

# Popular Vehicles & Services

Popular Vehicles and Services  
Ltd

Kuttukaran Center  
Mamangalam, Kochi 682025  
T 0484 2341134, 2340143  
[www.popularmaruti.com](http://www.popularmaruti.com)  
Email: [cs@popularv.com](mailto:cs@popularv.com)  
CIN U50102KL1983PLC003741  
KERALA - GSTIN 32AABCP3805G12W  
TAMIL NADU- GSTIN  
33AABCP3805G1ZU

Date: 04<sup>th</sup> June, 2024

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

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

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

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

Dear Sir/Madam,

**Sub: Transcript of the Investor Conference Call- Audited Financial Results for the quarter  
and year ended March 31, 2024**

**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 24<sup>th</sup> May, 2024, and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Investor Call held on Wednesday, 29<sup>th</sup> May 2024 on the Audited Financial Results for the quarter and financial year ended 31<sup>st</sup> March 2024 is enclosed herewith.

The same is available on the Company’s website at [www.popularmaruti.com](http://www.popularmaruti.com).

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**



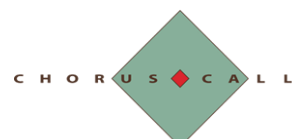
**Popular** Vehicles & Services

“Popular Vehicles and Services Limited  
Q4 & FY24 Earnings Conference Call”

May 29, 2024

Popular Vehicles & Services

**CENTRUM**



**MANAGEMENT:** **MR. NAVEEN PHILIP - MANAGING DIRECTOR –  
POPULAR VEHICLES AND SERVICES LIMITED  
MR. RAJ NARAYAN - CHIEF EXECUTIVE OFFICER –  
POPULAR VEHICLES AND SERVICES LIMITED  
MR. JOHN VERGHESE - GROUP CHIEF FINANCIAL  
OFFICER – POPULAR VEHICLES AND SERVICES  
LIMITED  
MR. BIJU THOMAS - CHIEF EXECUTIVE OFFICER -  
VISION MOTORS PRIVATE LIMITED**

**MODERATOR:** **MR. SHIRISH PARDESHI - CENTRUM BROKING  
LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to Popular Vehicles and Services Limited Q4 and FY24 Earnings Conference Call hosted by Centrum Broking Limited. 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 date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 the conference call, please signal an operator by pressing star then zero on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Shirish Pardeshi from Centrum Broking Limited. Thank you and over to you Mr. Pardeshi.

**Shirish Pardeshi:** Thank you Renju. Good afternoon all and welcome on behalf of Centrum Broking, I welcome you all. This call is for Popular Vehicles and Services Limited and we will have the discussion around Q4 results and FY24 financial performance.

I am happy to state we have Mr. Naveen Philip, Managing Director from the company, joined by Mr. Raj Narayan, Chief Executive Officer, and Mr. John Verghese who is a Group CFO. We are also lucky to have Mr. Biju Thomas, he is the CEO for Vision Motors Private Limited. Without much delay, I will hand it over to Mr. Naveen Philip. Over to you sir.

**Naveen Philip:** Thank you, Shirish. Good evening, everybody, and a warm welcome to our Q4 and FY24 Earnings Call. As Shirish mentioned, along with me, I have Raj Narayan, CEO of PVSL, the Group CFO, John Verghese and Biju Thomas, the CEO of our subsidiary company, Vision Motors. I take this opportunity to thank all investors who participated in our IPO. Our company got listed on March 19, 2024, on both NSE and BSE. The total size of the IPO was INR601 crores of which primary was INR250 crores.

Of the net proceeds of INR250 crores, we have deployed INR192 crores towards debt reduction for the company as planned in FY24. This will result in interest cost savings for FY25 onwards. As this is the first call, there are few people on the call with whom we will be interacting for the first time.

So I will give a quick overview of the company before moving on to discuss the Q4 and the FY24 performance. So PVSL, Popular Vehicles and Services Limited belongs to the diversified Kuttukaran Group which has been approximately 70 plus years in the automobile industry.

The group entered the automobile industry during 1939-1940 with the commencement of automobile spare parts and accessories business. And this was spread across India. We have since forayed into automobile dealership business by partnering with various OEMs. The group operates as a multi-brand automobile dealership in Tamil Nadu, Karnataka, Kerala and recently we have forayed into Maharashtra. The group was founded by Sri K.P. Paul and PVSL Popular Vehicles became the first Maruti dealer in 1984, the first set of dealers that were appointed by

Maruti across the country. A little bit about PVSL. One is a diversified automobile dealership company with a fully integrated business model.

We are present across the retail value chain that caters to the complete life cycle of vehicle ownership. So new cars, service, used cars, finance, insurance, distributing spare parts, facilitating the exchange, and operating driving schools. Presence across the value chain helps us in terms of serving the customers better and also increasing the database of customers and ensuring customer stickiness and strong brand recall.

In terms of segment presence, we are present across the spectrum of automobiles from PVs to CVs to 2-wheelers and 3-wheelers. In 2 and 3-wheelers, we are currently present only in the EV category with Ather and Piaggio. As of today, in terms of revenue split, PV which includes the luxury segment which we handle JLRs, contributes about 60% of the revenues of the company and 35% comes from commercial vehicles which are represented by Tata Motors and Bharat Benz.

In terms of OEMs, we have a long-standing presence and partnership. As I mentioned before, our relationship with Maruti started in 1984, so it's 40 years plus with Maruti. And each of the other OEMs, that is Tata Motors, Honda, JLR, Bharat Benz, we have a long-standing relationship.

We commenced our JLR dealership in Karnataka in 2010 under the Marqland brand, Honda in 2008 under the Vision brand. In CV segment, we are with Tata Motors from 1997 and cater to the entire range of commercial vehicles offered by them both in Kerala and Tamil Nadu. Our Bharat Benz dealership is operated under the Prabal Trucking name and is operating in both Tamil Nadu and Maharashtra.

We just entered Maharashtra in Feb 23. We have expanded our product portfolio to electric 2 and 3-wheelers with Ather and Piaggio. Our Ather and Piaggio dealerships are operated under the ECOMARQ brand and cater to a wide range of electric 3-wheelers and 2-wheelers.

