues to remain an important part of our strategy. In Passenger Vehicle Services, volumes were impacted by the lower throughput and rationalization of low-value job cuts.

However, the revenue impact was contained due to improved realizations, higher value repair work and better workshop productivity. CV services delivered strong growth during the quarter and the year supported by higher servicing intensity, workshop upgrades and improved utilization of the expanded network. EV services also continued to grow on the back of a larger installed base and recent network additions.

The improvement in volumes during the second half helped support operating performance despite the provision taken towards ccess and the near-term cost impact of the recent acquisitions and organic expansion. These initiatives did add to the cost base during FY '26, but we expect the revenue and operating benefits to flow more meaningfully from FY '27 onwards.

At the PBT level, this year, also included acquisition-related impacts, ccess provisions and the impact of the new labor code. We view these as largely transitional in nature as the newly acquired businesses scale up and integration benefits start coming through, we expect operating leverage to improve.

Looking ahead to FY '27, our priorities are clear. First, we'll focus on consolidating and scaling the business added during FY '26. Second, we'll continue to deepen our non-Keralam presence. Third, we will increase the contribution from recurring and high-margin revenue streams, particularly services, repairs, spares and accessories.

Fourth, we'll continue to drive internal efficiency, cost discipline and working capital improvement. Demand indicators remain positive in spite of the war situation with inquiries and footfall showing healthy momentum. The recovery in entry-level vehicles, easing inventory levels, lower discounting and new model launches by OEM should support the business in the coming quarters.

We also expect the Service business to improve from FY '27 onwards, supported by the recent vehicle sales growth, expansion into newer markets and the contribution from recent acquisitions. Services remain structurally attractive, and we continue to see organized players gaining share in this space.

With investment and strategic actions taken during FY '26, we believe we are in a far better position today than it was a year ago. We now have a wider OEM portfolio, a broader geographic footprint, a stronger network and a sharper focus on profitable growth. Our aim is to deliver growth in FY '27 with high double-digit top line growth. EBITDA margins moving towards 5% range and PAT approaching FY '24 levels as scale benefits, operating leverage and integration benefits begin to reflect in performance. To conclude, FY '26 was an important reset and recovery year for PVSL. We exited noncore businesses, expanded into new geographies, added new OEM relations, improved our operating discipline and strengthen the foundation for our future growth.

The demand environment is improving. Our network is stronger and our strategic direction is clear. We remain focused on driving profitable growth, improving the return ratios and creating long-term value for all our stakeholders. With this, I would now like to hand over the call to Abraham for the financial performance update. Thank you.

**Abraham Mammen:**

Thank you, Naveen, and good morning, everyone. I will take you all through the company's operational and financial performance for Q4 and FY '26. Before I start, please note that the Honda and Piaggio volume and revenue was till August 2025 only. Quarter 4 of financial year '25-'26, key highlights. The Passenger Vehicles, new vehicle volumes stood at 8,090 units, up 20% year-on-year.

Total income generated from the segment stood at INR654 crores, up 18% year-on-year. Service volumes stood at 1,80,989 units down 14% year-on-year. Total income from the segment stood at INR154 crores, up 2% year-on-year. Commercial Vehicle, new vehicles volumes stood at 3,716 units, up 59% year-on-year.

The total income from this segment stood at INR645 crores, up 46% year-on-year. Services volumes stood at 52,443 units, up 13% year-on-year. Total income from the segment stood at INR97 crores, up 75% year-on-year. EV, new vehicles stood at 3,079 units, up 138% year-on-year.

Total income from the segment stood at INR50 crores, up 113% year-on-year. Service volumes stood at 11,261 units, up 81% year-on-year. Total income from the segment stood at INR3 crores approximately year-on-year, up 29%. Financial performance. Our total income for the quarter stood at INR1,758.8 crores, up 27.8% year-on-year.

EBITDA stood at INR57.5 crores, up 93.5% year-on-year. EBITDA margin stood at approximately 3.3% for quarter 4 FY '26. There was a loss of INR5 crores in quarter 4 FY '26 vs loss of INR13.7 crores in the same quarter in FY '25. Financial year 2026. Key highlights, Passenger Vehicles.

New vehicles stood at 32,572 units, up 9% year-on-year. Total income from the segment should at INR2,551 crores, up 9% year-on-year. Service volume stood at 7,39,794 units, down 12% year-on-year. Total income from the segment stood at INR607 crores, down 2% year-on-year.

Commercial vehicles, new vehicle volumes stood at 12,546 units, up 30% year-on-year. Total income from the segment stood at INR2,125 crores, up 32% year-on-year. Service volumes stood at 2,02,647 units, up 10% year-on-year. Total income from this segment stood at INR351 crores, up 28% year-on-year.