And in Ather, we are present in both Tamil Nadu and Kerala again. So for all OEMs, we have a well-defined corporate structure and brand in place with a separate business head in terms of COO or CEO. In terms of geographic presence, we are present in Tamil Nadu, Kerala, and Karnataka and recently we have moved into Maharashtra.

In Karnataka, we have the JLR dealership, and we are expanding our basket there. And we also have the spare parts distribution of JCB and Maruti and Tata passenger cars. We have also made inroads into the western region with Bharat Benz as I mentioned in Maharashtra in the Vidarbha and the Marathwada region, headquartered out of Nagpur and Aurangabad.

So this increases our non-Kerala revenues. So in FY21, approximately 26% of our revenues were from outside of Kerala. In FY24, we are close to 40% outside of Kerala. And we look to keep diversifying this in the coming years. In terms of network, over the years, the company has built an expansive sales, service, true value and used car network across the chosen territory. Excluding service centers, as on 31st March '24, we have 8 Nexa, 9 Arena and 3 commercial

vehicle showrooms for Maruti Suzuki, 8 Honda showrooms, 2 JLR showrooms, 13 Tata commercial vehicle showrooms, 8 Bharat Benz showrooms, 6 Piaggio and 3 Ather dealerships.

To give you a more holistic view, we have 61 showrooms and 142 service centers. Other than this, we have 32 pre-owned car outlets, 44 retail outlets and 24 warehouses for our spare distribution business. And smaller outlets in terms of sales, approximately 129. In total, we stretch across more than 400 plus outlets over the 4 states. Coming to our business model, we are unique in the sense that we are present across the retail value chain as I explained earlier. The integrated business model benefits from the inherent synergies arising out of our business verticals.

And also diversify our income streams and contribute to higher profitability margins at our dealerships and less cyclical. We have divided our business into 4 verticals. The new vehicle sales business, along with the OEMs, is a very important piece as it enables us to drive business for our other verticals.

It is important from the integrated business perspective and the high-volume business. The pre-owned car business, where we deal in exchange, acquisition, and sale of pre-owned passenger cars across our vehicle dealerships. This is a decent volume and a reasonable margin business. This vertical helps in having brand recall and brand presence. And also in terms of boosting the new car market other than the aftermarket business.

Coming to the third piece, which is our confluence piece, which is services and repairs. This is under each of our dealerships, which includes work undertaken during warranty period, outside warranty period, paid by the customer, running repairs and collision repair services or Bodyshop services. We offer end-to-end services through our authorized service center that contribute to higher margin revenues and helps mitigate the cyclical that has in the past impacted some elements of the automobile sector.

We also try to liberate the linkages between our showrooms, sales outlets, booking offices and authorized service centers to retain customers and have customer stickiness. So to give you some sense, we have serviced 26 vehicles for each vehicle sold by us in FY'24. This vertical contributes approximately 15% of our top line and in terms of EBITDA, the contribution is over 50%.

In services, it's collision and repairs, that's the Bodyshop business, that contributes to a larger chunk of the margin. Our service to Bodyshop ratio stands at 11.5% for FY'24. Here again, we are doing a lot of work in terms of increasing our revenue or wallet share, which eventually lead to growth in overall profitability and better returns.

Just to wrap up this business, I would like to mention that we are ranked number 1 by Maruti Suzuki, number 3 by JLR and Tata Motors commercial vehicles and Honda in terms of all India service market share in terms of the service volumes that we do.

The fourth vertical is the spare parts distribution. This is another business in which is a high delta business. Here we have strong relationship with Maruti Suzuki, Tata Motors, both

passenger vehicles and commercial vehicles, Ashok Leyland and JCB. This business is operated through our wholly owned subsidiary, Popular Auto Dealers Limited, where we have a presence in Kerala and Karnataka market.

It's a high SKU business, which we maintained across through 68 touch points comprising of two multi-brand pre-owned vehicles, which is under the brand name Kartrenz, 43 retail outlets and 24 warehouses across these two states. Currently, we have 3,200 customers, which are basically independent workshops, authorized service centers and vehicle dealers.

For FY'24, both services and spares and spare parts distribution did exceedingly well. We expect to grow this business with financial prudence in the years to come, leading to margin expansion. As part of our bouquet of offerings, we also facilitate the sale of various third-party finance and insurance products in relation to the vehicles sold by us and also when the vehicles come for service, extended warranty, and maintenance contracts, as well as replacement and aftermarket services.

Growth over the years. Organically, we have added six plus showrooms for passenger vehicles, eight plus showrooms for CVs and 10 plus showrooms for two and three-wheeler in the last three years. Here it's very simple. We identified underserved locations, worked with OEMs closely and then set up new outlets and grow the business there on.

Coming to inorganic growth. As part of a strategic plan to expand our business into both into other states and in other OEMs, we acquired the entire operations of dealerships through a slump sale concept. We have acquired across all four states and such acquisitions were made considering the consequent geographic and dealership addition to our business operations. For such acquisitions, we carry on the business under our own brand name. We have successfully been able to integrate the business acquired through the strategic acquisitions.

Way forward strategy. We have laid out a clear roadmap in terms of our priorities and to scale up our business and have a sustainable growth with improving profitability trajectory. First is diversification in terms of revenue stream, OEM share and product offerings. In terms of derisking our revenue, we have achieved success to some extent by bringing down our revenue from a particular state, that's Kerala, from a share of 74% in FY'21 to 60-odd percent in FY'24. And we further expect to bring this to sub-50% levels over the next two years.

This is on the back of adding new touch points in North Kerala markets and like the one that we acquired recently of Bharat Benz in Maharashtra. We are also looking to acquire dealerships with other OEMs, thereby increasing the brand profile of existing portfolio in the highly concentrated or growing demographic areas as such. We will strategically diversify existing product offerings by introducing new additional brands or expand existing dealerships of the existing OEMs in relevant segments.

Other areas in terms of our focus on the high margin business which is the share of automotive distribution business and tightly monitoring our finance and inventory levels. And the second is increase of sale of services and repair business by creating a database through the sale of insurance, financial products and contacting customers on a regular basis. We intend to add

incremental service base and additional authorized service vendors in the markets in which we operate to cater to additional customers and enhance our high margin service and repairs revenue.

We also use our database and analytics to track vehicle owners' maintenance record and provide advance notice to them when their vehicles are due for periodic service and other services as such. We continue to train our service personnel to establish relationships with service clients to promote long-term business relationships. And in this aspect, we have one of the highest retentions across brands in terms of greater than five-year customers.

Improved product mix by a combination of sale of luxury and premium vehicles thereby benefiting from a higher ASP and sale of after sales services. With this, the company is hoping to improve its current operating margin, EBITDA margins from 5% levels to 5.5% in the next two years.

The last point in this aspect is further deepening our presence both geographic wise and customer wise. Geographic wise, we'll keep looking for opportunities both organic and inorganic. Inorganic, we look for taking over businesses of dealers with the consent of OEMs. Organic, we look for open opportunities by OEMs in newer states and locations setting up new showrooms and outlets. For customer penetration, we are enhancing our digital and online presence and creating awareness and making it more user friendly and informative.

Looking forward we shall continue to deliver a strong performance geared towards profitable growth. However, it is important to note that there will be several factors beyond our control that can affect our performance such as availability of vehicles, weather conditions, the recent floods that happened in Chennai and some in Kerala that can sometimes disrupt operations and models not doing well in end markets. To mitigate this, we are focused on creating a wide and well diversified portfolio and also focusing on the high margin business.

With this, I would like to hand over the call to John Verghese who will update you on the financial performance for the quarter 4 and for the year. Thank you.

**John Verghese:**

Good afternoon, everyone. So I will take you through the Q4 as well as the full year's performance of both operational and financial. To start off with Q4, the operational performance. As mentioned by Naveen, we have got four major verticals. The new vehicle business, the pre-owned cars, the service and then the spare parts distribution.

So the new vehicle business, the company sold about 11,000 plus vehicles as against 12,000 in the similar period of the previous year which translates to about a 10% degrowth year-on-year, whereas the total income from this was about INR1,000 crores which is about 1% higher than the last year's quarter of INR990 crores. We have seen an upward trend in the average selling price thanks to the premiumization.

So hence the ASP has increased from around 8 lakhs per vehicle to 9 lakhs per vehicle. Moving on to the pre-owned business. So the company sold about 2,400 odd pre-owned vehicles against 2,600 in the similar quarter previous year which again translates to about a 7% degrowth year-

on-year. However the total income from pre-owned vehicles was around INR80 crores which is about 3% higher than the INR77 crores that we clocked in Q4 of FY23.

Meaning the average selling price here also has increased from about 2,94,000 per vehicle to around 3,26,000 per vehicle. Moving on to the third segment that is the service business which is our focus area. Here you find that the volumes have shown a 5.4% year-on-year growth from a level of about 2,44,000 to 2,57,000 in this quarter.

Total income from vehicle services and repair business stood at around INR225 crores, up by about 21.9% from about INR184 crores in Q4 of last year. Here again the average selling price has increased from around 7,500 per vehicle to about 8,700 per vehicle. The fourth segment that is the spare parts distribution business clocked a total income of about INR66 crores showing a Y-o-Y growth of about 7.4% from about INR61 crores in Q4 of FY23.

This is as far as the operational performance is concerned for Q4, coming to the financial performance of Q4. Due to all the above that I mentioned the total income for the quarter stood at about INR1,372 crores versus INR1,311 crores of Q4 FY23 which translates to about 4.6% Y-o-Y growth. While the growth on top line was 4.6%, the EBITDA however has increased by 20.9% from about INR58.7 crores last year to INR71 crores in this quarter.

The EBITDA margin stands at 5.2% in Q4 of this quarter. The PAT likewise has grown by over 40.3% from a INR14.3 crores of last year quarter to this year's quarter of INR20.1 crores. The PAT margin stands at 1.5%. So if you look at these segments the three major segments as PV, CV, and EV.

The passenger vehicle revenue, there has been an increase of about nearly 4% Y-o-Y from about INR718 crores to INR745 crores. CV is about 3% increase from about INR513 crores to INR528 crores and EV revenue has increased more than 100% from of course a very low base of about INR12 crores to INR23 crores. This is as far as the quarter is concerned and move forward to the full year's performance of FY24 starting again with operational data.

New vehicles is concerned we sold about 46,665 units versus 47,820 units of last year showing a marginal degrowth of about 2.4%. As mentioned by Naveen earlier that if not for some of the OEM's support we would have done better last year. However, in spite of a low volume, the income per se has grown by 15.8% from about INR3,500 crores to INR4,000 crores in the new vehicles segment.

Hence, meaning the average selling price has increased from about 7.5 lakhs to about 8.89 lakhs largely on account of sale of premium vehicles. The pre-owned vehicle segment like here also has been about 9% degrowth against 11,800 of last year. We have degrown to 10,698. The income has shown a marginal degrowth of 0.3% from about INR359 crores last year to about INR358 crores this year. The ASP has increased from over 3 lakhs to 3.34 lakhs.

Coming to the service and repair business the volumes have increased by 10%. From 9.5 lakhs volume we have crossed the 1 million mark. We are at 10.53 lakhs last year as far as volume is concerned. And if you come to the income part of it there has been a 21% growth compared to



last year. From a INR714 crores turnover we have grown up to INR865 crores in this financial year. The average selling price has increased from 7,460 to 8,210 per vehicle.

Spare parts distribution likewise has shown a double-digit growth. They have grown by nearly 14% and their business total income booked is about INR263 crores from a level of INR231 crores in FY23. Moving on to the financial performance as mentioned at the start of FY24 we expected a higher growth.

However, due to unforeseen events in H2 which was beyond our control which hampered the growth trajectory. We faced multiple external challenges such as the floods in Tamil Nadu in December 2023 and non-availability of cars of one of our OEMs in Q4. If not for this, we would have ended up in FY24 with much better revenue and profitability growth.

Coming to the total revenue, the total income for FY24 stood at INR5,646.7 crores against FY23's INR4,892.6 crores, which is basically a 15.4% growth compared to previous year. EBITDA has shown a 21.8% growth from a INR234.8 crores to INR286 crores. The margin stands at 5.1% for the current year. PAT shows an 18.7% growth from a INR64.1 crores to INR76.1 crores. The margin stands at 1.3%.