EVs, new vehicle volumes stood at 8,154 units, up 89% year-on-year. Total income from the segment stood at INR137 crores, up 72% year-on-year. Service volume stood at 39,659 units, up 79% year-on-year. Total income from the segment stood at INR9 crores approximately, up 18% year-on-year.

On an adjusted performance basis, reported volumes in the New Vehicles segment stood at 53,452 units in FY '26 compared to 44,087 units in FY '25, reflecting a growth of 21% year-on-year. After adjusting for the Honda and Piaggio divestments and the contribution from the acquisitions, adjusted or organic volumes stood at 50,343 units compared to 42,189 units in FY '25 representing a growth of 19% year-on-year.

On the revenue side, reported new vehicle revenue stood at INR4,813 crores in FY '26 compared to INR4,040 crores in FY '25 registering a growth of 19% year-on-year. On an adjusted or organic basis, new vehicle revenue stood at INR4,493 crores compared to INR3,887 crores in FY '25, reflecting a growth of 16% year-on-year.

Coming to the Services business, reported Services volumes stood at 9,82,100 vehicles in FY '26 compared to 10,42,298 vehicles in FY '25, reflecting a degrowth of 6% year-on-year. After adjusting for the Honda and Piaggio divestments and acquisitions, adjusted service volume stood

at 8,99,778 vehicles compared to 9,35,045 vehicles in FY '25 representing a degrowth of 4% year-on-year.

Despite the moderation in service volumes, revenue performance remain resilient. Reported service revenue grew by 7% year-on-year to INR968 crores in FY '26 compared to INR903 crores in FY '25. On an adjusted or organic basis, Service revenue grew by 8% year-on-year to INR868 crores compared to INR806 crores in FY '25.

Financial performance, our total income stood at INR6,401.1 crores, up 15.1% year-on-year. EBITDA was INR203.4 crores, up 16% year-on-year. EBITDA margin stands at 3.2%. PAT stood at a loss of INR12.5 crores compared to a loss of INR10.5 crores in FY '25. In Other updates CRISIL Ratings Limited have extended the long-term credit rating CRISIL A/Stable. And the short-term rating at CRISIL A1 to remain valid till 31st March 2027. The amount of total bank loan facilities rate has been increased from INR468 crores to INR643 crores. State-wise revenue breakup for financial year '26. Keralam is 53.4%; Tamil Nadu 25.2%; Karnataka 10.9%, Maharashtra 5.3%, Punjab 2.3% and Telangana 2.7% and Andhra Pradesh 0.1%. That's it from my side. Now I would like to open the floor for questions and answers.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Preet Pitani from InCred AMC.

**Preet Pitani:** Thank you for the opportunity. Sir I have prima facie two questions. My first question would be lying on service revenue growth and service margin. Last year, we have seen a dip in service volume. What believes us that this year service volume will grow at a faster rate? And what rate would you guide for the service volume growth as well as ASP growth?

And apart from this, on a full year basis, we have said that service contribute ~60% to the EBITDA. If we calculate the amounts we have somewhere around margins of -- EBITDA margin of 10%, 11% in Service segment, whereas our competitors does around 18%. So can we -- will we be able to bridge this gap or why is this gap if you could give some insights?

**Raj Narayan:** So I think on the Service volumes, the largest dip has been in the job card, which is in very low in the quantity because we focused on the higher value thing to improve the holdup ratio, et cetera, for the customer experience. So while -- overall for the entire group, while the service volume for the last year would have degrown at about closer to minus 6%. The ASP has grown at about 14%, resulting in a revenue growth of over 8%.

Secondly, if you look at the total group contribution, Maruti contributes a major chunk of it. Maruti which is about minus 7% on Service volume growth until YTD Q3, vs minus 2% in Q4, resulting in the overall gap reducing to minus 5% because Maruti changes, everything else will change because that's the major chunk of the total, about 65%, 70% of the total volumes.

So that recovery has already started. We updated in the last call, the tie-up with Accenture plus some of these internal structural corrections that we have taken in our service employee organization structure, all that has started showing results. So going forward, it should be good. Now to the second question.

**Preet Pitani:** Yes. On same service lines following up, what kind of guidance we would give for FY '27 for Service business in terms of volume as well as in terms of ASP. And our Service margins are around 11% to 12% whereas one of our listed peers, they do 18% to 19% service margin. Will we be able to bridge this gap? Or what kind of margins we could aim for the Service business in terms of EBITDA?

**Naveen Philip:** Preet, are you talking of Passenger Vehicle EBITDA margins or consolidated EBITDA margins?

**Preet Pitani:** Consolidated EBITDA margins.

**Naveen Philip:** Yes. So, if you look at our mix, we will not reach the 18% consolidated EBITDA margins because we have both commercial and a large chunk in terms of commercial and Ather 2-wheelers. So that in terms of EBITDA margins will be slightly lower. But in terms of Passenger Car business, we should be reaching 18% to 19% EBITDA margins in terms of service margin.

In terms of growth guidance, as Raj and Abraham had explained, we -- I mean, in the past, we have guided a larger, higher number in terms of about 10%, 15% growth rate in terms of service volumes and EBITDA margins or in terms of revenue. We're looking at least 10% to 12% growth for FY '27 in terms of service volumes in the Passenger Car segment.

This would be driven both in terms of the Kerala volumes and the new acquisitions that we have done. In terms of the as ASP as Raj had pointed out, if you look at the ASP of just our Maruti business, last year, we've grown by around 13% Y-o-Y. We are expecting the same service growth in terms of ASP.

And this is something that we have guided about 3 years back or so saying that the Nexa volumes and the ASP of these vehicles are increasing and the Nexa contribution to the overall Maruti volumes has also gone up. So, if you look at the ASP of new vehicles in PVSL, it is -- the overall weighted average ASP is about 6.5%. This was about -- close to about 5.5% about 3 years ago. So we have seen a 20% growth in terms of ASP, and that is because of the mix of vehicles. And this will keep reflecting the service ASP also.

**Preet Pitani:** We believe that for Passenger Vehicle business we will be -- in terms of mix, we would be growing at 20%, 25%, led by 10% to 12% volume growth and 10% to 12% ASP growth. Is my understanding correct? And on a consolidated basis, what kind of service volume and service ASP growth we can assume for the company?

**Naveen Philip:** So we moved out our Honda business, which last year was about close to about 50,000 vehicle service, I think. In terms Jaguar Land Rover, our service volumes are more or less fixed in terms of numbers. It is not going to grow very big. So a large chunk of it would come from the Maruti business itself. If you look at commercial vehicles, both Tata and Bharat Benz put together, we did approximately 200,000 vehicle service.

That would see a growth of about 5% to 7% in terms of service volumes, which is what we did last year also. We had a consolidated growth approximately from 180 to we went to about 2,00,000. So about -- close to about 10% growth we had last year. This year would be slightly lower than that, about 7% to 8% growth in terms of service volume numbers. ASP we have

grown by about 8% to 10% last year. That's the same guidance that we'll give this year for Commercial Vehicles.

**Preet Pitani:** Got it, sir. And sir, on the line of standalone business, we are still seeing a lot of losses in the standalone business. Do we assume that for this in FY '27, we would be breakeven in the standalone business? And why are we facing such losses? I believe that we have told in quarter 3, and quarter 4 that our discounting has reduced a lot -- and also our top line growth was good, which means it should be contributing to operating leverage. So what is stopping us from making 3.5%, 4% kind of margins which we used to make earlier?

**Naveen Philip:** So if you look at in terms of analysis, our acquisitions, both our acquisition and organic expansion in Karnataka and Andhra is what is -- I mean Telangana is what has eroded our margins in terms of both IndAS and everything. If you look at growth going forward, and that's why we've given the guidance for FY '27, that we would -- we might not be -- the sales margins would be about 3%, 4%. But overall margins and overall profitability, we should head towards an EBITDA margin of about 5% consolidated, about 4.8% to 5% consolidated.

**Preet Pitani:** Okay, sir. So sir, if we want to move from 3% to 5% on consolidated level, it is 200 basis point jump. If you could just break down for us, that how would we be able to grow, like, for example, by discounting 20 basis points or anything if you -- any quantifiable amount that will help us to grow in terms of margin?

**Naveen Philip:** Yes. So our larger growth, as you mentioned in the earlier question, would be from the services growth. So as I said, that 10% in terms of volume increases and about 12% to 13% in terms of ASP increase. That is what would drive our profitability growth there. And in terms of -- if you look at -- in terms of JLR and Audi business, Audi business, we have just kicked off.

Audi is launching a couple of new models this year and next year. In JLR, there was a constraint in supply in Q3. So though we had guided for about 450 vehicle volume overall for the year, we ended up doing Audi about 380, which means we lost of about INR70 crores in terms of top line and probably approximately INR8 crores to INR9 crores in terms of bottom line from the JLR business and that is because of the cyber-attack that happened in Jaguar Land Rover.