Please do note that this PAT also includes an exceptional income of INR1.6 crores. Basically, there was a sale of some land which was acquired by the government. So that income of INR1.6 crores is included in this PAT which we have mentioned. Segment-wise if you look at it, passenger vehicle revenue grew by 9.7% from INR3,000 crores to about INR3,300. Commercial vehicle grew by 24% from 1,500 to about 1,900 and EV revenue grew by 51% from about INR56 crores to INR85 crores.

Moving on to the balance sheet. Typically, our working capital requirement is about 10% to 15% of our revenue. In terms of number of days, we normally typically keep a working capital of 40 days to 50 days which includes a one-month inventory on an average basis. The ROCE is about 17.7%. ROE is 11.6%. ROA is 3.9%. The interest coverage ratio is two times. Debt to equity ratio is 0.7x. Net debt to equity is 0.6x and net debt to EBITDA is 1.3x.

The cash we generated from operating activities is approximately INR80 crores. Other updates we are pleased to inform that the Board of Directors has recommended a final dividend of INR0.50 paisa per equity share of face value of 2 which is subject to approval at the ensuing AGM. The IPO proceeds of INR250 crores that we had taken primary issue out of which INR192 crores already has been deployed for debt reduction via repayment or prepayment in full or part of borrowings availed by our company and also certain of our subsidiaries. And the company will see benefits of financing cost savings in coming years.

Credit rating, I would like to mention that the flagship company Popular Vehicles have got upgraded to 'A' category from 'BBB+' whereas two of our subsidiaries also likewise have gone from the 'B' category to the 'A' category. We had a network expansion at Prabal Motors, one of our subsidiaries in the Bharat Benz dealership. This is 100% subsidiary of Popular Vehicles. So they inaugurated a 3S facility exclusively offering Bharat Benz vehicles in east of Nagpur in the state of Maharashtra.

This is the fifth touchpoint in the state expanding our non-Kerala footprints. Last but not least, it has been our great pride I want to share that for the fifth consecutive year the company's owned subsidiary, fully owned subsidiary that is Popular Auto works that is the JLR dealership and Vision Motors which is the Honda dealership received the Great Place to Work certification. This is the fifth year in a row which shows that organization is committed to excellence. That's all from my side. Now it's open to Q&A.

**Moderator:** Thank you. We will now begin the question-and-answer session. The first question comes from the line of Chirag Fialoke with RatnaTraya Capital. Please go ahead.

**Chirag Fialoke:** Hi, good afternoon. Thank you so much for the opportunity. I had a couple of basic clarification questions given it is a first call. Please bear with me. Just a couple of bookkeeping questions. First could you highlight for us the years free IndAS or IndAS adjusted EBITDA for the overall company as well as just the services business? Will that be possible to highlight?

**John Verghese:** Basically because of IndAS the profits have reduced by nearly about INR18 crores due to IndAS effect but the portion of IndAS effect has gone to interest and depreciation. I will just give you the figures in just a moment. While I take the figures out you can ask the next question.

**Chirag Fialoke:** Perfect. Those figures, I actually just want the EBITDA after the IndAS so basically subtracting the real rent for both the overall business and the services business only if that's possible. That's the first question. The second question I had was on the gross profit for new cars. Approximately, could you share that number with us typically for the new car business on the ASP level what gross profit would we make when we sell a new car?

**John Verghese:** When we sell a new car, we typically get about 8% gross profit. And coming back to your earlier question on the IndAS effect there's a lease rental of about INR76 crores that has gone below the EBITDA but having said that as I mentioned earlier the PAT has reduced by INR18 crores due to IndAS effect.

**Chirag Fialoke:** Understood. Below the EBITDA there is a lease rental of INR76 crores for the year?

**John Verghese:** That's right.

**Chirag Fialoke:** And what proportion of this lease rental would be for the services business? Is it possible to carve that out?

**John Verghese:** Which business?

**Naveen Philip:** Services business. We'll have to get back to you with the numbers. We'll send it across to Shirish and probably they can share.

**Chirag Fialoke:** Alright, perfect. No worries, sir. The third question I had, and I'll get back in queue after that is the distribution of spare parts business? There whatever spare parts are used in services; how do we record the revenue for that? Could you just explain that? That would be very helpful?

**Naveen Philip:** I didn't quite catch that. You want to know how do we record our revenues for spare parts distribution business?

**Chirag Fialoke:** Yes, the spare parts distribution business but I'm specifically talking about the spare parts that get used in our own Bodyshops, in our own service centers?

**Naveen Philip:** Oh, no. So these are two different setups completely. So, if you look at each of our dealerships. So be it a Maruti dealership, Honda dealership or Jaguar Land Rover dealership, they directly source spare parts from the OEM that's Maruti, Honda etc and that's consumed within the workshop on specific cars. So, the margins of that on an average is around 18% gross margins in terms of spare parts within the workshops.

The spares distribution business is a completely different business. It's run by one of our subsidiaries which is called Popular Auto Dealers Private Limited. The way that is they source the spare parts from the OEMs, but they distribute to independent workshops, retailers and sometimes to a few dealers who need a spare part in particular or whatever that is but the bulk of it is to independent retailers and to independent workshops. that's non-authorized service centers and Maruti authorized service centers or Tata authorized service centers, etc. So, there the distribution model is different from consumption, within our own workshops.

**Chirag Fialoke:** Understood. So within the workshop the spare parts are used that's completely separate from that vertical?

**Naveen Philip:** That's completely separate. So that inventory holding within the company all that is completely different from our spares distribution business. There's no overlap there.

**Chirag Fialoke:** Understood, sir. I'll come back in line. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Raghunandhan NL from Nuvama Research. Please go ahead.

**Raghunandhan NL:** Thank you team for the opportunity. Thank you, Naveen, and John sir, for comprehensive opening remarks. Sir firstly in FY24 Kerala market conditions were muted. Are you expecting an improvement in FY25? Can you talk a bit about the catalysts which should help an improvement? Also if you can talk a little bit about market share gains for Popular across various dealerships in Kerala?

**Naveen Philip:** Okay. So in terms of FY24 yes Kerala market was not -- so that's happened for the last 2-3 years, but in terms of all primary indicators that we've been speaking to banks, financial institutions and other related like real estate, etc we're hoping for a recovery from this year and going forward. So about 5% to 6% recovery this year and going forward as such. So we're hoping that the market would be up.

In terms of market share Maruti which has gained market share year on year and currently the Kerala market share is looking at around 51% for Maruti in Kerala specifically.