Assuming no such incident happen going forward and with our expansion in Nagpur, we are looking at the guidance of about 550 to 600 vehicles from Jaguar Land Rover this time with also the help that happened between the U.K. FDA process that has happened and prices of certain higher-end models have come down drastically. So the volume growth is expected to rise from there on.

**Preet Pitani:** Got it, sir. That was helpful. Sir, my last 1 question on the line of the problems which we face in 2024 and 2025 because of higher debt in the books which led to higher interest costs and also volume slowdown. Current tables also if we see our March '26 balance sheet because of the acquisition which we did, our debt level has increased.

And also our inventory days are more or less in line with what we were having at '25 end. What kind of steps we are taking that if industry goes into slowdown because of all the geopolitical

problems, which we are facing that will help us protect our margins. What are we doing for that particular thing?

**Naveen Philip:** Yes. So we're keeping a very careful watch on our inventory levels. And we're looking at forward inventory. That is -- so if you look at May end inventory which shouldn't hold more than June's sale as inventory in passenger car thing. So we'll be holding closer to about 30, 32 days of inventory, which if you look at FY -- though you say the inventory in terms of value, was similar to FY '25 closing, but our volumes have increased considerably.

So in terms of inventory days, Abraham might be able to tell the exact number of days that we have brought it down by. But I think from 49 days, we were down to about 36 days in terms of inventory FY '25, March to FY '26, March. And going forward, we'll ensure that the inventory levels do not cross 30 days at any given point of time.

**Abraham Mammen:** So Naveen, if I can just add, Preet, in fact, from our last conversation, we said that we would keep our inventory levels close to 1 month in terms of the revenue that we really do. We are at the same levels currently while business grown by around 15% for 5,500 to 6400. Our inventories are still at the same level.

The only reason that you see the debt level is on the light of the acquisitions that we have done. But having said that, new inventory levels are much under control from what we had earlier. We are below the 30 days numbers at this point in time. So we're very much on track in terms of debt position at this point, Preet.

**Preet Pitani:** It was very helpful. Last one question on the line of capex, like last year, we have done a huge capex for inorganic growth. This year do we -- will be focused on stabilizing our business? Or are we planning to do such more acquisitions? And also compare it with the debt levels currently, if I'm not wrong, we have around -- we have good amount of debt in our balance sheet? So how are we planning to minimize that debt or are we comfortable with current levels of debt? What will be our debt repayment for this year?

**Naveen Philip:** So we will -- Abraham can talk about the debt thing. But in terms of acquisitions, we are not looking at any high-value acquisitions this year. We're only looking at consolidation of our -- the acquisitions that we've done in the previous year and growing that business forward.

**Abraham Mammen:** So Preet, again, as we mentioned earlier, we -- Naveen mentioned there is no expansion as such that we're really looking at in terms of acquisitions. Capex spends also will be more monitored. So, we would not be really looking at any additional debt on our books other than what is currently there for running our current business. It's more of inventory levels. And as Naveen mentioned, in terms of the inventories also, we're relooking at the stock levels in terms of the demand in the market so that we can actually take those necessary corrections wherever that is required.

**Preet Pitani:** And on debt repayment side, are we planning to repay any debt in this year? Or are we comfortable with current level of debt?

**Abraham Mammen:** We will continue to pay as per the repayment cycles that we have in terms of the term loans that we have, and we look at it as we really go forward.