- Raghunandhan NL:** And what would be your market share in the regions you operate? Are you gaining market share there?
- Naveen Philip:** Yes. So we are more or less in the same market. So, we are approximately between 25-26% in terms of the Maruti market share. In terms of Honda, we are on approximately 33% and the other markets in Tata Motors commercial vehicles in Kerala, we are approximately 77% as such. So we are not number one in terms of sales market share in either in Kerala or Chennai. We are number two players but in terms of service we are number one, in terms of Bodyshop also we are number one but in terms of Honda and Tata commercial vehicles and Bharat Benz and JLR in the markets that we operate we are number one in both sales and service.
- Raghunandhan NL:** Thank you for that. And for Maruti and Tata commercial vehicle for FY24, would you be able to share the vehicle sales and service volume?
- John Verghese:** Sure. Just give me a minute.
- Raj Narayan:** So for Maruti, the total sales in FY'24 is 29,334. And for Tata commercial vehicle, it is 8,762.
- Raghunandhan NL:** Got it. And service volume?
- Raj Narayan:** Service volume for Maruti, it is 7,32,000. And for Tata, it is 1,56,690.
- Raghunandhan NL:** Got it. And when you gave the sales number, would it include the pre-owned sales also or only the new one?
- Naveen Philip:** No. pre-owned is another 10,000-odd numbers.
- Raghunandhan NL:** Got it, sir. And one of the biggest enablers of growth is the network expansion. FY'24 that way has not been as aggressive as we were in the past. But how do you see FY'25 and '26 in terms of sales and service network expansion? Any targets you can share?
- Raj Narayan:** So as per the current plans and based on the work in progress and everything that's happening, we will have three showrooms, five smaller sales outlets, three pre-owned car showrooms, 16 service centers, four retail outlets for the spares distribution. So that's the plan. Totally about 31.
- John Verghese:** This is excluding the inorganic. This is only the organic growth which we have planned for. Inorganic, as and when it happens, will be added to this.
- Moderator:** Thank you. The next question is from the line of Nilesh Doshi from Prospero Tree Financial Services. Please go ahead.
- Nilesh Doshi:** Thanks for the opportunity. Thank you to the management for the detailed opening remarks. It was very informative. Sir, my first question is regarding the Popular growth versus the OEM growth. Say, if the Maruti is growing by 8%, whether the Popular is matching that growth rate or are we performing below or above the growth of the OEM?

**Naveen Philip:** So market to market, it varies. And in terms of brand, so in terms of Maruti, if you look at last year in Kerala, we were approximately 1% lower than the OEM growth per se in terms of sales. But in terms of service, there is no OEM growth. But overall, in terms of service growth, we were higher than all the rest.

If you look at Honda, approximately the same numbers. We have been holding on to our market share. So it seems in terms of growth and in terms with the OEM, it is a similar thing. Again, in service, we are growing it faster than all other dealers. In Tata Motors, since there was an appointment of about three or four smaller dealers last year, financial year, our growth vis-à-vis the OEM growth has been lower. But in terms of market share, we are more or less maintained. We were at around 80%. We are now around 76%-77%. So this is in Kerala.

In Chennai, if you look at it, in terms of both OEM growth and our growth, it is approximately the same for all the brands that we operate. In JLR, we are at a higher growth than the OEM growth in Karnataka per se. And in Bharat Benz, there is no correct measure to do it. But we are at a higher growth in Maharashtra than the OEM growth in Maharashtra.

**John Verghese:** But more importantly, as mentioned earlier, our focus is on service. And that is where our growth, our expansion, as just now Raj mentioned, about our expansion plans next year and even the past also, our focus is on expanding the service pie of it where the profitability is better, and which increases our returns on capital employed.

**Nilesh Doshi:** So if the service is the higher margin business, what is the exact strategy company is employing to grow the service and spare part business?

**Raj Narayan:** There are a couple of initiatives. Within service also, service contributes in excess of 50% of our total EBITDA. But within that, 76% is contributed by the collision repair, which is the body repair, dent, paint, etc. So a couple of initiatives that we have taken on ground is one, vehicles that is coming for running repairs as well as the regular periodic maintenance, how do we convert them into Bodyshop?

If there is some small scratch, dent, etc, we have a personalized video messaging system where we will show that to the customer and the service that they are engaged. So we track workshop-wise service to body shop conversion. It used to be about 6.5%-7% say about two years back. Last year, it is at about 11.5%. So that is one metric that we track.

Second thing, we have about closer to 10,000 employees across the group, across brands. So in every district, we have a WhatsApp group. So there is an employee referral. So every day, employee referrals come in. And for the Maruti business, if I may talk about it, in a month average 3,000 numbers comes in through this reference.

Then, the other thing, we also have field executors who kind of focus on tie-ups with the police stations, insurance companies, small retailers, or shopkeepers in heavily accident-prone areas so that we get the first call. So those are some of the strategies on ground to take the Bodyshop revenues up.

In terms of the regular PMS, we have a call center, which does service marketing, reminding the customer before the due date and getting him. And we also have specialized packages like monsoon package, beat the heat during summer, which is a mix of AC and a few other things. The monsoon package is in terms of wiper, brakes, etc. So such packages are there, and we market it properly for increasing the customers to come in.

**Nilesh Doshi:** So does it mean that suppose the automobile industry is growing by 7% to 8%, our spare part business will grow by more?

**John Verghese:** Yes, in fact, it is reflected in the performance of FY'24 itself. As mentioned earlier, sales volume had actually degrown. In spite of that, because of service and the focus that we are giving on service, we were able to show much better profits, not only profits, the profitability. The EBITDA margins have improved. So also in all other aspects, we are much better than what we were in FY'23, thanks to the service business which has been sustained.

**Moderator:** Thank you, Mr. Doshi.

**John Verghese:** And moving forward also, this will be a strategy as mentioned by Raj earlier. This year in FY'24, about seven or eight service centres were established organically. Next year, our plan is 16, nearly double of what we did this year. So that is where our focus will be. And in fact, the EBITDA margins have been improving year-on-year on service. Today, as we speak, the EBITDA on service is about 19%, which about three or four years back, it was about nearly 12% or 13%.

We have another ratio as we mentioned to you earlier. We have a metric called service to sales ratio. Normally, typically, all the big dealerships, they have the service to sales ratio about 11 or 12, servicing done for every vehicle sold. Here, for us, it's more than 20. In fact, we are 26, which was maybe 20 about two years back and much lower, 14 or 15 maybe three or four years back. That's the focus we are getting on service to improve our -- to have a healthy growth.

In fact, more importantly as mentioned, in Maruti, we are number 1 as far as service is concerned. Number 1 in the country as far as number of vehicles that we have serviced. Obviously, when you are number 1 in Maruti, means you are number 1 in India because Maruti being the biggest OEM in the passenger industry.

**Moderator:** Thank you. Mr. Doshi, we request you to come back in the question queue for any follow-up questions. The next question is from the line of Shirish Pardeshi from Centrum Broking Limited. Please go ahead.

**Shirish Pardeshi:** Yes, thank you. Naveen, just two quick questions. Could you spend a minute or two saying what's the progress made in Arena in Bangalore? And my second question is that if you can spell out how last 45-50 days have spanned out in specifically KLI and South Market?

**Naveen Philip:** So, Arena in Bangalore, we have completed most of the work. So there's some pending amount of work. Hopefully by mid-June or end-June, we should be able to probably focus on, I mean,

kick it off. That's the target that we have kept internally. In terms of the South Market per se so I'll go OEM-wise. So Maruti as an OEM in terms of the Nexa numbers are still strong.

Arena numbers, we are finding it in terms of overall growth has not been to the expectation that is there also because of the changeover of the model of SWIFT and that has just been launched. So we're hoping that end-June we'll have a reflection of the new SWIFT and the numbers associated with that and hence more walk-ins into the showroom. But it's been muted in terms of April and May in terms of Arena.

Nexa has been holding good as compared to last year. In terms of Honda, April was not good, but May and June look the similar numbers as what we are averaging the previous year. JLR, last quarter, as I think John had mentioned earlier, JLR in Karnataka the last quarter was not very strong because there was a short supply of some of the CPU units.

Those supplies have started coming in and I think all of you would have read in the papers also that on Jan 24th, JLR has started producing Range Rover and Range Rover Sport within India and there's been a price drop of those vehicles. So the inquiries that are flowing in are very strong. Range Rover Sport supplies would only start by August.

Range Rover supplies have already started so we're hoping those numbers will ramp up and also whatever was a shortfall in Q4 of last year will be made up over Q1 and Q2 of this year. The commercial vehicle, Bharat Benz both in Maharashtra and Tamil Nadu we've been holding on to our numbers. What we've seen, what we've given as guidance in the past still holds good so both April and May we'll be meeting those numbers.

Tata Motors the tipper segment, both in Kerala and Tamil Nadu has been a bit muted but overall numbers remain the same because of the offtake of the education institutions in terms of school buses in all these markets. So numbers per se, there wouldn't be too much of a difference but in terms of the mix of numbers there's a difference. Ather, if I look at it in two wheelers, Ather, there's been a change of model and also because of the FAME in terms of uncertainty the numbers in April and May are far lower than what the numbers were in Jan, Feb, March.

But with the new launch that they're launching in terms of Rizta, the vehicle that it'll come into supply from this month onwards, that's in June onwards the numbers should pick up quite drastically. Piaggio last year was also underperforming in terms of numbers because of the FAME issues. This year also there's no pickup of the EVs of Piaggio as such. It'll still remain muted but that doesn't add too much of a turnover to us, so not very significant per se. So this is the overall scenario.

**Shirish Pardeshi:**

That's really helpful. One last follow-up. As compared to Jan, Feb, March or maybe particularly Jan, Feb how the discounting is panning out in the last 30, 40 days? Has the intensity gone up or maybe it can pick up?

**Naveen Philip:**

No, there's no major change. It remains at the same levels as such.

**Shirish Pardeshi:**

Okay. All right. Thank you.

**Moderator:** Thank you. The next question is from the line of Pranay Roop Chatterjee from Burman Capital. Please go ahead.

**Pranay Roop Chatterjee:** Hi. Thanks. I have only one question and it relates to Honda. So Honda Elevate has sort of not been able to counter the drop in Amaze city sales since some of the key models were discontinued in April last year. So hence in FY '24 also, we did not see a growth number. In April and May also, it's probably flat to a slight decline in terms of retail sales in Honda.

And this is despite a lower base in last year, April and May. So I'm just trying to think in terms of new Honda sales per outlet basis taking out the impact of new outlet additions. In terms of same-store sales when you see improved positive growth from Honda again, is it fair to say that might only happen after the new Amaze is launched in the coming festive season? Or is there any other trigger before that?

**Naveen Philip:** No. We also don't see too many triggers to that. In terms of Elevate, if you look at the numbers that were slower in the past it's also because there was a mismatch in terms of supply of models. So Elevate, approximately 70% of all enquiries and sales are happening in the automatic transmission. And initial supplies have skewed towards the manual transmission. Over the last three months they've been able to correct this in terms of the mismatch of the transmission thing.

So overall, Elevate numbers should see some uptick over the next two, three months. But as you correctly said, same-store sales picking up to a much larger extent will happen only post the new Amaze comes in.

**Pranay Roop Chatterjee:** That's it from me. Thank you.

**Moderator:** Thank you. The next question is from the line of Jainam Madrecha from Solidarity Investments Managers. Please go ahead.

**Jainam Madrecha:** Hello. Thank you for giving me the opportunity. So my question is on the service side. Like when you say that you have a 22x service to new car sales. So given the fact that we are catering more towards the mass segment, so like are we acquiring customers from other dealers for the service market? Is it something like that?

**Raj Narayan:** Yes, we do. We get, one is in terms of retaining our own customers. The second is, like I said earlier, when I was talking about how we build the body shop revenue, we were talking about employee referrals. So all those body shop vehicles that come to us would have been sold by anybody. But once they start an interaction with us, we start selling insurance to them. Then we have their number, details, everything.

So when their service gets due, the regular service, as per the due date, our service marketing team, which is largely we have a call centre with tele callers, they call and get them on board. That's one part. The second thing is also we have a dedicated tele calling desk for insurance renewal, where also we have various sources to collect data. So all that insurance-related closures that we do also will be including car sold by others.