- Preet Pitani:** Yes. Because we make around INR100 crores to INR150 crores of operating cash in a year, whereas our debt levels are some INR 600, INR700 or INR800 crores something. So -- how are we planning to minimize this debt level or are we comfortable with the current position. And we will be seeing this kind of debt because last year on the concall, we mentioned that we will be repaying some amount of debt?
- Abraham Mammen:** Yes. So, when we look at the debt that we have on our books, major of the debt is inventory related. Out of the INR600 odd crores, around INR520 crores is related to the debt on inventory. The balance is the term loans that you've taken more in terms of the expansion - RKS, Globe and the Audi expansions that we have. So, we will continue to repay those loans as per the cycle. And then, of course, inventory levels as we tighten it, if there is free cash flow on account of that, we will definitely reduce the debt levels.
- Preet Pitani:** Okay And lastly, on spare part business, if you could mention that we have mentioned in the PPT that spare parts business contributes around 4% to the top line and the 3% to the EBITDA. Just wanted to make sure that we only make 2% to 3% EBITDA margin on spare parts? Or was there any one-off in FY '26? And by adding BKT distribution and others, what kind of growth we aspire in spare part business? And what kind of margins we aspire?
- Naveen Philip:** So in terms of margins, we should be going back to about 5.5%, 6% margins. We have taken a stock correction across all the retail outlets and the other outlets and some amount of debtors write-off. So that is what impacted our margins last year. But this year, we wouldn't have any of those provisions or any of those rates. We're looking at around 5.5%, 6% in terms of margins.
- In terms of growth, spare part growth should see an increase with the increase in volume growth of the vehicle business. So, but it would be overall in terms of numbers, in terms of the service business growth itself. So about 6% to 8% would be the spare parts in terms of revenue terms growth.
- Other than other than the new businesses that we've added on, which is the BKT tyres. I'm keeping that aside for a like-to-like comparison. So, if you add BKT tires and with the supply of those happening, we should see a double-digit growth in terms of spare parts retail & distribution.
- Moderator:** We will take our next question from the line of Shirish Pardeshi from Motilal Oswal Financial Services.
- Shirish Pardeshi:** I'll restrict only two questions. First, on the volume trajectory, I think most of the OEMs has announced price increases. So there are 2 questions on this. How the demand or is inventory has already come to you? And within that, you also mentioned in the opening remarks, there was some short supply of entry point vehicles. So is the supply improvement has happened? And there could be a backlog and there could be a price increase. So the effect of total, these 2 factors on the demand?
- Raj Narayan:** Post the price increase announcement by the OEMs, we have not seen much of a change actually. There is some bit of improvement in the booking, but that generally happens in every month end so cannot really relate whether it is because of that. However, some bit of preponement of the

existing bookings do happen, which I mean for the month, it could look good, but on a longer period, it may not really look good.

So as far as now it is concerned, not a very noticeable changes has happened. And in terms of the short supply, we did have it in Jan, Feb, March, but that has been more or less sorted now. Yes, there is some bit of a waiting period for some models like Baleno, Fronx etcetera. But the struggle we had in, let's say, Jan, Feb, March, where it was really bad, that has changed now.

**Shirish Pardeshi:** Okay. So you're saying that post 31st March, the demand condition is not looking any weakness?

**Raj Narayan:** I tell you both in terms of the -- I mean, the supply side in the second thing you had asked, we were not really getting what we were asking for in Jan, Feb, March. But April and May so far. That is not the case. I mean you're getting whatever we ask for. Yes, there's some bit of waiting period in terms of very fast-moving model, but that's alright, in terms of demand going up because of the price rise, or demand going down because of the price rise is not much something which is very noticeably seen.

**Shirish Pardeshi:** Okay. That's helpful, Raj. My second question on the overall business momentum, I think I could see that we have added BKT and we have also Audi in the 2 states. So how we should think of this new acquisition scale up? What are the things which we are looking on ground, how we should build up the revenue momentum over the next 1 year?

**Naveen Philip:** If you look at Audi business across the last 3 years or 4 years, Audi has actually degrown in the India market. But what they've committed worldwide and in the Indian market in terms of a slew of launches, over the next 2 years. And that's the momentum that we would like to build on.

When we have taken over, I think the Audi business used to do about 120 vehicles annually in Andhra and Telangana put together. We are not taking a much larger number this year, though the Q3 launch is expected soon. And if the EU FTA comes into place, then there could be more new vehicles coming in from all manufacturers, I think, not just Audi.

And the luxury segment in terms of keeping up with the growth, there will be probably about 5% to 6% growth in terms of luxury segment. So we're keeping our numbers for this year very muted. But next year onwards, we'll see a much larger growth from the Audi numbers. In terms of BKT, BKT has been a very strong player of the tyre market outside, in the off-market things.

And they have had a very high market share, both because of the quality and in terms of their brand building. And if you see the recent IPL thing and all that, the brand building still is very strong. So, we are hoping that the both the 2-wheeler and the passenger car tyres will start growing for BKT in a very meaningful way.

And we are expecting very high growth rate because -- I mean, the base is absolutely nil right now. But in terms of overall revenue terms, in terms -- in contributing to our spare business would be very low in the initial 2 years, should be less than 5% in the initial 2 years This is what -- from the new businesses that we're looking at for this year.

**Shirish Pardeshi:** Yes. And just one question, I squeeze in on volume. Can you break 32,700 number of units what you have sold in '26 as for various segments, SUV and non-SUV and Mediatory?