So once we get that interaction, we bring them. That's how we were able to kind of build that service-to-sales ratio that John was talking about some time back to a level of 26, while nationally the big dealers are in the range of 12, 13 or 14.

**John Verghese:** Just to add what Raj mentioned, just to give you some data, last year, FY'24, we did renewals of nearly 2,00,041 number of cases of renewals. If you translate this to the number of vehicles that we sold, even if we add the number of vehicles for the last five years, it is less than 2,41,000. So the point being that we are not only taking renewals from our customers, we are taking renewals from dealership vehicles also.

**Jainam Madrecha:** Okay, understood. My second question would be on the showroom and service-level economics, service centre-level economics. Can you give me some numbers regarding how much does it cost to organically acquire a new showroom and a new service centre and how much revenue do you make from each service centre or a showroom?

**John Verghese:** Okay. So, for example, a new sales showroom organic, if we are to build, it will cost us about INR3.5 crores. Now, the inventory level that is left, that is required -- so each service, sorry, sales centre, typically will sell about 150 vehicles per month. So and each, if I were to take Maruti as an example, a vehicle will cost about INR7 lakhs. So INR7 lakhs, 150 vehicles per month, if we take one month's inventory, the inventory would be about INR10 crores.

So INR3.5 crores initial capex plus INR10 crores of inventory would be about INR13.5-, 14 crores of capital employed. That's on one side. When you look at the revenue side, as mentioned -- I think we mentioned earlier that we get -- I mean, last year, we got an EBITDA of about . 2.5% in sales. So the top line, as I mentioned, if you do 150 vehicles at INR7 lakhs per vehicle, for one year, our top line would be about INR100 crores.

So INR100 crores, if you take about 2.5%, it comes to about INR2.5 crores of return on a capital employed of about INR13.5 crores, which translates to about 15% ROC for sales. Now we come to service. Here again, capital employed would be the same range of over INR3.5 crores for a service centre, depending on the size of base and space. But typically, we spend about INR3.5 crores.

Inventory, as far as inventory is concerned, there's hardly any inventory in service. It's only the spares. So that comes to about INR25 lakhs. So typically, capital employed is INR3.25 crores. When it comes to the financials, the P&L, you find that per vehicle, we get about INR6,500 per vehicle. And typically, we do about 800 vehicles per month.

So that translates to annual revenue of about INR6 crores. And as I mentioned earlier, EBITDA that we get from a service is about 19% or 20%. So INR6 crores to 20% comes to about INR1.2 crores, which translates to about a ROC of about 30%. Hope I've answered your question.

**Jainam Madrecha** Understood. Understood. Thank you.

**Moderator:** Thank you. The next question is from the line of Basudeb Banerjee from ICICI Securities. Please go ahead.

- Basudeb Banerjee:** Yes, thanks sir. The last question was quite informative about unit economics. A couple of things. One, both this new Swift coming into ARENA outlet so -- how's the retail demand through that view? Or as per your experience, it's more or less the same largely? Because you are having direct experience from that, so just wanted to know.
- Raj Narayan:** So we've not started selling the cars, new cars, per se. We have not received the stock. We've got one car as a display for every showroom. Even the demo test drive cars have not reached us. But bookings have started.
- Basudeb Banerjee:** Yes, from a booking perspective.
- Raj Narayan:** For us, the bookings in this month will almost double be compared to our last year's monthly average, booking for May. But that's initial. Now once the car comes also, this will continue but it will slowly taper down over the next three, four months' time. But as of now, it's almost doubled.
- Basudeb Banerjee:** Okay, so basically monthly retail...
- Raj Narayan:** To give you a statistic, we sell about, on an average, 270 cars in a month. The bookings in this month should be touching closer to 500, slightly above 500.
- Basudeb Banerjee:** Okay, okay. And second question, sir, like if I look at pan India goods commercial vehicle retail number has been quite flattish or having a negative bias. So how's the Tata Commercial MHCV goods, MHCV volumes standing out under Popular in recent months, weeks?
- Naveen Philip:** I don't know if I've heard your question correctly, Basu but I'm assuming you've said commercial vehicle, medium and heavy commercial vehicle, cargo in terms of numbers that are low in April and May, right?
- Basudeb Banerjee:** No I'm saying that last six months they have been quite flattish or having a negative bias, So April, May how that is now panning out, any green shoots you are seeing or is largely remaining flattish around the same absolute volume where it was in December, Jan, Feb months?
- Naveen Philip:** So when I started the call, I'd mentioned that in terms of commercial vehicle numbers, the numbers have actually been boosted by the bus segment rather than the truck segment and that holds true, and it will hold true for the month of June also I think and partly on to July. In terms of truck numbers picking up we've seen that most election years both state and national election years the numbers get muted especially in national elections the numbers get muted for approximately 5 months to 6 months and that's what we're seeing here also.
- In terms of if you look at the economic growth and in terms of the overall industry, we are hoping that post-June, that is July onward these numbers would start picking up in terms of all the movement, goods movement across. So if you look at all the other numbers that are looking from the other industries it holds good that the truck market will pick up by July or mid-August at least.
- Basudeb Banerjee:** Sure, sir. Thank you.

**Moderator:** Thank you. The next question is from the line of Nilesh Doshi from ProsperoTree Financial Services. Please go ahead.

**Nilesh Doshi:** Thanks for the follow-up opportunity. Sir we have a commercial - we are selling the Tata Motors and Bharat Benz commercial vehicle. Is Popular selling only trucks or everything trucks, light commercial vehicle, bus everything they produce or only for a particular product that we are selling?

**Naveen Philip:** So we are a full-range commercial vehicle dealer. So starting with Ace up to the heavy trucks we sell for Tata commercial vehicles. Similarly for Bharat Benz the entire range of whatever Bharat Benz produces which is from LCVs onwards to M&HCVs.

**Nilesh Doshi:** So Tata Motors are producing the EV also. So do we sell the EV also?

**Naveen Philip:** Are you talking about EV commercial vehicle? Yes. So the EV has come out only in two segments. One is the Ace segment. We have sold approximately, I think about 50 to 60 vehicles so far and in the bus segment the EVs have still not picked up. We have given one for trial to one of the government operators.

**Nilesh Doshi:** And sir, how the higher penetration of the EV for all passenger vehicle as well as the commercial vehicle will affect our service business?