- Naveen Philip:** You're talking of the Maruti volume?
- Shirish Pardeshi:** Yes.
- Raj Narayan:** No, I think the 32,700 is the total PV volume. Maruti has sold about 31,667 in this before we divested Honda, 675 has come in this year. JLR did 390 and Audi was 20. That's a split between OEM. The split between the Hashback, SUV, etcetera, SUV I would say that should be closer to -- okay, JLR and Audi. Naveen maybe you can answer that. Maruti should be closer to about 35%, 40%.
- Moderator:** Next question is from the line of Nilesh Doshi from Prospero Tree AMC.
- Nilesh Doshi:** Sir, many questions are asked by the earlier participants. So I do not repeat the similar question. But I would restrict myself related to the profitability. In last con call also, I asked about the return to profitability. And I think the management has guided that Q4, they will -- company will report the profit and they will come into the -- they will generate the EBITDA margin around 5% for FY '27.
- But in last 5 quarters, out of the 6 quarters, the company has repeatedly reported loss. And I would like to know when the company will return to the profitability on a sustainable basis because since the IPO has come, since the listing has done, I think the investor has lost the money -- there is some industry problem, the competitor has outperformed and they have done really good steps to recover from the loss. So kindly share your thoughts on the profitability, please, sir?
- Naveen Philip:** So Nilesh thank you, and we have met in Bombay also. In terms of profitability from Q2 of FY '27, we should be having sustainable profitability. Q4, we did expect to have a turnaround. So most of our business, if you look at state-wise, et cetera, Telangana in terms of contribution because of the acquisition, had a full year negative of, I think, about INR26 crores, INR27 crores, which is what has led to the -- a large part of it that led to the negative figure for the year.
- And the cess impact, which obviously, the other listed companies that you mentioned did not have because it is an agency business that they do. So these are the 2 impacts. Going forward, we don't see these impacts coming in. We see Telangana as a full year not as a profitable thing because of the IndAS effect. But that also we are trying to see how we can mitigate to a large extent. So from Q2 of next year, we will -- we expect to be sustainably profitable for the company and guidance for close to 4.8% to 5% remains there.
- Nilesh Doshi:** Sir, you mean to say that whatever the equation we have done in the last FY '26 or whenever. So we have acquired the units, which were not generating the profit, and we paid some premium to acquire that business, Sir?
- Naveen Philip:** We didn't pay -- so if you look at all the acquisitions that we have done, we have done it more or less in line with the assets under that was there. So if you look at both the Audi business and the Telangana business, the total asset in terms of equipments, the showroom assets, et cetera, added to about INR85 crores to INR90 crores.

We have paid approximately the same in terms of our acquisition costs. Similar to that was the Audi acquisitions. What I am trying to tell is that because of the IndAS rules that are effective and because of the depreciation on account of these acquisitions, there has been a larger in terms of impact on profitability.

**Nilesh Doshi:** But our acquisition is by keeping in mind the profitability not the revenue because we are not the start-up which looks at the revenue and not the profitability because acquisition is good. Ultimately, it is a diversification of the state, but it must generate the profit and have a better IRR than the....

**Naveen Philip:** Absolutely. I mean that's why we are in the business, and we'll continue to ensure that delivers from our side.

**Abraham Mammen:** Nileshji to add on it. In fact, the Telangana and the business that we acquired in Punjab, the volumes were relatively lower. We've actually, in the last 6 months of our takeover, the volumes and the market share in both these markets have actually improved. So it is expected to get better and we're looking at, at least at an operational level, taking out the IndAS impact to be profitable in these 2 businesses.

**Nilesh Doshi:** Sir, another question related to the accounting or business update, you have clarified in the presentation also. But sir, we are surprised because it must be clarified earlier than the result was announced because we prepare the model and we do some prediction work and our prediction totally goes wrong on the basis of the business update. Please take the matter seriously. So we can, profit or loss is a different thing, but our model are prepared on the basis of the business updates provided by the company so please, please instruct properly to the staff members or whoever the prepared business update, sir?

**Abraham Mammen:** Definitely, Nileshji point taken, we've definitely fixed those issues that is there. We will proactively mention that this does not occur in future. Apologies once again from my side on this miss that has happened.

**Nilesh Doshi:** And sir, last question. How many free services are provided by the company, whether anything incurred by the dealer for providing the free services when the new car or new vehicle is purchased by the buyer?

**Naveen Philip:** No. So for each of the companies, the free service is very different. So for Maruti, Raj, you may correct me here, there are 3 free services. This free services pricing is already inbuilt into the margins that are given on new vehicle margins. So for example, if we sell a vehicle and we do the free service of that vehicle, the margin is already included, about INR1,400 - INR1,500 or so.

If we do the free service of a dealer, the cars being sold by another dealer, that dealer gets debited by about INR1,500 and that money is credited to our account. In JLR, there are no free services, in Audi, there are no free services, Tata, etcetera, there's a reimbursement on the free services that are being done by the dealership.

- Nilesh Doshi:** And so how many percentage of the car or vehicle sold will be converted into the permanent fees under our business because of the free services, whatever the number of the free services provided is over, how many percentage of the vehicle will be converted into our business?
- Raj Narayan:** So if you look at the....
- Naveen Philip:** Raj go ahead. So we track free services from first year onward. I mean, not free services, cars retained by us from first year onwards. So we retain close to about greater than 85% in the first year, in second year and so on. Our retention across all Maruti dealerships for a 7-year life cycle of the vehicles that we have taken -- 7 or 8 year life cycle of the vehicle, we have the highest retention in terms of services.
- Nilesh Doshi:** Okay. That's all from my side. Thank you, sir.
- Moderator:** Thank you. Next question is from the line of Gautam Madhvan from Fedex. Please go ahead.
- Gautam Madhvan:** Naveen, a couple of quick questions. I understand the guide on the 5% EBITDA margin. Just wanted to understand with the mix change and CV becoming such a critical part of our mix. How do we kind of think through gross profit and the compression that's happening at a GP level from 15%, 15.5% to the current 13%. And I understand service is part of the problem, but how do we think of the CV, PV split and how that will look like going forward?
- Naveen Philip:** The CV, PV split, I think this coming year, the CV percentage in terms of overall contribution would go up much faster. Last 2 years, the CV growth has been higher than the PV growth in the market. If you look at in terms of ASP and this is something that we had mentioned 3 years ago also stating that slowly, the ASP in terms of commercial vehicles is also going up and the EBITDA margins there.
- So if you look at the ASP in terms of Q4 to Q4, for both Tata and Bharat Benz commercial, we have grown by about approximately about 35%, 40% overall in terms of the ASP in service. where the ASP -- the passenger car business was about 19% if you look at Q4 to Q4. We're expecting both ASP and the volume growth to come from passenger vehicle service this year and going forward because the growth has also been started coming up in another way. In terms of overall mix, last 2 years has been skewed towards CV, but this year onwards, we are looking at a much larger mix from the PV segment with the addition of Audi and Maruti growing in all the 4 states.
- Gautam Madhvan:** Got it. And I mean, one on the FTA, are you seeing any delayed purchases on the luxury car segment on the back of the FTA and people expecting price cuts?
- Naveen Philip:** Yes. So in Q4, we -- there were a lot of delay in terms of purchases because of the FTA, especially because the U.K. FTA had kicked in and people were expecting a price drop across all segments of JLR, but then JLR clarified that this is only for U.K. manufactured vehicles and not those manufactured locally in India, which rolled out close to about 75% of the models.
- The Range Rover SP and the Range Rover Autobiography, the models at the higher end, the price drop has happened and it has been communicated to all customers also across. So that we

are seeing a much larger bookings and inquiry from April onwards. The other models continue to be robust as of today.

**Gautam Madhvan:** Got you. And just last one, Naveen, on service, I understand the strategy on going higher ASP and more body shop. How do we think of the volume degrowth? Is it -- is it that we are giving up some of the low-value business? Is there just less sort of demand, people are kind of delaying some of that low-value work or how do we just think of the market environment? And what is our strategy within that?

**Naveen Philip:** Yes. No. So 2 things happened. One, which is market environment, people were -- I mean, over the last 2 years, they didn't want to do part of the running repair. We also lost -- as a company, we lost a little bit of focus on the running repair. So if you split the service volume into four categories. One is the periodic maintenance service.

One is free service. One is running repair and one is body repair. So if you look at the free service, it was dependent on vehicle volumes that were sold, which had a natural drop over the last 2 years, except picked up in the last 6 months. In terms of running repair is where we lost about 17% to 18% in terms of running repair in terms of the drop in volumes.

This included smaller jobs, etcetera, where we lost -- I mean, one, we lost focus because we were concentrating on the higher value repair. And also we didn't want to do very normal job cards, low job cards. Plus the customers also they're postponing their services because of the market conditions, etcetera, the last 2 years. This, we have put a focus back on.

And this year, we'll see a growth back in terms of running repair. In periodic maintenance services, which is the high-value item in the services side, which is where we concentrated around that we were able to retain both in terms of our market share and in terms of growth.

Coalition repair across India, the growth has not been there for the last 2 years because of the volume degrowth in new vehicle sales, insurance companies were extremely careful in terms of approving claims and things of that sort. So the collision repair as a volume was flattish, though ASP went up.