**Naveen Philip:** So going forward if you look at the EV segment, right now the EV segment penetration, commercial vehicles there is hardly any penetration. In the passenger vehicle penetration the EV segment penetration as of now holds at 1%. Going forward, all the analysts including some of you who are on the call, they have given a prediction of by 2030 it will go to about 17%, 18% at the highest point about 20% in terms of EV penetration.

Today, if you look at last year FY24 the total car sales was 4 million cars. And FY30 the prediction will go to about approximately 6 million or 6.5 million or 7 million vehicles. Even if you take 20% out in terms of EV 80% of 7 million is 5.6 million vehicles. So in terms of the scope of the ICE engine or the hybrid engines going forward the numbers that are going to be there and with our multiple of 26 cars for every car sold, there is still a huge scope for service that way.

Having said that, in terms of I think at the beginning of the call in my introductory remarks I had mentioned that approximately 50% of our EBITDA comes from service. And of that more than 70% or closer to 80% comes from collision repairs. And whether it is EV, ICE engine or whatever it is given the road conditions across India, given the driving conditions across India, we are assuming that these and these are not large collisions but small scratches everything. So this would continue. So the more vehicles on the road the more the probability.

**Nilesh Doshi:** And sir being the second largest dealer of the Maruti do we have any better business terms with the Maruti?

- Naveen Philip:** Not specifically in terms of allotment and things of that sort but there are favourable terms in various other aspects in terms of the bargaining power that we have with a lot of ancillary things. Could it be paint, oil, accessories purchase and various other things. So those would definitely help and also with the banking system as such and finance and insurance system.
- Nilesh Doshi:** Do we have any plan to expand the JLR presence from Karnataka to another state?
- Naveen Philip:** Yes, so not just JLR but across the spectrum of OEMs that we handle. We're looking at expansion beyond the geography areas that we're currently present in.
- Nilesh Doshi:** But I'm asking because the JLR is present only in the Karnataka and we are basically from the Kerala, but we don't have a JLR showroom at the Kerala or Tamil Nadu. Do we have any negotiation, or do you think to go for the JLR in these two states?
- Naveen Philip:** So we have kept our options open. We have spoken to them about expansion also in other states. So those dialogues are on.
- Nilesh Doshi:** Thank you sir and all the best.
- Naveen Philip:** Thank you.
- Moderator:** Thank you. The next question is on the line of Jainam Madrecha from Solidarity Investments Managers. Please go ahead.
- Jainam Madrecha:** Thank you for giving me opportunity once again. So my question was I had a follow-up question on my last question. So I wanted to understand like if we are focusing more and more on the service centers, we are trying to increase more service centers, won't OEMs take any actions on this because for them the main business is their new vehicle segment? And if we are not focusing on new showrooms, won't there be any action from their side?
- Naveen Philip:** No, there is no question of not focusing on new car sales. So that focus is also there. What we are trying to say is when we had started the conversation, we had talked about in terms of the new car showrooms we have approximately 61 showrooms, but we have approximately 142 service centers. So in terms of the expansion it is two-fold in terms of service centers. That's what we meant.
- John Verghese:** And just to add on to what Naveen said, it is not, as he mentioned, it is not that we don't focus on sales. What we are saying is the service we do, not only of the service of our vehicle which we sold, we do service of other vehicles which are sold by other dealers. That's how we said we are focusing on service so that, we have a healthy financial.
- Jainam Madrecha:** And is there anything like some number of service centers we need to cover the, let's say, if you are opening a showroom in a new Vihar, how many service centers would be needed to cover the service requirements from those showrooms? Like if any customers buy from that showroom, is there any number of service centers that we need to put up around the showroom to cater to those new demands?

**Naveen Philip:** Yes. So it is not just that if we put up a showroom in, say, Nagpur, if the number of service centers to cater to, for example, if we put up a Maruti showroom in Nagpur, how many service centers are required in and around. We also look at the total population of vehicles that are already there in the system.

So when we open up, it is not just our showroom that we are catering to. We are also looking at the car park that has already been built up over the years and we look at an 8 years to 10-year car park and then decide how many showrooms are required within a range of, say, 10-kilometer to 20-kilometer radius. That is how we look at it.

**Jainam Madrecha:** Okay. Understood.

**John Verghese:** And an example of the inorganic acquisitions that we have taken in the last 2 -3 years. We took over a Maruti dealership in Kerala, which was a well-established dealership for many years. So when we took over, they had plenty of sales showrooms and service centers. We took very limited showrooms, whereas we took, in fact, two showrooms but service centers, we took about 11. We didn't take a few of the sales showrooms. Very consciously, we did that. Similarly, in Maharashtra, when we took over, it was basically one showroom and eight service centers. That's how we strategize.

**Jainam Madrecha:** And when you say that we are like the service, does this include also the pre-owned that you sell? These pre-owned buyers, do they also come for the service to you only?

**Naveen Philip:** Yes. So we also, in pre-owned cars, so we approximately sell about 700 cars to 800 cars of pre-owned. In that, approximately 100 cars and 150 cars, we sell with a POPULAR warranty. So they will come back to us for service anyway. But we are also targeting to ensure that we cover the larger spectrum.

But out of the 700-800 cars that we sell in the pre-owned car segment, approximately 60%-65% would be Maruti and the remaining would be other models. So in terms of capturing the Maruti and in terms of Honda, etc. We capture but some of the other OEMs will not be able to capture service. But the bulk of it, we do.

**Raj Narayan:** The Maruti True Value, just like a new car, we offer free service also initially, three of them. So then our service marketing teams call them, so they come and then the association starts, so that's how we retain them. So even if it is a used car sold, we don't allow them to go and service elsewhere.

**John Verghese:** It's a complete package that we offer. Once you buy a vehicle, whether it's servicing, whether by touchwood, you meet with an accident, the insurance claims with the insurance companies, the renewal of insurance, driving school, selling your car, second-hand car for the pre-owned. So the entire scope, we do. We take care of the entire life cycle of the vehicle that the customer has.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Naveen Philip for closing comments.

**Naveen Philip:** So thank you, everyone, for joining in for our first earnings call as such. I'm looking forward to giving you clarity on all the questions that have been asked in which we probably need numbers to be shared through Shirish or SGA as such. Thanks once again and have a good day.

**Moderator:** Thank you. On behalf of Centrum Broking Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.