So that is where it is. This year, going forward, we see, one, in terms of both growth of volume of businesses that have happened over the last 6, 7 months, we see running repair going up, periodic maintenance services going up and free service is going up. Coalition repair, we are trying to inbuild various schemes into the organization and also identifying various segments where we can concentrate on. We'll see about -- probably about 2% to 3% growth in terms of number of vehicles, but in terms of revenue terms, it should be higher, probably about 15% to 16%.

**Moderator:** Next question is from the line of Rushikesh from RB Investments.

**Rushikesh:** My questions have been answered and all the best.

**Moderator:** Next question is from the line of Lokhan Devia, an Individual Investor.

**Lokhan Devia:** Sir, can you hear me?

- Raj Narayan:** Yes, we can.
- Lokhan Devia:** I only had 1 question. Sir, in terms of the acquisitions that we made, what is it that we need to do beyond accounting entries to make them profitable next year?
- Abraham Mammen:** Sorry, we didn't get your question. Could you just repeat that, please?
- Lokhan Devia:** So I'm asking that we've done 3 acquisitions, which we are trying to make them profitable. So my question is, what is it that we need to do, drive more volumes or rationalize cost or what is it that we need to do to make those acquisitions profitable?
- Abraham Mammen:** Go ahead Naveen.
- Naveen Philip:** Go ahead Abraham.
- Abraham Mammen:** So basically, it's a combination of different things that we really need to look at. So the business, the acquisitions that we had done at that time for the last couple of years, like Telangana, the volumes have actually dropped significantly both from a sales and a service perspective. As we mentioned earlier, there has been quite some ramp-up in terms of volumes that we've done over the last 6 months and Telangana operations.
- In terms of services also there, we've actually picked up in terms of volume. But having said that, are we on full utilization of the capacity? There is progress that we can still do in terms of the volumes and also in terms of the operational efficiencies that can bring about. Similarly, in terms of Globe, things have improved from the time we took over in the month of August till what we are at end of March.
- We are expecting both of them to become profitable towards the second half of the current year. So it's a combination of different things that we will really need to look at holistically and we should take necessary corrections and some of them are also in progress, that's from my side, Naveen.
- Naveen Philip:** Yes. Just to add to it, in terms of the -- I'll go by acquisition by acquisition, starting with the smaller ones, Bharat Benz should already be profitable in Punjab in this year, in fact in Q4, also it was profitable. In Telangana and Andhra, if you look at the Audi business, with the commitments from Audi in terms of vehicle supply, etcetera, we're hoping that this year, we will be breakeven in terms of the Audi business. And in terms of the Telangana, Andhra, passenger car, that is the Maruti business, we are looking at operationally being profitable. In terms of the IndAS effect, there will be a negative thing. But operationally, we'll be profitable by the end of this year.
- Moderator:** Next question is from the line of Preet Pitani from InCred AMC.
- Preet Pitani:** I just have 1 last question. All stand-alone as well as consol. basis, already been 2 months over the first quarter, do we see profitability improving from Q1 or will it be in second half of the year or something like that?

- Naveen Philip:** The profitability improvement from Q2. Q1 we'll still have one, there has been supply constraints from both JLR and Maruti side. We're hoping May, June -- May, we have started increasing supplies, June hopefully, plus there's some bit of concern in terms of how the petrol prices the effect would happen in June, et cetera. But from Q2 will be profitable.
- Preet Pitani:** On PAT level in terms of both standalone as well as consolidated?
- Naveen Philip:** Yes, Yes.
- Preet Pitani:** Sure. And in Q1, are we service growth as we expected -- or is there still some kind of headwind in terms of volumes as well as ASP?
- Naveen Philip:** I didn't quite get you Preet, can you just repeat?
- Preet Pitani:** In terms of service volume, we have seen last year degrowth, but we maintain a positive start and positive growth for this year. So have you seen that in quarter 1 or service volumes are also delayed on growth on from Q2?
- Naveen Philip:** On service volumes are getting back on track. So Q1 to Q1, we should see a growth.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference back to Mr. Naveen Philip for closing comments.
- Naveen Philip:** Thank you, everyone, for joining us today & for your continued interest in Popular Vehicles and Services Limited. To summarize, FY '26 was a year in which we took several important steps to strengthen the business. We improved scale and expanded our geographic presence, added new growth platforms and sharpened our focus on operating discipline and higher margin revenue streams.
- We believe these initiatives position us well for the next phase of growth. Our long-term priorities remain unchanged - profitable growth, better operating efficiencies, stronger return ratios and sustained value creation for our stakeholders. We hope we have been able to address your questions. For any further queries, please feel free to reach out to SGA, our Investor Relations advisors. Thank you once again and have a good day. Thank you.
- Moderator:** Thank you very much. On behalf of Popular Vehicles and Services Limited that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.